

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**METROPOLITAN EDISON COMPANY  
DOCKET NO. R-2016-2537349**

**2016 GENERAL BASE RATE FILING**

**(Volume I of III)**

**FILED: April 28, 2016**



# METROPOLITAN EDISON COMPANY

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**METROPOLITAN EDISON COMPANY**

**EXHIBIT NO. 1**

**Supplement No. 23 to  
Tariff Electric – Pa. P.U.C. No. 52**



**METROPOLITAN EDISON COMPANY**  
**READING, PENNSYLVANIA**

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**Electric Service Tariff**

**Effective in**

**The Territory as Defined on  
Page Nos. 8 - 10 of this Tariff**

**Issued: April 28, 2016**

**Effective: June 27, 2016**

**By: Steven E. Strah, President  
Reading, Pennsylvania**

**NOTICE**

Supplement No. 23 makes changes to Description of Territory, General Rules and Regulations, Rate Schedules, Services and Riders.  
See Twenty-first Revised Page No. 2.

## LIST OF MODIFICATIONS

Description of Territory

Easton Area – Township name has been changed (See First Revised Page 8).

General Rules and Regulations

Definition of Terms – Definitions of Applicant, Customer, and On-Peak Hours language has been changed (See First Revised Pages 12, 14, 15, and 19).

Rule 2 – Deposits language has changed (See First Revised Page 24).

Rule 7 – Wiring, Apparatus and Inspection – Applicant/Customer Obligations language has changed (See First Revised Page 37).

Rule 10 – Meter Reading and Rendering of Bills (9) Power Factor/Kilovar Billing – Language has been changed (See Second Revised Page 45).

Rule 22 – Transfer of Electric Generation Supplier – Language has been changed (See First Revised Page 57).

Rate Schedules

Rate RS – Residential Service Rate – Rates have been increased (See First Revised Pages 58 and 59).

Rate GS – Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate – Rates have been increased (See First Revised Pages 61 and 62).

Rate GS-Small – General Service Secondary Rate – Non Demand Metered – Rates have been increased (See First Revised Pages 63 and 64) and language has changed (See First Revised Pages 63).

Rate GS-Medium – General Service Secondary Rate – Demand Metered – Rates have been increased (See Revised Pages 66 and 69 and language has been changed (See Second Revised Page 66 and First Revised Page 68).



GENERAL RULES AND REGULATIONS

LIST OF MODIFICATIONS

Rate Schedules (Continued)

Rate GS-Large – General Service Secondary Rate – Rates have been increased (See Second Revised Pages 70 and 72 and language has been changed (See Second Revised Pages 70 and 71).

Rate GP – General Service – Primary Rate – Rates have been increased (See Second Revised Pages 74 and 76) and language has been changed (See Second Revised Page 75).

Rate TP – Transmission Power Rate – Rates have been increased (See First Revised Pages 78 and 80 and language has been changed (See First Revised Page 79 and Second Revised Page 81).

Rate MS – Municipal Service Rate – Rates have been increased (See First Revised Pages 82 and 83).

Services

Borderline Service – Rates have been increased (See First Revised Page 84).

Street Lighting Service - Rates have been increased (See First Revised Pages 86, 87, 90, 91, 92, 94, 99. Removed Lighting Selections (See First Revised Pages 87, 91, 93, 94 and 99).  
Language has been changed (See First Revised Page 95)

LED Street Lighting Service – Rates have been increased and language has been changed (See First Revised Page 100).

Outdoor Area Lighting Service – Rates have been increased (See Second Revised Pages 103 and 105).

Riders

Rider I – Hourly Pricing Default Service Rider – Rates have been increased (See Second Revised Page 137).

Rider J – Default Service Support Rider – Rates have been increased (See Second Revised Pages 142 and 144).

Rider L – Partial Services Rider – Language has been changed and rates have been increased (See Second Revised Pages 153)

GENERAL RULES AND REGULATIONS

DESCRIPTION OF TERRITORY

EASTON AREA

Bucks County - Borough of Riegelsville.  
Townships of Bridgeton, Durham, Nockamixon and Tinicum.

Monroe County - Boroughs of Delaware Water Gap, East Stroudsburg and Stroudsburg  
Townships of Chestnuthill, Hamilton, Middle Smithfield, Price, Ross, Smithfield and  
Stroud.

Northampton County - City of Easton.  
Boroughs of Bangor, Bath, Chapman, East Bangor, Glendon, Nazareth, Pen Argyl,  
Portland, Roseto, Stockertown, West Easton, Wilson and Wind Gap.

Townships of Allen, Bethlehem, Bushkill, East Allen, Forks, Lehigh, Lower Mt. Bethel,  
Lower Nazareth, Moore, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth,  
Washington and Williams.

(C)

Pike County - Townships of Delaware, Dingman and Lehman.

READING AREA

Berks County - City of Reading.

Boroughs of Bally, Bechtelsville, Bernville, Birdsboro, Boyertown, Centerport,  
Fleetwood, Hamburg, Kenhorst, Kutztown, Laureldale, Leesport, Lenhartsville, Lyons,  
Mohnton, Mt. Penn, St. Lawrence, Shillington, Shoemakersville, Strausstown, Topton,  
West Reading and Wyomissing.

Townships of Albany, Alsace, Amity, Bern, Brecknock, Centre, Colebrookdale, Cumru,  
District, Douglass, Earl, Exeter, Greenwich, Hereford, Jefferson, Longswamp, Lower  
Alsace, Maiden creek, Maxatawny, Muhlenberg, North Heidelberg, Oley, Ontelaunee,  
Penn, Perry, Pike, Richmond, Robeson, Rockland, Ruscombmanor, Spring, Tilden,  
Union, Upper Bern, Washington and Windsor.

Chester County - Township of Warwick.

Lancaster County - Borough of Adamstown.  
Township of Brecknock.

## GENERAL RULES AND REGULATIONS

## (C) Change

## Definition of Terms (continued)

**Alternative Energy Portfolio Standards (“AEPS”)** - Standards requiring that a certain amount of electric energy sold from alternative energy sources be included as part of the sources of electric utilities within the Commonwealth of Pennsylvania in accordance with the Alternative Energy Portfolio Standards Act, 73 P.S. §1648.1 – 1648.8 (“AEPS Act”) as may be amended from time to time.

(C)

**Applicant** - Any person, corporation or other entity that (i) desires to receive from the Company electric or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining electric or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff. For Residential Service, an Applicant is a natural person at least 18 years of age not currently receiving service who applies for Residential Service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the Residential Service is requested. The term does not include a person who seeks to transfer service within the service territory of the Company or to reinstate service at the same address provided that the final bill for service is not past due.

**Basic Electric Supply** - For purposes of the Company’s Purchase of EGS Receivables Program, energy (including renewable energy) and renewable energy or alternative energy credits (RECs/AECs) procured by an EGS, provided that the RECs/AECs are bundled with the associated delivered energy. For residential Customers, Basic Electric Supply does not include early contract cancellation fees, late fees, or security deposits imposed by an EGS.

**Black Start Service** - The ability of a Generating Facility to go from a shutdown condition to an operating condition and start delivering power without assistance from the power system (i.e., the Company’s electrical system).

**Cash Advance** - A refundable contribution in cash from an Applicant for those costs associated with a Line Extension, increased for applicable taxes, which is held by the Company in a non-interest bearing account.

## GENERAL RULES AND REGULATIONS

(C) Change

Definition of Terms (continued)

**Contributions in Aid of Construction (“CIAC”)** - A non-refundable contribution in cash from an Applicant for those costs associated with a Line Extension and/or tree trimming, brush clearance and related activities or those costs associated with Temporary Service or the relocation of Company facilities, increased for applicable taxes.

(C)

**Customer(s)** - Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. For Residential Service, a Customer is a natural person at least 18 years of age in whose name a Residential Service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed, or lease of the property for which the Residential Service is being requested. A natural person remains a Customer after discontinuance or termination until the final bill for service becomes past due.

**Customer Choice and Competition Act** - The Pennsylvania legislation known as the “Electricity Generation Customer Choice and Competition Act,” 66 Pa. C. S. §§ 2801-2813 as implemented by the Default Service Regulations 52 Pa. C. S. §§52.181-52.189, and by Act 129 and as may be amended from time to time.

**Default Service** - Service provided pursuant to a Default Service Program to a Default Service Customer.

**Default Service Customer** - A Delivery Service Customer not receiving service from an EGS.

**Delivery Service** - Provision of distribution of electric energy and other services provided by the Company.

**Delivery Service Charge** - A charge that includes the Monthly Minimum Charge, Distribution Charge, and all charges and surcharges imposed under other applicable tariff provisions.

(C) Change

## GENERAL RULES AND REGULATIONS

## Definition of Terms (continued)

**Non-Summer** - The calendar months of October through May.

**Non-Utility Generation Charge or NUG Charge** – A reconcilable, non-by-passable charge or credit applied to each kWh delivered during a billing month to Delivery Service Customers pursuant to the terms of the Non-Utility Generation Charge Rider.

**NUG** - Non Utility Electric Generating Facility

**On-Peak Hours** - The On-peak hours shall be from 6 a.m. to 6 p.m., 7 a.m. to 7 p.m., 8 a.m. to 8 p.m., 9 a.m. to 9 p.m., or 10 a.m. to 10 p.m. prevailing time, at the option of the Customer, Mondays to Fridays excluding holidays. If Customer does not select the On-Peak hours within 30 days of the receipt of notice to do so, the On-Peak hours will default to 8 a.m. to 8 p.m. All other hours shall be Off-Peak. The Off-Peak holidays are New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. On-Peak hours are subject to change from time to time by the Company after giving notice of such changes to Customers. (C)

**Permanent Residential Customer** - A Customer occupying a dwelling or mobile home on a permanent foundation which is the Customer's primary residence occupied year-round for normal living purposes and including: (i) electrical wiring conforming with the National Electrical Code and the Company's service installation policies; (ii) a permanently installed heating system; and (iii) permanently installed plumbing and sewage systems.

**PJM** - PJM Interconnection, L.L.C. or any successor organization/entity thereto.

**Point of Delivery** - The location at which the Company service connection terminates and the Customer's wiring and installation begins.

**Power Factor** - The ratio of the watts to the volt-amperes.

**Price to Compare Default Service Charge** - The cents per kWh rates representing the Company's costs for providing energy, capacity, including the cost of complying with non-solar AEPS, market based transmission and ancillary services for Customers who take Default Service.

**Primary Voltage** - Voltage greater than 600 volts.

**Private Right-of-Way** - The right-of-way or easement for electric facilities on, over, under, across and/or through real or other property owned by an individual or entity which is not a governmental, municipal or other public body to provide service.

(C) Change

## GENERAL RULES AND REGULATIONS

## Applications/Contracts (continued)

The Company may require an Applicant/Customer to make the payment of any outstanding balance or portion of an outstanding balance if the Applicant/Customer resided at the property for which service is requested during the time the outstanding balance accrued and for the time the Applicant/Customer resided at the property not to exceed four years. The Company may establish that an Applicant/Customer previously resided at a property through the use of mortgage, deed, lease information, a consumer credit reporting service, a Financial Summary that provides the names and income of adult occupants of a household, and a web-based tool such as "Accurint" to research Applicant/Customer information.

**2. Deposits**

Where an Applicant's/Customer's credit is not established or the credit of a Customer with the Company has, in the Company's judgment become impaired, or where the Company deems it necessary, a deposit or other guarantee satisfactory to the Company may be required to be supplied by the Applicant/Customer as security for the payment of future and final bills before the Company shall commence or continue to render any type of electric service to the Applicant/Customer. Deposits required by the Company for Tariff charges shall include unpaid EGS charges that are subject to the Company's POR.

The Company utilizes a generally accepted credit scoring methodology in range of general industry practice that is based on an applicant or customer's utility payment history.

(C)

The Company may request deposits from Customers taking service for a period of less than thirty (30) days, in an amount equal to the estimated bill for the cost of total services provided by the Company for such temporary period. Deposits may be required by the Company from all other Customers, in an amount that is in accordance with 52 Pa. Code § 56.51.

Deposits for Residential Customers shall be returned to them in accordance with the provisions of the Responsible Utility Customer Protection Act (66 Pa. C.S. §§ 1401-1418) and the provisions of the Commission's Regulations at 52 Pa. Code Chapter 56, as amended from time to time. Deposits from all other Customers may be held by the Company, in its sole and exclusive judgment, until the Customer discontinues service or the Company determines that the Customer has established a satisfactory payment record. Upon discontinuance of all Company service and payment in full of all charges and financial guarantees, the Company shall refund the deposit or deduct any unpaid amounts from the deposit and refund the difference, if any, to the Customer. The deposit shall no longer accrue interest upon the discontinuance of service.

The interest rate on Residential Customer deposits will be calculated pursuant to The Fiscal Code, as amended annually.

(C) Change

## GENERAL RULES AND REGULATIONS

## Rule 7 – Wiring, Apparatus and Inspection (continued)

When a Customer's facilities or use of equipment having operating characteristics that adversely affects or has the potential to adversely affect, in the Company's sole judgment, the Company's electric system, the Customer shall take corrective action at its sole expense as may be directed by the Company. Unless corrective action is taken, the Company is under no obligation to serve or to continue to serve such Customers.

Each Applicant/Customer shall provide to the Company such service information described in Rule 1 of this Tariff. The Applicant/Customer shall be responsible and liable to the Company for any damages resulting from the Customer's failure to provide such service information.

The Company will require the Customer to maintain a Power Factor in the range of 85% (lagging) to 100% for secondary, primary and sub transmission service and 97% (lagging) to 99% (leading) for transmission service, coincident with the Customer's maximum monthly peak demand and to provide, at the Customer's expense, any corrective equipment necessary in order to do so. The Company may inspect the Customer's installed equipment and/or place instruments on the premises of the Customer in order to determine compliance with this requirement, as deemed appropriate by the Company. The Company may charge the Customer the Company's installation cost incurred for corrective devices necessary for compliance with this provision. The Company is under no obligation to serve, or to continue to serve, a Customer who does not maintain a Power Factor consistent with the parameters set forth in this provision.

(C)

**8. Metering****Company Obligations**

The Company owns, maintains, installs and operates a variety of meters, and related equipment designed to measure and record Customers' consumption and usage of all services provided under this Tariff. The Company may, in its sole and exclusive discretion, install such meters and related equipment it deems reasonable and appropriate to provide service to Customers under this Tariff. The Company may, in its sole and exclusive discretion, install such special metering equipment as may be requested by a Customer, subject to the Customer paying all of the Company's incremental material, labor, overheads and administrative and general expenses relating to such facilities. Where additional metering services and the associated costs for the additional metering services are contained within this Tariff, those costs shall also be applicable.

(C) Change

## GENERAL RULES AND REGULATIONS

## Rule 10 – Meter Reading and Rendering of Bills (continued)

**(9) Power Factor/kilovar Billing**

(C)

Billing for Power Factor or kilovars, whichever is applicable, shall be in accordance with the Customer's applicable Rate Schedule or other provisions of this Tariff. The Power Factor used for billing purposes shall be rounded to the next highest whole percent, unless otherwise stated in the Customer's applicable Rate Schedule or other provisions of this Tariff.

**(10) Billing for Vandalism, Theft or Deception**

In the event that the Company's meters or other equipment on the Customer's premises have been tampered or interfered with by any means whatsoever, resulting in improper or non-registration of service supplied, the Customer being supplied through such equipment shall pay to the Company the amount the Company estimates is due for service used but not registered on the Company's meter, and the cost of any repairs or replacements, inspections and investigations relating thereto including, but not limited to, all administrative expenses associated with the investigation(s) (e.g., Legal, Accounting/Billing, etc.). Under these circumstances, the Company may at its option terminate its service immediately and/or require the Customer to pay all costs correcting any and all unauthorized conditions at the premises. In the event service has been terminated under these circumstances it shall not be restored to the Customer's premises until: (i) the Customer has a certificate of compliance with the provisions of the National Electric Code and the regulations of the National Fire Protection Association has been issued by the municipal inspection bureau or by any Company-accepted inspection agency, (ii) the Customer has complied with all of the Company's requirements and (iii) the Customer pays the Company a reconnection fee and deposit.

In the event that a Customer knowingly and willfully obtained service for itself or for another by creating or reinforcing a false impression, statement or representation and fails to correct the same, the Company shall immediately correct the account information in question and issue an adjustment for all current or previous amounts. The Customer shall be required to show proof of identity and sign an agreement for payment of all electric service received, plus any and all costs and administrative expenses associated with any investigation(s) (i.e., Legal, Accounts/Billing, etc.) which shall be added to their account. The Customer shall have three (3) business days in which to provide proof of identity. The Company may terminate a Customer's electric service if the Customer fails to provide such proof of identity within the aforementioned time period.

(C) Change



## GENERAL RULES AND REGULATIONS

## Rule 21 – Service Continuity: Limitation on Liability for Service (continued)

To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company disclaims and shall not be liable to any Customer or third party for any claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

If the Company becomes liable under Section 2806(g) or 2809(c) of the Public Utility Code, 66 Pa. C.S. §§ 2806(g) and 2809(f), for Pennsylvania state taxes not paid by an Electric Generation Supplier (EGS), the non-compliant EGS shall indemnify the Company for the amount of additional state tax liability imposed upon the Company by the Pennsylvania Department of Revenue due to the failure of the EGS to pay or remit to the Commonwealth the tax imposed on its gross receipts under Section 1101 of the Tax Report Code of 1971 or Chapter 28 of Title 66.

**22. Transfer of Electric Generation Supplier**

(C)

The Company shall change a Customer's EGS in accordance with 52 Pa. Code Chapter 57, Subchapter M, "Standards for Changing a Customer's Electricity Generation Supplier." Pursuant to the Commission's Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier, at Docket No. L-2014-2409383, changes in a Customer's EGS shall be effective within three (3) business days after the enrollment request is processed, regardless of whether the meter reading is actual or estimated..

(C) Change

RATE SCHEDULES

RATE RS  
RESIDENTIAL SERVICE RATE

AVAILABILITY:

This Rate is available to Residential Customers using the Company's standard, single phase service through a single meter including not more than 2,000 watts of non-residential connected load served through the same meter.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$17.42 per month (Customer Charge), plus (I)  
4.544 cents per kWh for all kWh (I)

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider C – Universal Service Cost Rider
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

(I) Increase

## RATE SCHEDULES

Rate RS (continued)

### DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Residential Customer Class rate applies.

### MINIMUM CHARGE:

The monthly Minimum Charge shall be \$17.42 plus distribution energy charges (I) and any charges related to applicable riders.

### PAYMENT TERMS:

As per Rule 11, Payment of Bills.

### EQUAL PAYMENT PLAN:

As per Rule 10b(4), Equal Payment Plan.

### SPECIAL MONTHLY CHARGES

**LOADS IN EXCESS OF 25 KILOWATTS:** The Company shall install a suitable demand meter to determine the maximum 15-minute integrated demand when (i) a Customer's service requires the installation of an individual transformer, (ii) a Customer's total monthly consumption exceeds 10,000 kilowatt-hours for two (2) consecutive months, or (iii) when the Customer's service entrance requirements exceed 600 amperes.

If the demand so determined under this provision exceeds twenty-five (25) kilowatts, a monthly distribution demand charge of Two Dollars and Fifty Nine Cents (\$2.59) per kW for all kW shall apply to such excess as set forth in this provision, in addition to the General Monthly Charges. In no event shall the demand charge be based upon less than seventy-five percent (75%) of the highest excess demand during the preceding eleven (11) months.

(I) Increase

RATE SCHEDULES

RATE GS

VOLUNTEER FIRE COMPANY AND NON-PROFIT AMBULANCE  
SERVICE, RESCUE SQUAD AND SENIOR CENTER SERVICE RATE

AVAILABILITY:

This Rate Schedule is restricted to Volunteer Fire Companies, Non-Profit Ambulance Services, Non-Profit Rescue Squads and Non-Profit Senior Citizen Centers that sign a one (1) year contract.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$17.42 per month (Customer Charge), plus (I)  
4.544 cents per kWh for all kWh (I)

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider C – Universal Service Cost Charge
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

(I) Increase

## RATE SCHEDULES

Rate GS (continued)

### DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Residential Customer Class rate applies.

### MINIMUM CHARGE:

The monthly Minimum Charge shall be \$17.42 plus energy-related distribution charges and any applicable riders. (I)

### PAYMENT TERMS:

As per Rule 11, Payment of Bills.

### SPECIAL MONTHLY CHARGES

**LOADS IN EXCESS OF 25 KILOWATTS:** The Company shall install a suitable demand meter to determine the maximum 15-minute integrated demand when (i) a Customer's service requires the installation of an individual transformer, (ii) a Customer's total monthly consumption exceeds 10,000 kilowatt-hours for two (2) consecutive months, or (iii) when the Customer's service entrance requirements exceed 600 amperes.

If the demand so determined under this provision exceeds twenty-five (25) kilowatts, a monthly distribution demand charge of Two Dollars and Fifty-Nine Cents (\$2.59) per kW for all kW shall apply to such excess as set forth in this provision, in addition to the General Monthly Charges. In no event shall the demand charge be based upon less than seventy-five percent (75%) of the highest excess demand during the preceding eleven (11) months.

### **Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

(I) Increase

RATE SCHEDULES

RATE GS-SMALL

GENERAL SERVICE SECONDARY RATE – NON DEMAND METERED

AVAILABILITY:

Available to non-Residential Customers without demand meters that use electric service through a single delivery location for lighting, heating and/or power service. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer’s request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

(C)

If an existing Customer’s total consumption exceeds 1,500 KWH per month for two (2) consecutive months in the most recent twelve-month period, the Customer may no longer be eligible for service under this Rate Schedule GS-Small. Based upon the Company’s then estimate of the Customer’s new demand, the Customer shall be placed on Rate Schedule GS-Medium or such other Rate Schedule for which such Customer most qualifies.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$23.02 per month for single phase (Customer Charge), plus

(I)

4.278 cents per kWh for all billed kWh

(I)

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase II Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider P – Non-Utility Generation Charge

(C) Change

(I) Increase

## RATE SCHEDULES

Rate GS-Small (continued)

### DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H - Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under Rider I – Hourly Pricing Default Service Rider.

### MINIMUM CHARGE:

The monthly Minimum Charge shall be \$23.02 plus energy-related distribution charges and (I) other applicable riders.

### PAYMENT TERMS:

As per Rule 11, Payment of Bills.

### TERM OF CONTRACT

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

(I) Increase

RATE SCHEDULES

RATE GS-MEDIUM  
GENERAL SERVICE SECONDARY RATE – DEMAND METERED

AVAILABILITY:

Available to non-Residential Customers that use electric service through a single delivery location for lighting, heating and/or power service up to 400 kW demand. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer’s request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

(C)

If an existing Customer’s total consumption is less than 1,500 KWH per month for twelve (12) consecutive months, the Customer may no longer be eligible for service under this Rate Schedule GS-Medium. Based upon the Company’s then estimate of the Customer’s usage, the Customer shall be placed on Rate Schedule GS-Small or such other Rate Schedule for which such Customer most qualifies.

(C)

If an existing Customer’s billing demand exceeds 400 kW for two (2) consecutive months in the most recent twelve-month period, the Customer may no longer be eligible for service under this Rate Schedule GS-Medium, and shall be placed on Rate Schedule GS-Large or such other Rate Schedule for which such Customer most qualifies.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$25.32 per month for single phase (Customer Charge), (I)

or

\$45.19 per month for three phase (Customer Charge), plus (I)

**Demand**

\$5.36 per kW for all billing kW (I)

\$0.20 for each rkVA of Reactive Billing Demand for three phase

(I) Increase  
(C) Change



## RATE SCHEDULES

Rate GS-Medium (continued)

## DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under Rider I – Hourly Pricing Default Service Rider.

## DETERMINATION OF BILLING DEMAND:

The Company shall install suitable demand meters to determine the maximum 15-minute integrated demand when (i) the connected load being served equals fifteen (15) kilowatts or more, or (ii) the Company estimates that a demand greater than five (5) kilowatts will be established. The Company may install a demand meter on new or upgraded electric services.

(C)

A determination of connected load or estimated demand may be made by the Company at any time and shall be made when the Customer's total consumption exceeds 1,500 KWH per month for twelve (12) consecutive months.

(C)

A Customer's demand shall be measured by indicating or recording instruments. Demands shall be integrated over 15-minute intervals. The billing demand in the current month shall be the greatest of: (i) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (ii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, or (iii) contract demand or (iv) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

Pending the installation of a demand meter, Customer's Demand shall be a formula demand determined by dividing the kilowatt-hour consumption by 200.

## REACTIVE BILLING DEMAND:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula:  $rkVA = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$ . For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

## PAYMENT TERMS:

As per Rule 11, Payment of Bills.

## TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the

(C) Change

## RATE SCHEDULES

Rate GS-Medium (continued)

## MINIMUM CHARGE:

No bill shall be rendered by the Company for less than,

\$25.32 per month for single phase, (I)

or

\$45.19 per month for three phase, plus (I)

The demand charges at current rate levels times the Billing Demand, plus any distribution energy charges, and any charges stated in or calculated by any applicable Rider.

**COMBINED BILLING:** THIS PROVISION HAS BEEN RESTRICTED TO PRESENT LOCATIONS SINCE SEPTEMBER 18, 1978. Only one standard single phase metered service and one standard three-phase metered service, each in excess of five (5) KW measured demand for each service, shall be supplied at one contract location, and when so supplied the energy and demand registrations of the separate meters shall be determined separately and may be added for billing purposes when the use of capacity on each service will remain in excess of five (5) KW for each month of the contract year.

Each separate and non-contiguous point of delivery or service installation shall be considered a contract location and shall be metered and billed under a separate service contract.

**SERVICE AT PRIMARY VOLTAGE:** Customers served at Primary Voltage shall have the option to be billed under this Rate GS-Medium for any of the following conditions:

1. A Customer with an estimated maximum demand of 1,000 KW or less, and requiring Primary Service at a voltage less than the nearest available Primary Voltage System.
2. Customer's maximum billing demand does not exceed 100 KW for more than two (2) consecutive months in any 12-month period and service is supplied through a Customer-owned transformer at the nearest available Primary Voltage System.

**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

(I) Increase

RATE SCHEDULES

RATE GS-LARGE  
GENERAL SERVICE SECONDARY RATE

AVAILABILITY:

(C)

This Rate is available to non-Residential Customers using electric service through a single delivery location for lighting, heating and/or power service whose registered demand is equal to or greater than 400 KW in two (2) consecutive months in the most recent twelve-month period. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$270.12 per month (Customer Charge), plus

(I)

\$6.04 per kW for all billing kW

(I)

\$0.20 for each rkVA of Reactive Billing Demand

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase II Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider P – Non-Utility Generation Charge

(C) Change

(I) Increase

RATE SCHEDULES

Rate GS-Large (continued)

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider, Rider I, rates apply.

DETERMINATION OF BILLING DEMAND:

(C)

A Customer's demand shall be measured by indicating or recording instruments. Demands shall be integrated over 15-minute intervals. The billing demand in the current month shall be the greatest of: (i) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (ii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, (iii) contract demand or (iv) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

Pending the installation of a demand meter, Customer's Demand shall be a formula demand determined by dividing the kilowatt-hour consumption by 200.

(C) Change

## RATE SCHEDULES

Rate GS-Large (continued)

**REACTIVE BILLING DEMAND:**

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula:  $\text{rkVA} = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$ . For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

**MINIMUM CHARGE:**

No bill shall be rendered by the Company for less than,

\$270.12 per month plus, (I)

The demand charges at current rate levels times the Billing Demand, plus distribution energy charges, and any charges stated in or calculated by any applicable Rider.

**PAYMENT TERMS:**

As per Rule 11, Payment of Bills.

**TERM OF CONTRACT:**

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

(I) Increase

RATE SCHEDULES

Rate GP (continued)

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$1,377.19 per month, plus (I)

Demand

\$4.29 per kW for all billed kW (I)

\$0.20 for each rkVA of Reactive Billing Demand

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase II Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider P – Non-Utility Generation Charge

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider, Rider I, rates apply.

(I) Increase

## RATE SCHEDULES

Rate GP (continued)

## DETERMINATION OF BILLING DEMAND:

(C)

The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over 15-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greatest of: (i) twenty-five (25) KW, (ii) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, (iv) contract demand or (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

## REACTIVE BILLING DEMAND:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula:  $\text{rkVA} = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$ . The Reactive kilovolt-ampere charge is applied to the Customer's reactive kilovolt-ampere capacity requirement in excess of 35% of the Customer's kilowatt capacity. For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

For the purposes of determining the demand for Net Station Power of a Generating Facility under this Rate Schedule, registered demand during any hour cannot be netted, offset or credited against capacity from that Generating Facility in any other hour or from registered capacity from any other Generating Facility in any other hour.

(C) Change

## RATE SCHEDULES

Rate GP (continued)

## STATION POWER ENERGY NETTING:

If applicable PJM rules and procedures for determining Net Station Power are in effect, all Net Station Power shall be determined solely by PJM and provided to the Company for billing purposes under this Rate Schedule. If the Applicant self-supplies Net Station Power, the Applicant shall be responsible for obtaining all related transmission service. If no such applicable PJM rules and procedures for determining Net Station Power are in effect or PJM is unable for any reason to determine Net Station Power, the Company shall determine Net Station Power for any relevant period in its sole discretion.

## MINIMUM CHARGE:

No bill shall be rendered by the Company for less than,

\$1,377.19 per month, plus (I)

the demand charges at current rate levels times the Billing Demand, plus any distribution energy charges, and any charges stated in or calculated by any applicable Rider.

## PAYMENT TERMS:

As per Rule 11, Payment of Bills.

## TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

(I) Increase

Issued: April 28, 2016

Effective: June 27, 2016



RATE SCHEDULES

Rate TP (continued)

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$5,462.26 per month (Customer Charge), plus (I)

\$1.04 per kW for all billed kW (I)

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

Rider A – Tax Adjustment Surcharge

Rider F – Phase II Energy Efficiency and Conservation Charge

Rider G – Smart Meter Technologies Charge

Rider J – Default Service Support Charge

Rider N – Solar Photovoltaic Requirements Charge

Rider P – Non-Utility Generation Charge

(I) Increase

## RATE SCHEDULES

Rate TP (continued)

## DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider, Rider I, rates apply.

## DETERMINATION OF BILLING DEMAND:

The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over 15-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greater of: (i) 5,000 KW, (ii) the maximum measured demand established in the month during On-Peak Hours, adjusted for Power Factor as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, adjusted for Power Factor as stated herein, (iv) contract demand (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters. (C)

All measured demands shall be corrected to a Power Factor defined in Rule 7 by multiplying each measured demand by the ratio of the minimum Power Factor requirement set forth in Rule 7 to either the measured Power Factor for that demand or the average Power Factor for the month, whichever is lower, to the nearest 0.1%. No reduction in measured demands shall be made for Power Factor in excess of the stated Power Factors in Rule 7.

For purposes of determining the demand for Net Station Power of a Generating Facility under this Rate Schedule, registered demand during any hour cannot be netted, offset or credited against capacity from that Generating Facility in any other hour or from registered capacity from any other Generating Facility in any other hour.

## STATION POWER ENERGY NETTING:

If applicable PJM rules and procedures for determining Net Station Power are in effect, all Net Station Power shall be determined solely by PJM and provided to the Company for billing purposes under this Rate Schedule. If the Applicant self-supplies Net Station Power, the Applicant shall be responsible for obtaining all related transmission service. If no such applicable PJM rules and procedures for determining Net Station Power are in effect or PJM is unable for any reason to determine Net Station Power, the Company shall determine Net Station Power for any relevant period in its sole discretion.

(C) Change

RATE SCHEDULES

Rate TP (continued)

MINIMUM CHARGE:

No bill shall be rendered by the Company for less than,

\$5,462.26 per month, plus (I)

the demand charges at current rate levels times the Billing Demand, plus any distribution energy charges, and any charges stated in or calculated by any applicable Riders.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

(I) Increase

RATE SCHEDULES

Rate TP (continued)

GENERAL PROVISIONS:

A. VOLTAGE DISCOUNT - 115 KV OR GREATER:

If the Company, in its sole discretion, elects to serve a Customer at 115 KV or greater, the demand charge shall be decreased as set forth below:

Credit for:	Demand Dollars/KW	
Distribution	\$0.74	(C)

**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

(C) Change

RATE SCHEDULES

RATE MS  
MUNICIPAL SERVICE RATE

AVAILABILITY (RESTRICTED):

THE AVAILABILITY OF THIS RATE SCHEDULE TO CUSTOMERS HAS BEEN RESTRICTED SINCE OCTOBER 19, 1983.

Municipal lighting, and/or power and/or heating service used by counties, cities, boroughs, townships and public school districts for public purposes only and not applicable to service where counties, cities, boroughs, townships or public school districts are compensated in any form (other than admissions collected by such bodies) for the use of any of the facilities for which service is supplied.

Secondary Voltage: Secondary voltage will be supplied by the Company to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA.

Primary Voltage: New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$34.38 per month (Customer Charge), plus  
3.322 cents per kWh for all kWh

(I)  
(I)

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

(I) Increase

## RATE SCHEDULES

Rate MS (continued)

### DEFAULT SERVICES CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies.

### MINIMUM CHARGE:

The monthly Minimum Charge shall be \$34.38 plus all distribution energy charges and any (I) charges stated in or calculated by any applicable Riders.

### PAYMENT TERMS:

As per Rule 11, Payment of Bills.

### TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

### **Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

(I) Increase

SERVICES

BORDERLINE SERVICE

AVAILABILITY:

Borderline Service is available to public utility companies for resale in adjacent service territory to the Company under reciprocal agreements between the Company and other public utility companies, subject to the following conditions:

- A. A request shall be made in writing for each point of supply where service is desired.
- B. Borderline service may be supplied in the Company's sole and exclusive discretion when it has available adequate capacity to serve the requested location(s).
- C. When such service is supplied, energy shall be supplied at sixty (60) cycle alternating current, at such potential and of such phase as may be mutually agreed upon.

All of the following general monthly charges are applicable to Delivery Service Customers.

GENERAL MONTHLY CHARGES:

**Distribution Charge**

4.704 cents per kWh for all kWh (I)

RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

(I) Increase

SERVICES

STREET LIGHTING SERVICE

AVAILABILITY:

This Service is applicable to overhead or underground street lighting service to municipal, local, state and federal governmental bodies, community associations and to public authorities for lighting of streets, highways, parks and similar places for the safety and convenience of the public. This Service supersedes Rate SV, Rate MH, Rate MV-1, Rate MV-2, Rate SL and Rate OSL, excepting Rate OSL, Provision A - Post Top Series Incandescent Street Lighting.

TYPE OF SERVICE:

The Company will provide unmetered energy, at the rate herein provided, when the Customer furnishes, installs, owns and maintains (including lamp and photocell) the entire lighting system consisting of, but not limited to, lamps, luminaries, controls, brackets, ballasts, conductors, and poles. Lighting units will operate from dusk to dawn, which is approximately 4,200 hours per year. The Company will supply electricity at mutually agreed upon delivery points for the operation of the lights. The Company may, at any time, inspect and/or test the Customer's equipment to verify or measure actual load. This service is limited to installations of contiguous Metal Halide street lighting units located in an area previously approved by the Company or limited to Sodium Vapor, Mercury Vapor or Incandescent street light units also served under General Provision A or General Provision D of this Service.

GENERAL MONTHLY CHARGES:

Demand and Energy Charges for common lamp sizes:

Charges Per Month Per Light:

**Sodium Vapor:**

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	<u>Monthly Minimum Charge</u>	
70	32	0.00	9.04	(I)
100	46	0.00	8.86	(I)
150	66	0.00	8.73	(I)
200	75	0.00	8.20	(I)
250	98	0.00	9.27	(I)
400	156	0.00	9.09	(I)
800	312	0.00	8.75	(I)

(I) Increase



SERVICES

Street Lighting Service (continued)

**Mercury Vapor:**

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	<u>Monthly Minimum Charge</u>	
100	42	0.00	9.16	(I)
175	74	0.00	8.87	(I)
250	107	0.00	8.46	(I)
400	174	0.00	7.59	(I)
1000	420	0.00	5.80	(I)

**Incandescent:**

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	<u>Monthly Minimum Charge</u>	
105	44	0.00	9.02	(I)
205	86	0.00	8.59	(I)
		(C)		
		(C)		

**Metal Halide:**

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	<u>Monthly Minimum Charge</u>	
175	70	0.00	9.17	(I)
250	98	0.00	9.17	(I)
400	156	0.00	8.99	(I)

**Overhead Alternative Technology Lighting:**

<u>Distribution</u>	<u>Monthly Minimum Charge</u>	
0.00	8.86	(I)

(C) Change  
(I) Increase

SERVICES

Street Lighting Service (continued)

	<u>Charge Per Month Per Light</u>	
1. Sodium Vapor Lamps	\$3.19	(I)
2. Mercury Vapor Lamps	\$1.30	(I)
3. Incandescent Lamps	\$3.58	(I)

Where, at the Company's option and upon Customer request, the Company has converted existing Mercury Vapor and Incandescent lights to High Pressure Sodium Vapor lights or has installed on existing poles a Company-owned standard Sodium Vapor luminaire, the Company will operate and maintain said luminaire at the rates and charges listed under Street Lighting Service this, General Provision A, provided the Customer has made a contribution, to be calculated annually.

- B. **COMPANY OWNERSHIP OF CONVENTIONAL LUMINAIRE FACILITIES:**  
 The Company will furnish and install and own its standard Sodium Vapor, Mercury Vapor and Incandescent conventional (non-ornamental) street lighting units consisting of lamps, luminaries, controls, brackets and ballasts, mounted on the Company's wood poles and utilizing the Company's overhead distribution system. For each light, the Company will furnish without added charge up to 300 feet of overhead line on existing suitable poles. At its option, the Company may install additional wood poles, provided that a street lighting unit is then installed on each dedicated pole.

The type of lighting units and fixtures currently being furnished by the Company at the time service is contracted for under this Service will be installed at the rates herein provided.

1. Charges Per Month Per Light:	\$3.06	(I)
2. Charges Per Month Per Dedicated Pole:	\$12.75	(I)

(I) Increase

SERVICES

Street Lighting Service (continued)

C. UNDERGROUND FEED TO STREET LIGHTS: This provision is for the installation of new facilities at new locations or the conversion of facilities at existing locations. Where the Company furnishes an underground electrical source, there shall be billed charges in addition to the other charges specified in this Service per light as follows:

Demand and Energy Charges for common lamp sizes:

**Sodium Vapor:**

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	<u>Monthly Minimum Charge</u>	
70	32	0.11	0.17	(I)
100	46	0.17	0.17	(I)
150	66	0.26	0.17	(I)
250	98	0.43	0.17	(I)
400	156	0.67	0.17	(I)
800	312	1.34	0.17	(I)

**Mercury Vapor:**

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	<u>Monthly Minimum Charge</u>	
175	74	0.31	(C) 0.17	(I)
250	107	0.44	0.17	(I)
400	174	0.67	0.17	(I)
1000	420	1.75	(C) 0.17	(C) (I)

(C) Change  
(I) Increase

SERVICES

Street Lighting Service (continued)

(C)

**Metal Halide:**

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	<u>Monthly Minimum Charge</u>	
175	70	0.30	0.17	(I)
250	98	0.43	0.17	(I)
400	156	0.67	0.17	(I)

**Underground Alternative Technology Lighting:**

<u>*Distribution</u>	<u>Monthly Minimum Charge</u>	
0.316	0.19	(I)

\*cents per kWh

The Company will provide and charge for NUG Charges to Customers taking Delivery Service in accordance with the provisions of Rider P – NUG Rider, which charge shall apply to all kWh billed under this Rate Schedule.

(C) Change  
 (I) Increase

SERVICES

Street Lighting Service (continued)

DEFAULT SERVICE CHARGES:

The Price to Compare Default Service Charge shall be determined using the applicable Monthly kWh usage, from the preceding chart, multiplied by the Price to Compare Default Service Rate Rider, Rider H, Commercial Customer Class rate.

(C)

The cost of trenching and backfilling, including breaking and replacement of concrete and other surfacing, and the provision and installation of duct or conduit (concrete encased where specified by the Company), where duct or conduit is required by the Company, shall be borne by the Customer. The cost of foundations required for support of standards shall be borne by the Customer, except that the Company will supply foundation bolts and conduit required for the installation in foundations. The Customer shall make such installations or contract with the Company or with others to do so, all to be in compliance with the Company's specifications. All installations made by (or for) the Customer shall be maintained by the Customer, except as next stated herein.

Upon mutual agreement with the Company, the Customer may transfer to the Company the ownership of such installations (except where an integral part of the Customer's property), and in the event of such transfer of ownership, the Company will thereafter maintain such equipment, and there shall be no change in the charges stated in the Rate Per Month of this Street Lighting Service, General Provisions D., E. and F.

(C)

- D. **COMPANY OPERATION & MAINTENANCE OF ORNAMENTAL LUMINARIES:** The Company will operate and maintain ornamental Sodium Vapor and Mercury Vapor lighting units consisting of lamps, luminaire controls, brackets and ballasts approved by the Company and served from the Company's distribution system.

(C) Change

SERVICES

Street Lighting Service (continued)

These units will be installed on ornamental standards and in a manner acceptable to the Company. The Company will operate and maintain and replace the photocell controls and lamps as necessary to the extent hereinafter expressly provided at the following rates and charges:

	<u>Charge Per Month Per Light</u>	
1. Sodium Vapor Lamps	\$3.81	(I)
2. Mercury Vapor Lamps	\$2.16	(I)
	(C)	

Where, at the Company's option and upon Customer request, the Company has converted existing Mercury Vapor and Incandescent lights to High Pressure Sodium Vapor lights or has installed on a Company-owned standard a Company-owned standard Sodium Vapor luminaire, the Company will operate and maintain said luminaire at the rates and charges listed under Street Lighting Service, General Provision D., provided the Customer has made a contribution, to be calculated annually.

- E. COMPANY OWNERSHIP OF ORNAMENTAL LUMINAIRE: Where at the approval of the Company, the Customer owns, installs and maintains the cable and ducts (or conduit) and the standards and foundation therefore and the Company owns, installs, and maintains its standard Sodium Vapor, Mercury Vapor or Incandescent Ornamental street light units consisting of only the lamp, ballast, control, luminaire (and its interior wiring), the Luminaire Charge per month for ornamental lights, not to exceed thirty-five (35) foot mounting height, will be as follows:

Luminaire Charge: \$7.27 Per Light Per Month (I)

- F. COMPANY OWNERSHIP OF ORNAMENTAL STANDARDS: Where, at the Company's option and upon Customer request, the Company has installed on a Company-owned standard a Company-owned and Company-approved standard Sodium Vapor, Mercury Vapor or Incandescent ornamental luminaire, the Company will own, operate, and maintain said standard at the following rate:

\$13.68 Standard Charge Per Month (I)

Where, at the Company's option and upon Customer request, the Company has converted existing Mercury Vapor and Incandescent lights to High Pressure Sodium Vapor lights or has installed on a Company-owned standard a Company-owned standard Sodium Vapor luminaire, the Company will operate and maintain said luminaire at the following rates and charges provided the Customer has made a contribution, to be calculated annually.

\$4.63 Standard Charge Per Month (I)

(I) Increase  
 (C) Change

## SERVICES

## Street Lighting Service (continued)

- G. **ALTERNATIVE TECHNOLOGY LIGHTING:** The Alternative Technology Lighting charges shall apply to lighting facilities owned and maintained by the Customer which utilize Induction, Solid State, or Plasma Lighting technologies, or such additional alternative technology as may be specified by the Company. The Alternative Technology Lighting must be certified by an Edison Testing Laboratories "ETL" (or equivalent) to verify the actual consumption of the fixture. In addition and in order to certify the safe operation, the fixture must be Underwriters Laboratories "UL" (or equivalent) listed. Provisions A, B, D, E, and F shall not apply in the case of service provided under this General Provision G.

For purposes of the Provision G, the following definitions shall apply:

**Induction Lighting** – Discharge lamps, where mercury or other atoms are energized to elevate their energy level, then discharge a photon as they fall back to their normal state.

**Solid State Lighting** – Technology using semi-conducting materials to convert electricity into light. Solid State Lighting is an umbrella term encompassing both light-emitting diodes (LEDs) and organic light-emitting diodes (OLEDs).

**Plasma Lighting** – Plasma lamps are a family of light sources that generate light by exciting a plasma inside a closed transparent burner or bulb using a radio frequency (RF) power. Typically, such lamps use a noble gas or a mixture of these gases and additional materials such as metal halides, sodium, mercury, or sulfur. A waveguide is used to constrain and focus the electrical field into the plasma. In operation the gas is ionized and free electrons, accelerated by the electrical field collide with gas and metal atoms. Some electrons circling around the gas and metal atoms are excited by these collisions, bringing them to a higher energy state. When the electron falls back to its original state, it emits a photon, resulting in visible light or ultraviolet radiation depending on the fill materials.

Alternative Technology Lighting shall be applied to each kilowatt-hour delivered during a billing month to all Customers served under this specific provision, determined to the nearest one-hundredth of a cent per kilo-watt hour. In addition, the wattage of the Alternative Technology Lighting shall be rounded to the nearest 25 Watt. The Alternative Technology Lighting wattage will then be converted into kWh in accordance with the formula set forth below:

- H. If the customer requests the Company to remove the present high pressure sodium vapor street light system to install LED lights and if the present system is less than twenty years old, the customer shall pay the removal cost plus the remaining value of the system. (C)

(C) Change

SERVICES

Ornamental Street Lighting Service (continued)

GENERAL PROVISION:

POST TOP SERIES INCANDESCENT STREET LIGHTING (RESTRICTED): Where the Customer elects to take street lighting service from series incandescent street lighting facilities and the Company furnishes and maintains the entire street lighting systems, the monthly charge shall be as specified below:

Nominal Initial Rate		
Lamp Lumens:	<u>2,500</u>	(C)
Lamp Charge Per Month	\$63.50	(I)

(I) Increase  
(C) Change



SERVICES

LED STREET LIGHTING SERVICE

AVAILABILITY:

This Service is applicable to Company owned overhead or underground Light Emitting Diode (LED) street lighting service to municipal, local, state and federal governmental bodies, community associations and to public authorities for lighting of streets, highways, parks and similar places for the safety and convenience of the public.

(C)

A minimum installation of 12 LED lights per customer per individual order is required when replacing existing lighting. This restriction does not apply to new installations.

GENERAL MONTHLY CHARGES:

Demand and Energy Charges for common lamp sizes:

Charges Per Month Per Light:

Cobra Head

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	
50	18	\$13.30	(I)
90	32	\$15.47	(I)
130	46	\$16.44	(I)
260	91	\$25.41	(I)

Colonial

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	
50	18	\$19.69	(I)
90	32	\$21.65	(I)

Acorn

<u>Nominal Watts</u>	<u>Monthly kWh</u>	<u>Distribution</u>	
50	18	\$26.11	(I)
90	32	\$27.59	(I)

(C) Change  
 (I) Increase

SERVICES

OUTDOOR AREA LIGHTING SERVICE

AVAILABILITY:

Available for lighting of outdoor areas and roadways from dusk to dawn, served from Company's existing overhead wood pole distribution system where 120-volt service is available and where the Company's sole determination that street lighting service is not appropriate. **INSTALLATION OF MERCURY VAPOR LIGHTS UNDER THIS SERVICE IS RESTRICTED TO EXISTING LIGHTS AT PRESENT LOCATIONS AS OF OCTOBER 19, 1983.**

**THIS SERVICE SHALL BE FURTHER RESTRICTED TO EXISTING CUSTOMERS AT EXISTING LOCATIONS AS OF AUGUST 1, 2012.**

RATE PER MONTH:

<u>Watt</u>	<u>Monthly kWh</u>	<u>Distribution</u>	
175-Watt mercury vapor lamp	70	9.01	(I)
<u>Sodium Vapor</u>			
100-Watt sodium vapor lamp (Area Lighting)	46	26.37	(I)
250-Watt sodium vapor lamp (Flood Lighting)	98	14.28	(I)
400-Watt sodium vapor lamp (Flood Lighting)	156	9.19	(I)

(I) Increase

## SERVICES

## Outdoor Area Lighting Service (continued)

- B. No change in height of existing poles in primary distribution lines shall be made, nor shall additional poles be installed in such lines, for the purpose of installing a light unless Customer elects to pay the Company the cost of such change. If requested by a Customer, Company may, at its option, install a pole for supporting a light, and external secondary facilities to such pole, and in such cases there shall be a charge of Nine Dollars and Ninety-Six Cents (\$9.96) per pole and secondary facilities (I) per month. Not more than two (2) one-pole extensions, or one (1) two-pole extension, may be made per Customer at any single premises. In either case, the extensions may be made only if a light is installed on each pole installed. If requested by a Customer, the Company may, at its option, install secondary facilities to serve a light, and in such cases, there shall be a charge issued to the Customer by the Company of Nine Dollars and Ninety-Six Cents (\$9.96) per light per month. As an alternative to the charges stated (I) herein, the Customers may pay to the Company the cost of furnishing and installing the required facilities. For facilities to be installed hereunder, the Customer shall grant such right-of-way as is required, in accordance with the Provisions of this Tariff of this Tariff. The Customer shall obtain satisfactory written approval from the appropriate public authorities for lights to be located on public thorough-fares.
- C. The lamp, luminaire with open refractor, and bracket not over four (4) feet in length adopted by the Company as standard for this type of service shall be used. Lamps shall be lighted from dusk to dawn by automatic control furnished by Company and burning hours of the light shall be approximately 4,200 hours per year. Lamp renewals shall be made during normal weekday working hours, ordinarily within forty-eight (48) hours of notification by the Customer, such renewals not to be made on Saturdays, Sundays or holidays.
- D. Lights and poles shall be placed only at locations accessible for installation and maintenance by Company's mechanized equipment.

A mercury vapor light fixture that becomes inoperable will be replaced with an equivalent lumen output sodium vapor light fixture to comply with the Federal Energy Policy Act of 2005 that prohibits the import or manufacture of mercury vapor ballasts. When such replacement occurs, sodium vapor rates will apply based on the Company's current electric service Tariff.

(I) Increase

Rider I (continued)

HP Loss Multipliers:	GS-Small	1.0515
	GS-Medium	1.0515
	GS-Large	1.0515
	GP	1.0171
	TP	1.0007

These HP Loss Multipliers exclude transmission losses.

**HP Cap-AEPS-Other Charge:**

\$0.03050 per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments.

**HP Administrative Charge:**

\$0.00008 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

**HP Uncollectibles Charge:**

\$0.00016 per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year. (I)

(I) Increase

RIDERS

RIDER J

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support (“DSS”) rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or dollar per kW NSPL, as applicable. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

For service rendered during the DSS Initial Computational Period and thereafter, the DSS Computational Year, the DSS rates billed by Rate Schedule are as follows:

<u>Rate Schedule</u>	<u>DSS Rates</u>
Rate Schedule RS & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate	0.597 cents per kWh (I)
Rate Schedule GS - Small	0.399 cents per kWh (I)
Rate Schedule GS - Medium	0.403 cents per kWh (I)
Rate Schedule GS - Large	\$1.732 per kW NSPL
Rate Schedule GP	\$1.686 per kW NSPL
Rate Schedule TP	\$1.655 per kW NSPL
Rate Schedule MS	0.391cents per kWh (I)
Rate Schedule OAL	0.348 cents per kWh (I)
Rate Schedule STLT	0.348cents per kWh (I)
Rate Schedule LED	0.348 cents per kWh (I)
Rate Schedule BRD	0.389 cents per kWh (I)

(I) Increase

## RIDERS

Rider J (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting, and Outdoor Lighting Service):

0.016 cents per kWh (I)

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

0.226 cents per kWh (I)

**2006 Deferred Transmission Service Charges**

$$TSC_1 = [(TSCD - E) / S] \times \text{Rate Schedule Adjustment Factor}$$

Where:

$TSC_1$  = The charge to be applied to Delivery Service Customers under this rider to recover the 2006 Transmission Service Charge Deferral ("TSCD"), including carrying charges, which was approved by the Commission in its final order at Docket No. R-00061366, authorizing the Company to amortize such deferral over a 10 year period beginning January 11, 2007 and ending on December 31, 2016. The 10 year amortization of the 2006 TSCD that was not fully recovered under the Transmission Service Charge Rider is being recovered under this DSS Rider which replaced the TSC Rider. The  $TSC_1$  rate will be adjusted on June 1 of each year based on the Company's latest sales forecast available at the time.

TSCD = The balance of the 2006 TSCD including carrying charges, that, as of March 31, 2013 remains to be amortized over the remaining months of the amortization period

(I) Increase

RIDERS

RIDER L  
PARTIAL SERVICES RIDER

AVAILABILITY/APPLICABILITY:

This Rider applies to general service customers having on-site non-synchronous generation equipment or synchronous equipment that does not qualify for Net Metering Rider capable of supplying a portion of their power requirements for other than emergency purposes. Electricity sold under this Rider may not be resold; nor may it be used to operate the auxiliary loads of the generating facilities while those facilities are generating electricity for sale.

(C)

In addition to the charges included in the applicable rate schedule, all of the following general monthly charges are applicable to Delivery Service Customers.

GENERAL MONTHLY CHARGES:

Seventy-Nine Dollars and Twenty-Eight Cents (\$79.28)/per month, plus the charges listed below, depending upon the voltage at which the Customer is being served and the services (i.e., Backup Demand and/or Maintenance Demand) selected by the Customer:

<b>Distribution Charge</b>	<b>Backup Demand (Dollars/KW)</b>	<b>Maintenance Demand (Dollars/KW)</b>	
Secondary Voltage	\$4.53	\$3.62	(I)
Primary Voltage	\$3.22	\$2.57	(I)
Transmission Voltage	\$0.23	0.18	(I)

(C) Change

(I) Increase











Supplement No. 23  
Electric Pa. P.U.C. No. 52

**METROPOLITAN EDISON COMPANY**

**READING, PENNSYLVANIA**

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**Electric Service Tariff**

**Effective in**

**The Territory as Defined on  
Page Nos. 8 - 10 of this Tariff**

**Issued: April 28, 2016**

**Effective: June 27, 2016**

**By: Steven E. Strah, President  
Reading, Pennsylvania**

**NOTICE**

Supplement No. 23 makes changes to Description of Territory, General Rules and Regulations, Rate Schedules, Services and Riders.  
See Twenty-first Revised Page No. 2.



METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 52 (Supp. 23)

Twenty-first Revised Page 2

Superseding Twentieth Revised Page 2

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## LIST OF MODIFICATIONS

### Description of Territory

Easton Area – Township name has been changed (See First Revised Page 8).

### General Rules and Regulations

Definition of Terms – Definitions of Applicant, Customer, and On-Peak Hours language has been changed (See First Revised Pages 12, 14, 15, and 19).

Rule 2 – Deposits language has changed (See First Revised Page 24).

Rule 7 – Wiring, Apparatus and Inspection – Applicant/Customer Obligations language has changed (See First Revised Page 37).

Rule 10 – Meter Reading and Rendering of Bills (9) Power Factor/Kilovar Billing – Language has been changed (See Second Revised Page 45).

Rule 22 – Transfer of Electric Generation Supplier – Language has been changed (See First Revised Page 57).

### Rate Schedules

Rate RS – Residential Service Rate – Rates have been increased (See First Revised Pages 58 and 59).

Rate GS – Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate – Rates have been increased (See First Revised Pages 61 and 62).

Rate GS-Small – General Service Secondary Rate – Non Demand Metered – Rates have been increased (See First Revised Pages 63 and 64) and language has changed (See First Revised Pages 63).

Rate GS-Medium – General Service Secondary Rate – Demand Metered – Rates have been increased (See Revised Pages 66 and 69 and language has been changed (See Second Revised Page 66 and First Revised Page 68).

Issued: April 28, 2016

Effective: June 27, 2016

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GENERAL RULES AND REGULATIONS

LIST OF MODIFICATIONS

Rate Schedules (Continued)

Rate GS-Large – General Service Secondary Rate – Rates have been increased (See Second Revised Pages 70 and 72 and language has been changed (See Second Revised Pages 70 and 71).

Rate GP – General Service – Primary Rate – Rates have been increased (See Second Revised Pages 74 and 76) and language has been changed (See Second Revised Page 75).

Rate TP – Transmission Power Rate – Rates have been increased (See First Revised Pages 78 and 80 and language has been changed (See First Revised Page 79 and Second Revised Page 81).

Rate MS – Municipal Service Rate – Rates have been increased (See First Revised Pages 82 and 83).

Services

Borderline Service – Rates have been increased (See First Revised Page 84).

Street Lighting Service - Rates have been increased (See First Revised Pages 86, 87, 90, 91, 92, 94, 99. Removed Lighting Selections (See First Revised Pages 87, 91, 93, 94 and 99). Language has been changed (See First Revised Page 95)

LED Street Lighting Service – Rates have been increased and language has been changed (See First Revised Page 100.

Outdoor Area Lighting Service – Rates have been increased (See Second Revised Pages 103 and 105).

Riders

Rider I – Hourly Pricing Default Service Rider – Rates have been increased (See Second Revised Page 137).

Rider J – Default Service Support Rider – Rates have been increased (See Second Revised Pages 142 and 144).

Rider L – Partial Services Rider – Language has been changed and rates have been increased (See Second Revised Pages 153)

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GENERAL RULES AND REGULATIONS

DESCRIPTION OF TERRITORY

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EASTON AREA

Bucks County - Borough of Riegelsville.  
Townships of Bridgeton, Durham, Nockamixon and Tinicum.

Monroe County - Boroughs of Delaware Water Gap, East Stroudsburg and Stroudsburg  
Townships of Chestnuthill, Hamilton, Middle Smithfield, Price, Ross, Smithfield and Stroud.

Northampton County - City of Easton.  
Boroughs of Bangor, Bath, Chapman, East Bangor, Glendon, Nazareth, Pen Argyl,  
Portland, Roseto, Stockertown, West Easton, Wilson and Wind Gap.

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Townships of Allen, Bethlehem, Bushkill, East Allen, Forks, Lehigh, Lower Mt. Bethel,  
Lower Nazareth, Moore, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth,  
Washington and Williams.

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Pike County - Townships of Delaware, Dingman and Lehman.

READING AREA

Berks County - City of Reading.

Boroughs of Bally, Bechtelsville, Bernville, Birdsboro, Boyertown, Centerport,  
Flectwood, Hamburg, Kenhorst, Kutztown, Laureldale, Leesport, Lenhartsville, Lyons,  
Mohnton, Mt. Penn, St. Lawrence, Shillington, Shoemakersville, Strausstown, Topton,  
West Reading and Wyomissing.

Townships of Albany, Alsace, Amity, Bern, Brecknock, Centre, Colebrookdale, Cumru,  
District, Douglass, Earl, Exeter, Greenwich, Hereford, Jefferson, Longswamp, Lower  
Alsace, Maidencreek, Maxatawny, Muhlenberg, North Heidelberg, Oley, Ontelaunee,  
Penn, Perry, Pike, Richmond, Robeson, Rockland, Ruscombmanor, Spring, Tilden,  
Union, Upper Bern, Washington and Windsor.

Chester County - Township of Warwick.

Lancaster County - Borough of Adamstown.  
Township of Brecknock.



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GENERAL RULES AND REGULATIONS

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Definition of Terms (continued)

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**Alternative Energy Portfolio Standards ("AEPS")** - Standards requiring that a certain amount of electric energy sold from alternative energy sources be included as part of the sources of electric utilities within the Commonwealth of Pennsylvania in accordance with the Alternative Energy Portfolio Standards Act, 73 P.S. §1648.1 – 1648.8 ("AEPS Act") as may be amended from time to time.

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**Applicant** - Any person, corporation or other entity that (i) desires to receive from the Company electric or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining electric or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff. For Residential Service, an Applicant is a natural person at least 18 years of age not currently receiving service who applies for Residential Service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the Residential Service is requested. The term does not include a person who seeks to transfer service within the service territory of the Company or to reinstate service at the same address provided that the final bill for service is not past due.

Deleted: unless specifically stated otherwise in this Tariff, an Applicant shall become a Customer for purposes of this Tariff only after it actually starts receiving the applicable service(s) from the Company under this Tariff.

**Basic Electric Supply** - For purposes of the Company's Purchase of EGS Receivables Program, energy (including renewable energy) and renewable energy or alternative energy credits (RECs/AECs) procured by an EGS, provided that the RECs/AECs are bundled with the associated delivered energy. For residential Customers, Basic Electric Supply does not include early contract cancellation fees, late fees, or security deposits imposed by an EGS.

**Black Start Service** - The ability of a Generating Facility to go from a shutdown condition to an operating condition and start delivering power without assistance from the power system (i.e., the Company's electrical system).

**Cash Advance** - A refundable contribution in cash from an Applicant for those costs associated with a Line Extension, increased for applicable taxes, which is held by the Company in a non-interest bearing account.

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GENERAL RULES AND REGULATIONS

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Definition of Terms (continued)

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**Contributions in Aid of Construction ("CIAC")** - A non-refundable contribution in cash from an Applicant for those costs associated with a Line Extension and/or tree trimming, brush clearance and related activities or those costs associated with Temporary Service or the relocation of Company facilities, increased for applicable taxes.

**Customer(s)** - Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. For Residential Service, a Customer is a natural person at least 18 years of age in whose name a Residential Service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed, or lease of the property for which the Residential Service is being requested. A natural person remains a Customer after discontinuance or termination until the final bill for service becomes past due.

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**Customer Choice and Competition Act** - The Pennsylvania legislation known as the "Electricity Generation Customer Choice and Competition Act," 66 Pa. C. S. §§ 2801-2813 as implemented by the Default Service Regulations 52 Pa. C. S. §§52.181-52.189, and by Act 129 and as may be amended from time to time.

**Default Service** - Service provided pursuant to a Default Service Program to a Default Service Customer.

**Default Service Customer** - A Delivery Service Customer not receiving service from an EGS.

**Delivery Service** - Provision of distribution of electric energy and other services provided by the Company.

**Delivery Service Charge** - A charge that includes the Monthly Minimum Charge, Distribution Charge, and all charges and surcharges imposed under other applicable tariff provisions.

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GENERAL RULES AND REGULATIONS

Definition of Terms (continued)

**Non-Summer** - The calendar months of October through May.

**Non-Utility Generation Charge or NUG Charge** - A reconcilable, non-by-passable charge or credit applied to each kWh delivered during a billing month to Delivery Service Customers pursuant to the terms of the Non-Utility Generation Charge Rider.

**NUG** - Non Utility Electric Generating Facility

**On-Peak Hours** - The On-Peak hours shall be from 6 a.m. to 6 p.m., 7 a.m. to 7 p.m., 8 a.m. to 8 p.m., 9 a.m. to 9 p.m., or 10 a.m. to 10 p.m. prevailing time, at the option of the Customer, Mondays to Fridays excluding holidays. If Customer does not select the On-Peak hours within 30 days of the receipt of notice to do so, the On-Peak hours will default to 8 a.m. to 8 p.m. All other hours shall be Off-Peak. The Off-Peak holidays are New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. On-Peak hours are subject to change from time to time by the Company after giving notice of such changes to Customers.

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**Permanent Residential Customer** - A Customer occupying a dwelling or mobile home on a permanent foundation which is the Customer's primary residence occupied year-round for normal living purposes and including: (i) electrical wiring conforming with the National Electrical Code and the Company's service installation policies; (ii) a permanently installed heating system; and (iii) permanently installed plumbing and sewage systems.

**PJM** - PJM Interconnection, L.L.C. or any successor organization/entity thereto.

**Point of Delivery** - The location at which the Company service connection terminates and the Customer's wiring and installation begins.

**Power Factor** - The ratio of the watts to the volt-amperes.

**Price to Compare Default Service Charge** - The cents per kWh rates representing the Company's costs for providing energy, capacity, including the cost of complying with non-solar AEPS, market based transmission and ancillary services for Customers who take Default Service.

**Primary Voltage** - Voltage greater than 600 volts.

**Private Right-of-Way** - The right-of-way or easement for electric facilities on, over, under, across and/or through real or other property owned by an individual or entity which is not a governmental, municipal or other public body to provide service.

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**Delivery Service Customer** - A Customer who takes Delivery Service.

**Demand** - The rate of use of electric energy during a specified time interval, expressed in kilowatts and reactive kilovolt-amperes.

**Developer** - The person or entity responsible for constructing and providing improvements in a Development, including, but not limited to, streets, sidewalks and utility-ready lots.

**Development** - A planned project which is developed by a Developer for electric service set out in a recorded plot plan of five (5) or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, mobile homes, or one (1) or more five-unit apartment houses, all of which are intended for year-round occupancy, if electric service to such lots necessitates extending the Company's existing Distribution Lines.

**Direct Labor Costs** - The pay and expenses of Company employees directly attributable to work performed, excluding construction overheads or payroll taxes, workmen's compensation expenses or similar expenses.

**Direct Material Costs** - The purchase price of materials used, excluding related stores (i.e. warehousing) expenses. In computing Direct Material Costs, proper allowance shall be made for unused materials recovered from temporary structures, and for discounts allowed and realized in the purchase of materials.

**Discontinuance of Service** - The removal of a customer's meter and/or service wires or the de-energizing of a meter and cessation of service with the consent of the customer.

**Distribution Charge** - A charge designed to recover the costs the Company incurs in using its distribution system ... [1]

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GENERAL RULES AND REGULATIONS

Applications/Contracts (continued)

The Company may require an Applicant/Customer to make the payment of any outstanding balance or portion of an outstanding balance if the Applicant/Customer resided at the property for which service is requested during the time the outstanding balance accrued and for the time the Applicant/Customer resided at the property not to exceed four years. The Company may establish that an Applicant/Customer previously resided at a property through the use of mortgage, deed, lease information, a consumer credit reporting service, a Financial Summary that provides the names and income of adult occupants of a household, and a web-based tool such as "Accurint" to research Applicant/Customer information.

2. Deposits

Where an Applicant's/Customer's credit is not established or the credit of a Customer with the Company has, in the Company's judgment become impaired, or where the Company deems it necessary, a deposit or other guarantee satisfactory to the Company may be required to be supplied by the Applicant/Customer as security for the payment of future and final bills before the Company shall commence or continue to render any type of electric service to the Applicant/Customer. Deposits required by the Company for Tariff charges shall include unpaid EGS charges that are subject to the Company's POR.

The Company utilizes a generally accepted credit scoring methodology in range of general industry practice that is based on an applicant or customer's utility payment history.

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The Company may request deposits from Customers taking service for a period of less than thirty (30) days, in an amount equal to the estimated bill for the cost of total services provided by the Company for such temporary period. Deposits may be required by the Company from all other Customers, in an amount that is in accordance with 52 Pa. Code § 56.51.

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Deposits for Residential Customers shall be returned to them in accordance with the provisions of the Responsible Utility Customer Protection Act (66 Pa. C.S. §§ 1401-1418) and the provisions of the Commission's Regulations at 52 Pa. Code Chapter 56, as amended from time to time. Deposits from all other Customers may be held by the Company, in its sole and exclusive judgment, until the Customer discontinues service or the Company determines that the Customer has established a satisfactory payment record. Upon discontinuance of all Company service and payment in full of all charges and financial guarantees, the Company shall refund the deposit or deduct any unpaid amounts from the deposit and refund the difference, if any, to the Customer. The deposit shall no longer accrue interest upon the discontinuance of service.

The interest rate on Residential Customer deposits will be calculated pursuant to The Fiscal Code, as amended annually.

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GENERAL RULES AND REGULATIONS

Rule 7 – Wiring, Apparatus and Inspection (continued)

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When a Customer's facilities or use of equipment having operating characteristics that adversely affects or has the potential to adversely affect, in the Company's sole judgment, the Company's electric system, the Customer shall take corrective action at its sole expense as may be directed by the Company. Unless corrective action is taken, the Company is under no obligation to serve or to continue to serve such Customers.

Each Applicant/Customer shall provide to the Company such service information described in Rule 1 of this Tariff. The Applicant/Customer shall be responsible and liable to the Company for any damages resulting from the Customer's failure to provide such service information.

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~~The Company will require the Customer to maintain a Power Factor in the range of 85% (lagging) to 100% for secondary, primary and sub transmission service and 97% (lagging) to 99% (leading) for transmission service, coincident with the Customer's maximum monthly peak demand and to provide, at the Customer's expense, any corrective equipment necessary in order to do so.~~ The Company may inspect the Customer's installed equipment and/or place instruments on the premises of the Customer in order to determine compliance with this requirement, as deemed appropriate by the Company. The Company may charge the Customer the Company's installation cost incurred for corrective devices necessary for compliance with this provision. The Company is under no obligation to serve, or to continue to serve, a Customer who does not maintain a Power Factor consistent with the parameters set forth in this provision.

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8. Metering

Company Obligations

The Company owns, maintains, installs and operates a variety of meters, and related equipment designed to measure and record Customers' consumption and usage of all services provided under this Tariff. The Company may, in its sole and exclusive discretion, install such meters and related equipment it deems reasonable and appropriate to provide service to Customers under this Tariff. The Company may, in its sole and exclusive discretion, install such special metering equipment as may be requested by a Customer, subject to the Customer paying all of the Company's incremental material, labor, overheads and administrative and general expenses relating to such facilities. Where additional metering services and the associated costs for the additional metering services are contained within this Tariff, those costs shall also be applicable.

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GENERAL RULES AND REGULATIONS

Rule 10 – Meter Reading and Rendering of Bills (continued)

**(9) Power Factor/kilovar Billing**

Billing for Power Factor or kilovars, whichever is applicable, shall be in accordance with the Customer’s applicable Rate Schedule or other provisions of this Tariff. The Power Factor used for billing purposes shall be rounded to the next highest whole percent, unless otherwise stated in the Customer’s applicable Rate Schedule or other provisions of this Tariff.

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**(10) Billing for Vandalism, Theft or Deception**

In the event that the Company’s meters or other equipment on the Customer’s premises have been tampered or interfered with by any means whatsoever, resulting in improper or non-registration of service supplied, the Customer being supplied through such equipment shall pay to the Company the amount the Company estimates is due for service used but not registered on the Company’s meter, and the cost of any repairs or replacements, inspections and investigations relating thereto including, but not limited to, all administrative expenses associated with the investigation(s) (e.g., Legal, Accounting/Billing, etc.). Under these circumstances, the Company may at its option terminate its service immediately and/or require the Customer to pay all costs correcting any and all unauthorized conditions at the premises. In the event service has been terminated under these circumstances it shall not be restored to the Customer’s premises until: (i) the Customer has a certificate of compliance with the provisions of the National Electric Code and the regulations of the National Fire Protection Association has been issued by the municipal inspection bureau or by any Company-accepted inspection agency, (ii) the Customer has complied with all of the Company’s requirements and (iii) the Customer pays the Company a reconnection fee and deposit.

In the event that a Customer knowingly and willfully obtained service for itself or for another by creating or reinforcing a false impression, statement or representation and fails to correct the same, the Company shall immediately correct the account information in question and issue an adjustment for all current or previous amounts. The Customer shall be required to show proof of identity and sign an agreement for payment of all electric service received, plus any and all costs and administrative expenses associated with any investigation(s) (i.e., Legal, Accounts/Billing, etc.) which shall be added to their account. The Customer shall have three (3) business days in which to provide proof of identity. The Company may terminate a Customer’s electric service if the Customer fails to provide such proof of identity within the aforementioned time period.

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GENERAL RULES AND REGULATIONS

Rule 21 – Service Continuity: Limitation on Liability for Service (continued)

To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company disclaims and shall not be liable to any Customer or third party for any claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

If the Company becomes liable under Section 2806(g) or 2809(c) of the Public Utility Code, 66 Pa. C.S. §§ 2806(g) and 2809(f), for Pennsylvania state taxes not paid by an Electric Generation Supplier (EGS), the non-compliant EGS shall indemnify the Company for the amount of additional state tax liability imposed upon the Company by the Pennsylvania Department of Revenue due to the failure of the EGS to pay or remit to the Commonwealth the tax imposed on its gross receipts under Section 1101 of the Tax Report Code of 1971 or Chapter 28 of Title 66.

22. **Transfer of Electric Generation Supplier**

The Company shall change a Customer's EGS in accordance with 52 Pa. Code Chapter 57, Subchapter M, "Standards for Changing a Customer's Electricity Generation Supplier," Pursuant to the Commission's Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier, at Docket No. L-2014-2409383, changes in a Customer's EGS shall be effective within three (3) business days after the enrollment request is processed, regardless of whether the meter reading is actual or estimated.

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RATE SCHEDULES

RATE RS  
RESIDENTIAL SERVICE RATE

AVAILABILITY:

This Rate is available to Residential Customers using the Company's standard, single phase service through a single meter including not more than 2,000 watts of non-residential connected load served through the same meter.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

~~\$17.42~~ per month (Customer Charge), plus  
~~4.544~~ cents per kWh for all kWh

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RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider C – Universal Service Cost Rider
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

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RATE SCHEDULES

Rate RS (continued)

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DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Residential Customer Class rate applies.

MINIMUM CHARGE:

The monthly Minimum Charge shall be \$17.42 plus distribution energy charges (I) and any charges related to applicable riders.

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PAYMENT TERMS:

As per Rule 11, Payment of Bills.

EQUAL PAYMENT PLAN:

As per Rule 10b(4), Equal Payment Plan.

SPECIAL MONTHLY CHARGES

LOADS IN EXCESS OF 25 KILOWATTS: The Company shall install a suitable demand meter to determine the maximum 15-minute integrated demand when (i) a Customer's service requires the installation of an individual transformer, (ii) a Customer's total monthly consumption exceeds 10,000 kilowatt-hours for two (2) consecutive months, or (iii) when the Customer's service entrance requirements exceed 600 amperes.

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If the demand so determined under this provision exceeds twenty-five (25) kilowatts, a monthly distribution demand charge of Two Dollars and Fifty Nine Cents (\$2.59) per kW for all kW shall apply to such excess as set forth in this provision, in addition to the General Monthly Charges. In no event shall the demand charge be based upon less than seventy-five percent (75%) of the highest excess demand during the preceding eleven (11) months.

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METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 52 (Supp. 23)  
First Revised, Page 61  
Superseding Original Page 61

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RATE SCHEDULES

RATE GS  
VOLUNTEER FIRE COMPANY AND NON-PROFIT AMBULANCE  
SERVICE, RESCUE SQUAD AND SENIOR CENTER SERVICE RATE

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AVAILABILITY:

This Rate Schedule is restricted to Volunteer Fire Companies, Non-Profit Ambulance Services, Non-Profit Rescue Squads and Non-Profit Senior Citizen Centers that sign a one (1) year contract.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

Distribution Charge

\$17.42 per month (Customer Charge), plus (I)  
4.544 cents per kWh for all kWh (I)

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RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider C – Universal Service Cost Charge
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

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METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 52 (Supp. 23)  
Second Revised Page 62  
Superseding First Revised Page 62

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RATE SCHEDULES

Rate GS (continued)

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Residential Customer Class rate applies.

MINIMUM CHARGE:

The monthly Minimum Charge shall be \$17.42 plus energy-related distribution (I) charges and any applicable riders.

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PAYMENT TERMS:

As per Rule 11, Payment of Bills.

SPECIAL MONTHLY CHARGES

**LOADS IN EXCESS OF 25 KILOWATTS:** The Company shall install a suitable demand meter to determine the maximum 15-minute integrated demand when (i) a Customer's service requires the installation of an individual transformer, (ii) a Customer's total monthly consumption exceeds 10,000 kilowatt-hours for two (2) consecutive months, or (iii) when the Customer's service entrance requirements exceed 600 amperes.

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If the demand so determined under this provision exceeds twenty-five (25) kilowatts, a monthly distribution demand charge of Two Dollars and Fifty-Nine Cents (\$2.59) per kW for all kW shall apply to such excess as set forth in this provision, in addition to the General Monthly Charges. In no event shall the demand charge be based upon less than seventy-five percent (75%) of the highest excess demand during the preceding eleven (11) months.

**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

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Effective: June 27, 2016

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RATE SCHEDULES

RATE GS-SMALL  
GENERAL SERVICE SECONDARY RATE – NON DEMAND METERED

AVAILABILITY:

Available to non-Residential Customers without demand meters that use electric service through a single delivery location for lighting, heating and/or power service. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

If an existing Customer's total consumption exceeds 1,500 KWH per month for two (2) consecutive months, in the most recent twelve-month period, the Customer may no longer be eligible for service under this Rate Schedule GS-Small. Based upon the Company's then estimate of the Customer's new demand, the Customer shall be placed on Rate Schedule GS-Medium or such other Rate Schedule for which such Customer most qualifies.

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All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

Distribution Charge

\$23.02 per month for single phase (Customer Charge), plus  
4.278 cents per kWh for all billed kWh

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RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

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RATE SCHEDULES

Rate GS-Small (continued)

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H - Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under Rider I - Hourly Pricing Default Service Rider.

MINIMUM CHARGE:

The monthly Minimum Charge shall be \$23.02 plus energy-related distribution charges and (I) other applicable riders.

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PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

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METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 52 (Supp. 23)  
Second Revised Page 66  
Superseding First Revised Page 66

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RATE SCHEDULES

RATE GS-MEDIUM  
GENERAL SERVICE SECONDARY RATE – DEMAND METERED

AVAILABILITY:

Available to non-Residential Customers that use electric service through a single delivery location for lighting, heating and/or power service up to 400 kW demand. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

If an existing Customer's total consumption is less than 1,500 KWH per month for twelve (12) consecutive months, the Customer may no longer be eligible for service under this Rate Schedule GS-Medium. Based upon the Company's then estimate of the Customer's usage, the Customer shall be placed on Rate Schedule GS-Small or such other Rate Schedule for which such Customer most qualifies.

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If an existing Customer's billing demand exceeds 400 kW for two (2) consecutive months, in the most recent twelve-month period, the Customer may no longer be eligible for service under this Rate Schedule GS-Medium, and shall be placed on Rate Schedule GS-Large or such other Rate Schedule for which such Customer most qualifies.

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All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

Distribution Charge

\$25.32 per month for single phase (Customer Charge), \_\_\_\_\_ (I)

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or  
\$45.19 per month for three phase (Customer Charge), plus \_\_\_\_\_ (I)

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Demand

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\$5.36 per kW for all billing kW \_\_\_\_\_ (I)

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\$0.20 for each rkVA of Reactive Billing Demand for three phase

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METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 52 (Supp. 23)  
Second Revised Page 68  
Superseding First Revised Page 68

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RATE SCHEDULES

Rate GS-Medium (continued)

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies unless the Customer elects to receive Default Service from the Company under Rider I – Hourly Pricing Default Service Rider.

DETERMINATION OF BILLING DEMAND:

The Company shall install suitable demand meters to determine the maximum 15-minute integrated demand when (i) the connected load being served equals fifteen (15) kilowatts or more, or (ii) the Company estimates that a demand greater than five (5) kilowatts will be established. The Company may install a demand meter on new or upgraded electric services.

A determination of connected load or estimated demand may be made by the Company at any time and shall be made when the Customer's total consumption exceeds 1,500 KWH per month for twelve (12) consecutive months.

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A Customer's demand shall be measured by indicating or recording instruments. Demands shall be integrated over 15-minute intervals. The billing demand in the current month shall be the greatest of: (i) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (ii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, or (iii) contract demand or (iv) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

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Pending the installation of a demand meter, Customer's Demand shall be a formula demand determined by dividing the kilowatt-hour consumption by 200.

REACTIVE BILLING DEMAND:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltampere hours to the measured kWh by the following formula:  $rkVA = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$ . For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the

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Issued: April 28, 2016

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RATE SCHEDULES

Rate GS-Medium (continued)

MINIMUM CHARGE:

No bill shall be rendered by the Company for less than,

\$25.32 per month for single phase, (I)

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or

\$45.19 per month for three phase, plus (I)

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The demand charges at current rate levels times the Billing Demand, plus any distribution energy charges, and any charges stated in or calculated by any applicable Rider.

COMBINED BILLING: THIS PROVISION HAS BEEN RESTRICTED TO PRESENT LOCATIONS SINCE SEPTEMBER 18, 1978. Only one standard single phase metered service and one standard three-phase metered service, each in excess of five (5) KW measured demand for each service, shall be supplied at one contract location, and when so supplied the energy and demand registrations of the separate meters shall be determined separately and may be added for billing purposes when the use of capacity on each service will remain in excess of five (5) KW for each month of the contract year.

Each separate and non-contiguous point of delivery or service installation shall be considered a contract location and shall be metered and billed under a separate service contract.

SERVICE AT PRIMARY VOLTAGE: Customers served at Primary Voltage shall have the option to be billed under this Rate GS-Medium for any of the following conditions:

1. A Customer with an estimated maximum demand of 1,000 KW or less, and requiring Primary Service at a voltage less than the nearest available Primary Voltage System.
2. Customer's maximum billing demand does not exceed 100 KW for more than two (2) consecutive months in any 12-month period and service is supplied through a Customer-owned transformer at the nearest available Primary Voltage System.

**Rules and Regulations:**

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The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

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METROPOLITAN EDISON COMPANY

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RATE SCHEDULES

RATE GS-LARGE  
GENERAL SERVICE SECONDARY RATE

AVAILABILITY:

This Rate is available to non-Residential Customers using electric service through a single delivery location for lighting, heating and/or power service whose registered demand is equal to or greater than 400 KW in two (2) consecutive months in the most recent twelve-month period. Secondary voltage shall be supplied to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA. Upon a Customer's request, the Company may, at its option, provide transformers having a capacity of greater than 2,500 KVA.

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New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

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All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

Distribution Charge

\$270.12 per month (Customer Charge), plus

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\$6.04 per kW for all billing kW

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\$0.20 for each rkVA of Reactive Billing Demand

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RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

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METROPOLITAN EDISON COMPANY

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RATE SCHEDULES

Rate GS-Large (continued)

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider, Rider I, rates apply.

DETERMINATION OF BILLING DEMAND:

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A Customer's demand shall be measured by indicating or recording instruments. Demands shall be integrated over 15-minute intervals. The billing demand in the current month shall be the greatest of: (i) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (ii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, (iii) contract demand or (iv) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

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Pending the installation of a demand meter, Customer's Demand shall be a formula demand determined by dividing the kilowatt-hour consumption by 200.

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RATE SCHEDULES

Rate GS-Large (continued)

REACTIVE BILLING DEMAND:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula:  $rkVA = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$ . For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

MINIMUM CHARGE:

No bill shall be rendered by the Company for less than,

\$270.12 per month plus, \_\_\_\_\_ (I)

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The demand charges at current rate levels times the Billing Demand, plus distribution energy charges, and any charges stated in or calculated by any applicable Rider.

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PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

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METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 52 (Supp. 23)  
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Superseding First Revised Page 74

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RATE SCHEDULES

Rate GP (continued)

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$1,377.19 per month, plus \_\_\_\_\_

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Demand

\$4.29 per kW for all billed kW \_\_\_\_\_

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\$0.20 for each rkVA of Reactive Billing Demand

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RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider, Rider I, rates apply.

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METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 52 (Supp. 23)  
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## RATE SCHEDULES

Rate GP (continued)

### DETERMINATION OF BILLING DEMAND:

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The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over 15-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greatest of: (i) twenty-five (25) KW, (ii) the maximum measured demand established in the month during On-Peak Hours, as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, (iv) contract demand or (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

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### REACTIVE BILLING DEMAND:

For installations metered with reactive energy metering, the reactive billing demand in rkVA for the month shall be determined by multiplying the Billing Demand by the ratio of the measured lagging reactive kilovoltamperes hours to the measured kWh by the following formula:  $rkVA = \text{Billing Demand} \times (\text{measured lagging reactive kilovoltampere hours} \div \text{rate measured kWh})$ . The Reactive kilovolt-ampere charge is applied to the Customer's reactive kilovolt-ampere capacity requirement in excess of 35% of the Customer's kilowatt capacity. For all other installations, the Reactive Billing Demand shall be the integrated reactive demand occurring coincident with the Billing Demand.

For the purposes of determining the demand for Net Station Power of a Generating Facility under this Rate Schedule, registered demand during any hour cannot be netted, offset or credited against capacity from that Generating Facility in any other hour or from registered capacity from any other Generating Facility in any other hour.

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RATE SCHEDULES

Rate GP (continued)

STATION POWER ENERGY NETTING:

If applicable PJM rules and procedures for determining Net Station Power are in effect, all Net Station Power shall be determined solely by PJM and provided to the Company for billing purposes under this Rate Schedule. If the Applicant self-supplies Net Station Power, the Applicant shall be responsible for obtaining all related transmission service. If no such applicable PJM rules and procedures for determining Net Station Power are in effect or PJM is unable for any reason to determine Net Station Power, the Company shall determine Net Station Power for any relevant period in its sole discretion.

MINIMUM CHARGE:

No bill shall be rendered by the Company for less than,

\$1,377.19 per month, plus (I)

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the demand charges at current rate levels times the Billing Demand, plus any distribution energy charges, and any charges stated in or calculated by any applicable Rider.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

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METROPOLITAN EDISON COMPANY

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RATE SCHEDULES

Rate TP (continued)

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GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$5,462.26 per month (Customer Charge), plus

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\$1.04 per kW for all billed kW

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RIDERS

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Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

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Issued: April 28, 2016

Effective: June 27, 2016

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RATE SCHEDULES

Rate TP (continued)

DEFAULT SERVICE CHARGES:

For Customers receiving Default Service from the Company, the Hourly Pricing Default Service Rider, Rider I, rates apply.

DETERMINATION OF BILLING DEMAND:

(C)

The Customer's demand shall be measured by indicating or recording instruments. Demand shall be integrated over 15-minute intervals or as otherwise determined by the Company. The billing demand in the current month shall be the greater of: (i) 5,000 KW, (ii) the maximum measured demand established in the month during On-Peak Hours, adjusted for Power Factor as stated herein, (iii) forty percent (40%) of the maximum measured demand established in the month during off-peak hours, adjusted for Power Factor as stated herein, (iv) contract demand (v) fifty percent (50%) of the highest billing demand established during the preceding eleven (11) months. The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.

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All measured demands shall be corrected to a Power Factor defined in Rule 7 by multiplying each measured demand by the ratio of the minimum Power Factor requirement set forth in Rule 7 to either the measured Power Factor for that demand or the average Power Factor for the month, whichever is lower, to the nearest 0.1%. No reduction in measured demands shall be made for Power Factor in excess of the stated Power Factors in Rule 7.

For purposes of determining the demand for Net Station Power of a Generating Facility under this Rate Schedule, registered demand during any hour cannot be netted, offset or credited against capacity from that Generating Facility in any other hour or from registered capacity from any other Generating Facility in any other hour.

STATION POWER ENERGY NETTING:

If applicable PJM rules and procedures for determining Net Station Power are in effect, all Net Station Power shall be determined solely by PJM and provided to the Company for billing purposes under this Rate Schedule. If the Applicant self-supplies Net Station Power, the Applicant shall be responsible for obtaining all related transmission service. If no such applicable PJM rules and procedures for determining Net Station Power are in effect or PJM is unable for any reason to determine Net Station Power, the Company shall determine Net Station Power for any relevant period in its sole discretion.

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METROPOLITAN EDISON COMPANY

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RATE SCHEDULES

Rate TP (continued)

MINIMUM CHARGE:

No bill shall be rendered by the Company for less than,

\$5,462.26 per month, plus (I)

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the demand charges at current rate levels times the Billing Demand, plus any distribution energy charges, and any charges stated in or calculated by any applicable Riders.

PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

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METROPOLITAN EDISON COMPANY

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RATE SCHEDULES

Rate TP (continued)

GENERAL PROVISIONS:

A. VOLTAGE DISCOUNT - 115 KV OR GREATER:

If the Company, in its sole discretion, elects to serve a Customer at 115 KV or greater, the demand charge shall be decreased as set forth below:

Credit for: Demand Dollars/KW

Distribution \$0.74

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**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

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RATE SCHEDULES

RATE MS  
MUNICIPAL SERVICE RATE

AVAILABILITY (RESTRICTED):

THE AVAILABILITY OF THIS RATE SCHEDULE TO CUSTOMERS HAS BEEN RESTRICTED SINCE OCTOBER 19, 1983.

Municipal lighting, and/or power and/or heating service used by counties, cities, boroughs, townships and public school districts for public purposes only and not applicable to service where counties, cities, boroughs, townships or public school districts are compensated in any form (other than admissions collected by such bodies) for the use of any of the facilities for which service is supplied.

Secondary Voltage: Secondary voltage will be supplied by the Company to Customers at a single transformer location when load does not require transformer capacity in excess of 2,500 KVA.

Primary Voltage: New Customers requiring transformer capacity in excess of 2,500 KVA and existing Customers whose load increases such that a transformer change is required (over 2,500 KVA) shall be required to take untransformed service.

All of the following general monthly charges are applicable to Delivery Service Customers:

GENERAL MONTHLY CHARGES:

**Distribution Charge**

~~\$34.38~~ per month (Customer Charge), plus  
~~3.322~~ cents per kWh for all kWh

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RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider F – Phase II Energy Efficiency and Conservation Charge
- Rider G – Smart Meter Technologies Charge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

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RATE SCHEDULES

Rate MS (continued)

DEFAULT SERVICES CHARGES:

For Customers receiving Default Service from the Company, Rider H – Price to Compare Default Service Rate Rider, Commercial Customer Class rate applies.

MINIMUM CHARGE:

The monthly Minimum Charge shall be \$34.38 plus all distribution energy charges and any <sup>(I)</sup> charges stated in or calculated by any applicable Riders.

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PAYMENT TERMS:

As per Rule 11, Payment of Bills.

TERM OF CONTRACT:

Each Customer shall be required to enter into a Delivery Service contract with the Company for a minimum one (1) year term. If the Delivery Service contract is terminated by the Customer prior to its expiration, the Minimum Charge provisions of this Rate Schedule shall apply. If the Customer's capacity or service requirements increase, the Company, in its sole and exclusive judgment, may at any time require the Customer to enter into a new Delivery Service contract.

**Rules and Regulations:**

The Company's Standard Rules and Regulations shall apply to the installation and use of electric service. Motors and equipment served under this rate schedule shall have electrical characteristics so as not to interfere with service supplied to other customers of the Company.

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SERVICES

BORDERLINE SERVICE

AVAILABILITY:

Borderline Service is available to public utility companies for resale in adjacent service territory to the Company under reciprocal agreements between the Company and other public utility companies, subject to the following conditions:

- A. A request shall be made in writing for each point of supply where service is desired.
- B. Borderline service may be supplied in the Company's sole and exclusive discretion when it has available adequate capacity to serve the requested location(s).
- C. When such service is supplied, energy shall be supplied at sixty (60) cycle alternating current, at such potential and of such phase as may be mutually agreed upon.

All of the following general monthly charges are applicable to Delivery Service Customers.

GENERAL MONTHLY CHARGES:

**Distribution Charge**

4.704 cents per kWh for all kWh (I)

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RIDERS

Bills rendered under this schedule are subject to the following applicable Rider Charges:

- Rider A – Tax Adjustment Surcharge
- Rider J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge

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SERVICES

STREET LIGHTING SERVICE

AVAILABILITY:

This Service is applicable to overhead or underground street lighting service to municipal, local, state and federal governmental bodies, community associations and to public authorities for lighting of streets, highways, parks and similar places for the safety and convenience of the public. This Service supersedes Rate SV, Rate MH, Rate MV-1, Rate MV-2, Rate SL and Rate OSL, excepting Rate OSL, Provision A - Post Top Series Incandescent Street Lighting.

TYPE OF SERVICE:

The Company will provide unmetered energy, at the rate herein provided, when the Customer furnishes, installs, owns and maintains (including lamp and photocell) the entire lighting system consisting of, but not limited to, lamps, luminaries, controls, brackets, ballasts, conductors, and poles. Lighting units will operate from dusk to dawn, which is approximately 4,200 hours per year. The Company will supply electricity at mutually agreed upon delivery points for the operation of the lights. The Company may, at any time, inspect and/or test the Customer's equipment to verify or measure actual load. This service is limited to installations of contiguous Metal Halide street lighting units located in an area previously approved by the Company or limited to Sodium Vapor, Mercury Vapor or Incandescent street light units also served under General Provision A or General Provision D of this Service.

GENERAL MONTHLY CHARGES:

Demand and Energy Charges for common lamp sizes:

Charges Per Month Per Light:

**Sodium Vapor:**

Nominal Watts	Monthly kWh	Distribution	Monthly Minimum Charge
70	32	0.00	<del>9.04 (I)</del>
100	46	0.00	<del>8.86 (I)</del>
150	66	0.00	<del>8.73 (I)</del>
200	75	0.00	<del>8.20 (I)</del>
250	98	0.00	<del>9.27 (I)</del>
400	156	0.00	<del>9.09 (I)</del>
800	312	0.00	<del>8.75 (I)</del>

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SERVICES

Street Lighting Service (continued)

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**Mercury Vapor:**

Nominal Watts	Monthly kWh	Distribution	Monthly Minimum Charge
100	42	0.00	9.16 (I)
175	74	0.00	8.87 (I)
250	107	0.00	8.46 (I)
400	174	0.00	7.59 (I)
1000	420	0.00	5.80 (I)

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**Incandescent:**

Nominal Watts	Monthly kWh	Distribution	Monthly Minimum Charge
105	44	0.00	9.02 (I)
205	86	0.00	8.59 (I)

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**Metal Halide:**

Nominal Watts	Monthly kWh	Distribution	Monthly Minimum Charge
175	70	0.00	9.17 (I)
250	98	0.00	9.17 (I)
400	156	0.00	8.99 (I)

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**Overhead Alternative Technology Lighting:**

Distribution	Monthly Minimum Charge
0.00	8.86 (I)

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SERVICES

Street Lighting Service (continued)

	<u>Charge Per Month Per Light</u>	
1. Sodium Vapor Lamps	\$3.19	(I)
2. Mercury Vapor Lamps	\$1.30	(I)
3. Incandescent Lamps	\$3.58	(I)

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Where, at the Company's option and upon Customer request, the Company has converted existing Mercury Vapor and Incandescent lights to High Pressure Sodium Vapor lights or has installed on existing poles a Company-owned standard Sodium Vapor luminaire, the Company will operate and maintain said luminaire at the rates and charges listed under Street Lighting Service this, General Provision A, provided the Customer has made a contribution, to be calculated annually.

- B. COMPANY OWNERSHIP OF CONVENTIONAL LUMINAIRE FACILITIES:  
The Company will furnish and install and own its standard Sodium Vapor, Mercury Vapor and Incandescent conventional (non-ornamental) street lighting units consisting of lamps, luminaries, controls, brackets and ballasts, mounted on the Company's wood poles and utilizing the Company's overhead distribution system. For each light, the Company will furnish without added charge up to 300 feet of overhead line on existing suitable poles. At its option, the Company may install additional wood poles, provided that a street lighting unit is then installed on each dedicated pole.

The type of lighting units and fixtures currently being furnished by the Company at the time service is contracted for under this Service will be installed at the rates herein provided.

1. Charges Per Month Per Light:	\$3.06	(I)
2. Charges Per Month Per Dedicated Pole:	\$12.75	(I)

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SERVICES

Street Lighting Service (continued)

C. UNDERGROUND FEED TO STREET LIGHTS: This provision is for the installation of new facilities at new locations or the conversion of facilities at existing locations. Where the Company furnishes an underground electrical source, there shall be billed charges in addition to the other charges specified in this Service per light as follows:

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Demand and Energy Charges for common lamp sizes:

**Sodium Vapor:**

Nominal Watts	Monthly kWh	Distribution	Monthly Minimum Charge	
70	32	0.11	0.17	(I)
100	46	0.17	0.17	(I)
150	66	0.26	0.17	(I)
250	98	0.43	0.17	(I)
400	156	0.67	0.17	(I)
800	312	1.34	0.17	(I)

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**Mercury Vapor:**

Nominal Watts	Monthly kWh	Distribution	Monthly Minimum Charge	
175	74	0.31	0.17	(I)
250	107	0.44	0.17	(I)
400	174	0.67	0.17	(I)
1000	420	1.75	0.17	(I)

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SERVICES

Street Lighting Service (continued)

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Metal Halide:

Nominal Watts	Monthly kWh	Distribution	Monthly Minimum Charge
175	70	<u>0.30</u>	<u>0.17</u>
250	98	<u>0.43</u>	<u>0.17</u>
400	156	<u>0.67</u>	<u>0.17</u>

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Nominal Watts	Monthly kWh	Distribution	Minimum Charge
105	44	0.13	0.12
205	86	0.24	0.12
327	137	0.39	0.12
448	188	0.53	0.12
690	290	0.80	0.12
860	361	1.01	0.12
1720	722	2.01	0.12

Underground Alternative Technology Lighting:

*Distribution	Monthly Minimum Charge
<u>0.316</u>	<u>0.19</u>

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\*cents per kWh

The Company will provide and charge for NUG Charges to Customers taking Delivery Service in accordance with the provisions of Rider P – NUG Rider, which charge shall apply to all kWh billed under this Rate Schedule.

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SERVICES

Street Lighting Service (continued)

DEFAULT SERVICE CHARGES:

The Price to Compare Default Service Charge shall be determined using the applicable Monthly kWh usage, from the preceding chart, multiplied by the Price to Compare Default Service Rate Rider, Rider H, Commercial Customer Class rate.

The cost of trenching and backfilling, including breaking and replacement of concrete and other surfacing, and the provision and installation of duct or conduit (concrete encased where specified by the Company), where duct or conduit is required by the Company, shall be borne by the Customer. The cost of foundations required for support of standards shall be borne by the Customer, except that the Company will supply foundation bolts and conduit required for the installation in foundations. The Customer shall make such installations or contract with the Company or with others to do so, all to be in compliance with the Company's specifications. All installations made by (or for) the Customer shall be maintained by the Customer, except as next stated herein.

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Upon mutual agreement with the Company, the Customer may transfer to the Company the ownership of such installations (except where an integral part of the Customer's property), and in the event of such transfer of ownership, the Company will thereafter maintain such equipment, and there shall be no change in the charges stated in the Rate Per Month of this Street Lighting Service, General Provisions D., E. and F.

D. COMPANY OPERATION & MAINTENANCE OF ORNAMENTAL LUMINARIES: The Company will operate and maintain ornamental Sodium Vapor and Mercury Vapor lighting units consisting of lamps, luminaire controls, brackets and ballasts approved by the Company and served from the Company's distribution system.

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SERVICES

Street Lighting Service (continued)

These units will be installed on ornamental standards and in a manner acceptable to the Company. The Company will operate and maintain and replace the photocell controls and lamps as necessary to the extent hereinafter expressly provided at the following rates and charges:

	Charge Per Month Per Light
1. Sodium Vapor Lamps	\$3.81 (I)
2. Mercury Vapor Lamps	\$2.16 (I)
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Where, at the Company's option and upon Customer request, the Company has converted existing Mercury Vapor and Incandescent lights to High Pressure Sodium Vapor lights or has installed on a Company-owned standard a Company-owned standard Sodium Vapor luminaire, the Company will operate and maintain said luminaire at the rates and charges listed under Street Lighting Service, General Provision D., provided the Customer has made a contribution, to be calculated annually.

- E. COMPANY OWNERSHIP OF ORNAMENTAL LUMINAIRE: Where at the approval of the Company, the Customer owns, installs and maintains the cable and ducts (or conduit) and the standards and foundation therefore and the Company owns, installs, and maintains its standard Sodium Vapor, Mercury Vapor or Incandescent Ornamental street light units consisting of only the lamp, ballast, control, luminaire (and its interior wiring), the Luminaire Charge per month for ornamental lights, not to exceed thirty-five (35) foot mounting height, will be as follows:

Luminaire Charge: \$7.27 Per Light Per Month (I)

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- F. COMPANY OWNERSHIP OF ORNAMENTAL STANDARDS: Where, at the Company's option and upon Customer request, the Company has installed on a Company-owned standard a Company-owned and Company-approved standard Sodium Vapor, Mercury Vapor or Incandescent ornamental luminaire, the Company will own, operate, and maintain said standard at the following rate:

\$13.68 Standard Charge Per Month (I)

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Where, at the Company's option and upon Customer request, the Company has converted existing Mercury Vapor and Incandescent lights to High Pressure Sodium Vapor lights or has installed on a Company-owned standard a Company-owned standard Sodium Vapor luminaire, the Company will operate and maintain said luminaire at the following rates and charges provided the Customer has made a contribution, to be calculated annually.

\$4.63 Standard Charge Per Month (I)

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SERVICES

Street Lighting Service (continued)

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- G. ALTERNATIVE TECHNOLOGY LIGHTING: The Alternative Technology Lighting charges shall apply to lighting facilities owned and maintained by the Customer which utilize Induction, Solid State, or Plasma Lighting technologies, or such additional alternative technology as may be specified by the Company. The Alternative Technology Lighting must be certified by an Edison Testing Laboratories "ETL" (or equivalent) to verify the actual consumption of the fixture. In addition and in order to certify the safe operation, the fixture must be Underwriters Laboratories "UL" (or equivalent) listed. Provisions A, B, D, E, and F shall not apply in the case of service provided under this General Provision G.

For purposes of the Provision G, the following definitions shall apply:

**Induction Lighting** – Discharge lamps, where mercury or other atoms are energized to elevate their energy level, then discharge a photon as they fall back to their normal state.

**Solid State Lighting** – Technology using semi-conducting materials to convert electricity into light. Solid State Lighting is an umbrella term encompassing both light-emitting diodes (LEDs) and organic light-emitting diodes (OLEDs).

**Plasma Lighting** – Plasma lamps are a family of light sources that generate light by exciting a plasma inside a closed transparent burner or bulb using a radio frequency (RF) power. Typically, such lamps use a noble gas or a mixture of these gases and additional materials such as metal halides, sodium, mercury, or sulfur. A waveguide is used to constrain and focus the electrical field into the plasma. In operation the gas is ionized and free electrons, accelerated by the electrical field collide with gas and metal atoms. Some electrons circling around the gas and metal atoms are excited by these collisions, bringing them to a higher energy state. When the electron falls back to its original state, it emits a photon, resulting in visible light or ultraviolet radiation depending on the fill materials.

Alternative Technology Lighting shall be applied to each kilowatt-hour delivered during a billing month to all Customers served under this specific provision, determined to the nearest one-hundredth of a cent per kilo-watt hour. In addition, the wattage of the Alternative Technology Lighting shall be rounded to the nearest 25 Watt. The Alternative Technology Lighting wattage will then be converted into kWh in accordance with the formula set forth below:

- H. If the customer requests the Company to remove the present high pressure sodium vapor street light system to install LED lights and if the present system is less than twenty years old, the customer shall pay the removal cost plus the remaining value of the system.

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SERVICES

Ornamental Street Lighting Service (continued)

GENERAL PROVISION:

POST TOP SERIES INCANDESCENT STREET LIGHTING (RESTRICTED): Where the Customer elects to take street lighting service from series incandescent street lighting facilities and the Company furnishes and maintains the entire street lighting systems, the monthly charge shall be as specified below:

Nominal Initial Rate

Lamp Lumens:

2,500

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Lamp Charge Per Month

\$63.50

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SERVICES

LED STREET LIGHTING SERVICE

AVAILABILITY:

This Service is applicable to Company owned overhead or underground Light Emitting Diode (LED) street lighting service to municipal, local, state and federal governmental bodies, community associations and to public authorities for lighting of streets, highways, parks and similar places for the safety and convenience of the public.

A minimum installation of 12 LED lights per customer per individual order is required when replacing existing lighting. This restriction does not apply to new installations.

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GENERAL MONTHLY CHARGES:

Demand and Energy Charges for common lamp sizes:

Charges Per Month Per Light:

Cobra Head

Nominal Watts	Monthly kWh	Distribution
50	18	\$13.30 (I)
90	32	\$15.47 (I)
130	46	\$16.44 (I)
260	91	\$25.41 (I)

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Colonial

Nominal Watts	Monthly kWh	Distribution
50	18	\$19.69 (I)
90	32	\$21.65 (I)

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Acorn

Nominal Watts	Monthly kWh	Distribution
50	18	\$26.11 (I)
90	32	\$27.59 (I)

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SERVICES

OUTDOOR AREA LIGHTING SERVICE

AVAILABILITY:

Available for lighting of outdoor areas and roadways from dusk to dawn, served from Company's existing overhead wood pole distribution system where 120-volt service is available and where the Company's sole determination that street lighting service is not appropriate. INSTALLATION OF MERCURY VAPOR LIGHTS UNDER THIS SERVICE IS RESTRICTED TO EXISTING LIGHTS AT PRESENT LOCATIONS AS OF OCTOBER 19, 1983.

THIS SERVICE SHALL BE FURTHER RESTRICTED TO EXISTING CUSTOMERS AT EXISTING LOCATIONS AS OF AUGUST 1, 2012.

RATE PER MONTH:

Watt	Monthly kWh	Distribution
175-Watt mercury vapor lamp	70	<u>9.01</u> (I)
<u>Sodium Vapor</u>		
100-Watt sodium vapor lamp (Area Lighting)	46	<u>26.37</u> (I)
250-Watt sodium vapor lamp (Flood Lighting)	98	<u>14.28</u> (I)
400-Watt sodium vapor lamp (Flood Lighting)	156	<u>9.19</u> (I)

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SERVICES

Outdoor Area Lighting Service (continued)

B. No change in height of existing poles in primary distribution lines shall be made, nor shall additional poles be installed in such lines, for the purpose of installing a light unless Customer elects to pay the Company the cost of such change. If requested by a Customer, Company may, at its option, install a pole for supporting a light, and external secondary facilities to such pole, and in such cases there shall be a charge of Nine Dollars and Ninety-Six Cents (\$9.96) per pole and secondary facilities (1) per month. Not more than two (2) one-pole extensions, or one (1) two-pole extension, may be made per Customer at any single premises. In either case, the extensions may be made only if a light is installed on each pole installed. If requested by a Customer, the Company may, at its option, install secondary facilities to serve a light, and in such cases, there shall be a charge issued to the Customer by the Company of Nine Dollars and Ninety-Six Cents (\$9.96) per light per month. As an alternative to the charges stated (1) herein, the Customers may pay to the Company the cost of furnishing and installing the required facilities. For facilities to be installed hereunder, the Customer shall grant such right-of-way as is required, in accordance with the Provisions of this Tariff of this Tariff. The Customer shall obtain satisfactory written approval from the appropriate public authorities for lights to be located on public thorough-fares.

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C. The lamp, luminaire with open refractor, and bracket not over four (4) feet in length adopted by the Company as standard for this type of service shall be used. Lamps shall be lighted from dusk to dawn by automatic control furnished by Company and burning hours of the light shall be approximately 4,200 hours per year. Lamp renewals shall be made during normal weekday working hours, ordinarily within forty-eight (48) hours of notification by the Customer, such renewals not to be made on Saturdays, Sundays or holidays.

D. Lights and poles shall be placed only at locations accessible for installation and maintenance by Company's mechanized equipment.

A mercury vapor light fixture that becomes inoperable will be replaced with an equivalent lumen output sodium vapor light fixture to comply with the Federal Energy Policy Act of 2005 that prohibits the import or manufacture of mercury vapor ballasts. When such replacement occurs, sodium vapor rates will apply based on the Company's current electric service Tariff.

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Rider I (continued)

HP Loss Multipliers:	GS-Small	1.0515
	GS-Medium	1.0515
	GS-Large	1.0515
	GP	1.0171
	TP	1.0007

These HP Loss Multipliers exclude transmission losses.

**HP Cap-AEPS-Other Charge:**

\$0.03050 per kWh representing the costs paid by the Company to the Supplier for Capacity, AEPS costs, and any other costs incurred by the Supplier multiplied by the HP Loss Multipliers. This charge is subject to quarterly adjustments.

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**HP Administrative Charge:**

\$0.00008 per kWh representing the administrative costs incurred by the Company associated with providing Hourly Pricing Service.

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**HP Uncollectibles Charge:**

\$0.00016 per kWh representing the default service-related uncollectible accounts expense associated with Hourly Pricing Default Service. This charge is subject to annual adjustment on June 1 of each year.

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RIDERS

RIDER J  
DEFAULT SERVICE SUPPORT RIDER

A Default Service Support ("DSS") rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or dollar per kW NSPL, as applicable. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

For service rendered during the DSS Initial Computational Period and thereafter, the DSS Computational Year, the DSS rates billed by Rate Schedule are as follows:

<u>Rate Schedule</u>	<u>DSS Rates</u>	
Rate Schedule RS & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate	<u>0.597</u> cents per kWh (I)	Deleted: 0.496
Rate Schedule GS - Small	<u>0.399</u> cents per kWh (I)	Deleted: 0.392
Rate Schedule GS - Medium	<u>0.403</u> cents per kWh (I)	Deleted: 0.396
Rate Schedule GS - Large	\$1.732 per kW NSPL	Deleted: (I)
Rate Schedule GP	\$1.686 per kW NSPL	Deleted: (I)
Rate Schedule TP	\$1.655 per kW NSPL	Deleted: (I)
Rate Schedule MS	<u>0.391</u> cents per kWh (I)	Deleted: 384
Rate Schedule OAL	<u>0.348</u> cents per kWh (I)	Deleted: (I)
Rate Schedule STLT	<u>0.348</u> cents per kWh (I)	Deleted: 341
Rate Schedule LED	<u>0.348</u> cents per kWh (I)	Deleted: (I)
Rate Schedule BRD	<u>0.389</u> cents per kWh (I)	Deleted: 341
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RIDERS

Rider J (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, LED Street Lighting, and Outdoor Lighting Service):

0.016 cents per kWh \* (I)

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

0.226 cents per kWh \* (I)

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**2006 Deferred Transmission Service Charges**

$$TSC_1 = [(TSCD - E) / S] \times \text{Rate Schedule Adjustment Factor}$$

Where:

TSC<sub>1</sub> = The charge to be applied to Delivery Service Customers under this rider to recover the 2006 Transmission Service Charge Deferral ("TSCD"), including carrying charges, which was approved by the Commission in its final order at Docket No. R-00061366, authorizing the Company to amortize such deferral over a 10 year period beginning January 11, 2007 and ending on December 31, 2016. The 10 year amortization of the 2006 TSCD that was not fully recovered under the Transmission Service Charge Rider is being recovered under this DSS Rider which replaced the TSC Rider. The TSC<sub>1</sub> rate will be adjusted on June 1 of each year based on the Company's latest sales forecast available at the time.

TSCD = The balance of the 2006 TSCD including carrying charges, that, as of March 31, 2013 remains to be amortized over the remaining months of the amortization period

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RIDERS

RIDER L  
PARTIAL SERVICES RIDER

AVAILABILITY/APPLICABILITY:

This Rider applies to general service customers having on-site non-synchronous generation equipment or synchronous equipment that does not qualify for Net Metering Rider capable of supplying a portion of their power requirements for other than emergency purposes. Electricity sold under this Rider may not be resold; nor may it be used to operate the auxiliary loads of the generating facilities while those facilities are generating electricity for sale.

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In addition to the charges included in the applicable rate schedule, all of the following general monthly charges are applicable to Delivery Service Customers.

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GENERAL MONTHLY CHARGES:

Seventy-Nine Dollars and Twenty-Eight Cents (\$79.28)/per month, plus the charges listed below, depending upon the voltage at which the Customer is being served and the services (i.e., Backup Demand and/or Maintenance Demand) selected by the Customer:

Distribution Charge	Backup Demand (Dollars/KW)	Maintenance Demand (Dollars/KW)	
Secondary Voltage	<u>\$4.53</u>	<u>\$3.62</u>	<u>(I)</u>
Primary Voltage	<u>\$3.22</u>	<u>\$2.57</u>	<u>(I)</u>
Transmission Voltage	<u>\$0.23</u>	<u>0.18</u>	<u>(I)</u>

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## GENERAL RULES AND REGULATIONS

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## Definition of Terms (continued)

**Delivery Service Customer** - A Customer who takes Delivery Service.

**Demand** - The rate of use of electric energy during a specified time interval, expressed in kilowatts and reactive kilovolt-amperes.

**Developer** - The person or entity responsible for constructing and providing improvements in a Development, including, but not limited to, streets, sidewalks and utility-ready lots.

**Development** - A planned project which is developed by a Developer for electric service set out in a recorded plot plan of five (5) or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, mobile homes, or one (1) or more five-unit apartment houses, all of which are intended for year-round occupancy, if electric service to such lots necessitates extending the Company's existing Distribution Lines.

**Direct Labor Costs** - The pay and expenses of Company employees directly attributable to work performed, excluding construction overheads or payroll taxes, workmen's compensation expenses or similar expenses.

**Direct Material Costs** - The purchase price of materials used, excluding related stores (i.e. warehousing) expenses. In computing Direct Material Costs, proper allowance shall be made for unused materials recovered from temporary structures, and for discounts allowed and realized in the purchase of materials.

**Discontinuance of Service** - The removal of a customer's meter and/or service wires or the de-energizing of a meter and cessation of service with the consent of the customer. (C)

**Distribution Charge** - A charge designed to recover the costs the Company incurs in using its distribution system or local wires to deliver electricity to a Customer.

**Distribution Line** - An electric supply line and related equipment of 34,500 volt wye configured or lower voltage from which energy is delivered to one (1) or more Service Lines.

GENERAL RULES AND REGULATIONS

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GENERAL RULES AND REGULATIONS

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**Met-Ed Statement No. 1**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**METROPOLITAN EDISON COMPANY  
DOCKET NO. R-2016-2537349**

**Direct Testimony  
of  
Charles V. Fullem**

**List of Topics Addressed**

**Overview of Distribution Base Rate Filing  
Settlement Commitments from Docket No. R-2014-2428745  
Reasons for the Requested Increase  
Organization of the Filing and Introduction of Witnesses  
Importance of Adequate Rate Relief to the Company**



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**APPENDIX A**



1 **Q. What is your educational and professional background?**

2 A. I received a Bachelor of Science degree in Mineral Economics from the Pennsylvania  
3 State University in November 1981. I have over thirty years of experience with  
4 FirstEnergy and its predecessor companies. My work experience is more fully described  
5 in my professional biography, which is attached as Appendix A to this testimony.

6 **Q. On whose behalf are you testifying in this proceeding?**

7 A. I am testifying on behalf of Met-Ed.

8 **Q. Please describe the purpose of your testimony.**

9 A. The purpose of my testimony is to provide an overview of and the principal factors  
10 driving the distribution base rate increase request that the Company is proposing for  
11 approval by the Commission. I will also explain why approval of the proposed  
12 distribution rate increase is necessary to provide a fair return to shareholders and to  
13 establish the groundwork for enhanced reliability and customer service.

14 In addition to this Introduction, my testimony is comprised of three substantive sections:  
15 Section II reports on the Company's progress in meeting the settlement commitments  
16 made in Met-Ed's last base rate proceeding at Docket No. R-2014-2428745. In Section  
17 III, I provide an overview of the current filing and discuss the primary reasons the  
18 Company is requesting an increase in its distribution rates. Lastly, in Section IV, I  
19 describe the organization of the Company's rate filing, introduce the other witnesses  
20 submitting direct testimony on behalf of Met-Ed and explain the importance of this case  
21 to the Company and its customers.

1 **Q. Are you sponsoring any exhibits?**

2 A. Yes, I am sponsoring Met-Ed Exhibits CVF-1 through CVF-6, which consist of the  
3 following:<sup>1</sup>

4 **Met-Ed Exhibit CVF-1** provides a summary of and specific reasons for  
5 the proposed rate increase. This exhibit also identifies and quantifies the  
6 major components of the Company's revenue request.

7 **Met-Ed Exhibit CVF-2** identifies the other witnesses submitting direct  
8 testimony on behalf of the Company, their corresponding statement  
9 numbers and their areas of responsibility.

10 **Met-Ed Exhibit CVF-3** is a table showing, at present and proposed rates,  
11 the Company's revenues, operating expenses, operating income and rate  
12 base, as adjusted for ratemaking purposes, and the resulting overall rates  
13 of return for the fully projected future test year, the twelve months ending  
14 December 31, 2017 ("FPFTY"). The table also provides references to  
15 exhibits sponsored by other witnesses that set forth this information in  
16 more detail.

17 **Met-Ed Exhibit CVF-4** provides a corporate history, including the dates  
18 of the Company's original incorporation and subsequent mergers and  
19 acquisitions.

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<sup>1</sup> Exhibits CVF-1 through CVF-4 respond to filing requirements outlined in 52 Pa. Code § 53.53(a)(3). Specifically, these exhibits respond to requirements I-A-1, 2 and 3 and I-B-1 of Exhibit C to Section 53.53.

1           **Met-Ed Exhibit CVF-5** provides a comparison of residential customer  
2           bills at the Company’s existing and proposed base rates to residential  
3           customer bills, at the same usage levels, of Duquesne Light Company  
4           (“Duquesne”), PECO Energy Company (“PECO”) and PPL Electric  
5           Utilities Corporation (“PPL”), as well as the other FirstEnergy-owned  
6           Pennsylvania electric distribution companies (“EDCs”).

7           **Met-Ed Exhibit CVF-6** is a copy of the Meter Reading section of the  
8           Company’s website.

9   **II.   SETTLEMENT COMMITMENTS**

10 **Q.   In the Joint Petition for Settlement of Rate Investigation (“Settlement Agreement”)**  
11 **which the Commission approved in Met-Ed’s last base rate proceeding at Docket**  
12 **No. R-2014-2428745, the Company, at pages 11- 14, made various commitments in**  
13 **the areas of customer service, meter reading and smart meter operations. Is Met-**  
14 **Ed in compliance with those provisions?**

15 A.   Yes, it is.

16 **Q.   Is the Company prepared to meet its commitment to achieve and maintain an**  
17 **annual call answer rate of at least 80% of calls answered within thirty seconds**  
18 **beginning with the twelve-month period ended December 31, 2016?**

19 A.   Yes. In fact, the Company satisfied the 80% target in 2014 and 2015, and the Company  
20 continued to satisfy the 80% target during the twelve months ended March 31, 2016.

1 **Q. The Company also agreed to reduce the number of residential disputes that did not**  
2 **receive a response within thirty days to no more than sixty beginning with the**  
3 **twelve-month period ending December 31, 2016. Is Met-Ed on track to comply with**  
4 **that standard?**

5 A. Yes. The Company has made great strides in this area. For example, in 2014, Met-Ed  
6 had 1,296 residential disputes that did not receive a response within thirty days. The  
7 Company reduced that figure to seven in 2015 and, as of March 31, 2016, Met-Ed had no  
8 outstanding residential customer disputes that had not received a response within thirty  
9 days.

10 **Q. The Company also agreed to take the necessary action to: (i) consistently meet the**  
11 **twelve-month performance standards established by the Commission for SAIFI,<sup>2</sup>**  
12 **SAIDI<sup>3</sup> and CAIDI<sup>4</sup> by the end of the first reporting quarter of 2016 (i.e., March 31,**  
13 **2016); (ii) consistently meet the three-year performance standards established by**  
14 **the Commission for SAIFI, SAIDI, and CAIDI by the end of calendar year 2017;**  
15 **and (iii) strive towards the achievement of reliability performance at or better than**  
16 **the performance benchmarks established by the Commission. How is the Company**  
17 **performing with respect to these reliability commitments?**

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<sup>2</sup> System Average Interruption Frequency Index, or “SAIFI,” represents the average frequency of sustained interruptions per customer during an analysis period.

<sup>3</sup> System Average Interruption Duration Index, or “SAIDI,” represents the average duration of sustained interruptions per customer during an analysis period.

<sup>4</sup> Customer Average Interruption Duration Index, or “CAIDI,” represents the average interruption duration of sustained interruptions for those customers who experience interruptions during an analysis period.



1 A. The Company has made tremendous progress and has met, or is in the process of  
2 meeting, all of its reliability obligations as shown in Table 1 below:

3 **Table 1**  
4 **Met-Ed Reliability Performance as of March 31, 2016**

Metric	Benchmark	12-Month Standard	12-Month Actual	3-Year Standard	3-Year Actual
SAIFI	1.15	1.38	1.34	1.27	1.21
CAIDI	117	140	122.5	129	121
SAIDI	135	194	163.8	163	147

5 As indicated above, the Company has performed better than its twelve-month and three-  
6 year standards for all three metrics and is very close to satisfying the Commission's  
7 performance benchmark for CAIDI.

8 **Q. As part of the Settlement Agreement, the Company also agreed to ensure that its**  
9 **policies and procedures were designed such that customer meters are read at least**  
10 **every other month and to document the specific reasons when it is unable to do so.**  
11 **Has the Company complied with this commitment?**

12 A. Yes. The Company continues to focus on its meter reading operations to ensure that its  
13 performance is consistent with all regulatory requirements. In furtherance of the  
14 commitment it made in its last base rate case, the Company created a new report that  
15 summarizes its meter reading performance and identifies the causes for any missed  
16 reads. The Company provided such a report, covering the period from June 1, 2015  
17 through December 31, 2015, to the statutory advocates on April 8, 2016.

18 **Q. Met-Ed further agreed to revise its website and customer education materials to**  
19 **explicitly inform its customers, in plain language, of the Company's policy to issue**

1 **bills based on actual meter readings no less frequently than every other month and**  
2 **to explain the procedures for customers to submit self-readings if they elect to do so.**

3 **Has Met-Ed complied with this settlement provision?**

4 A. Yes. The Company modified its website on July 1, 2015 to provide the information  
5 requested by the settling parties. Exhibit CVF- 6 provides a copy of the relevant Meter  
6 Reading page, shown on the website, of Met-Ed's current tariff.

7 **Q. The Settlement Agreement also required that Met-Ed provide the statutory**  
8 **advocates with certain information regarding the operation of its modified**  
9 **estimated billing algorithm, including its performance over the first full year of its**  
10 **use. Is the Company on track to supply the necessary information?**

11 A. Yes. Company representatives met with the statutory advocates on September 10, 2015  
12 in Harrisburg to review its modified estimated billing algorithm and to answer any  
13 questions regarding its operation. Due to final upgrades taking place through the end of  
14 2015, it was agreed that the Company will use the twelve-month period ending December  
15 31, 2016 to study the accuracy and performance of the new algorithm and will provide a  
16 report to the statutory advocates in March of 2017.

17 **Q. Turning to a different area, did the Company add certain reporting metrics to its**  
18 **Annual Progress Report under its Smart Meter Technology Deployment Plan**  
19 **approved by the Commission at Docket No. M-2013-2341990 ("Smart Meter Plan"),**  
20 **as it agreed to do in its Settlement Agreement?**

1 A. Yes. Beginning with the August 1, 2015 Annual Progress Report submitted pursuant to  
2 its Smart Meter Plan, the Company provided information concerning the following  
3 metrics:

4 **Home area network (“HAN”) devices.** Number of utility AMI meters  
5 with consumer devices registered to operate with the HAN chip.

6 **AMI meter installs.** Number of smart meters installed and registered.

7 **Customer complaints.** Number of formal and informal PUC complaints  
8 related to AMI meter deployment, broken down by type of complaint and  
9 resolution. AMI meter deployment includes installation, functioning or  
10 accuracy of the AMI meter, and HAN device registration.

11 **Reduction in greenhouse gas emissions.** Reduced emissions attributable  
12 to reduced truck rolls due to automatic meter readings and increased  
13 efficiencies. This reporting will commence once the realization of this  
14 benefit has been determined and reflected in the smart meter baseline  
15 savings as of April 30, 2016.

16 **Voltage and VAR controls.** Number and percentage of distribution lines  
17 using sensing from an AMI meter as part of the Company’s voltage  
18 regulation scheme.

19 **Q. Did the Company also host an informational meeting with respect to the Company’s**  
20 **smart meter and smart grid deployment efforts as committed to in the Settlement**  
21 **Agreement?**

1 A. Yes. The meeting was held on July 20, 2015 at the FirstEnergy General Offices in  
2 Akron. Representatives of the Environmental Defense Fund attended in person and  
3 representatives of the Office of Consumer Advocate participated via teleconference.

4 **III. OVERVIEW OF RATE REQUEST AND REASONS FOR PROPOSED**  
5 **INCREASE**

6 **Q. Please describe the increases and changes in rates for distribution service that the**  
7 **Company is proposing.**

8 A. The Company is proposing a general rate increase to its distribution rates and is also  
9 requesting increases in rates charged under its Default Service Support (“DSS”) Rider  
10 and Hourly Pricing Default Service (“HPS”) Rider in order to fully collect the  
11 uncollectible expense associated with the provision of default service, as well as the  
12 Purchase of Receivables Program offered to electric generation suppliers. Finally, the  
13 Company is proposing to roll smart meter and Distribution System Improvement Charge  
14 (“DSIC”) investment costs into base rates.

15 **Q. Please identify the principal changes to existing and pending rate riders that affect**  
16 **distribution base rate revenue in this case.**

17 A. The Company currently has a Smart Meter Technologies Charge (“SMT-C”) Rider  
18 through which it recovers the costs of implementing its Smart Meter Plan. Absent the  
19 filing of this base rate request, the Company’s SMT-C Rider, which is currently set at  
20 zero, would be reinstated beginning in 2017 to collect a budgeted \$3,637,000 of smart  
21 meter costs during 2017. Because of this filing, the Company will instead include its  
22 2017 smart meter costs in base rates and will maintain its SMT-C Rider rate at zero. The  
23 SMT-C Rider will remain in the Company’s tariff and will be utilized to recover the costs

1 of its Smart Meter Plan in excess of the level of such costs included in base rates, net of  
2 applicable savings.

3 Likewise, the Company has sought the Commission's approval to implement a DSIC  
4 Rider for service rendered beginning July 1, 2016 at Docket No. P-2015-2508942. The  
5 Company proposes to roll the projected DSIC Rider charges and costs into base  
6 distribution rates, and to reset the DSIC Rider to zero as of the effective date of the base  
7 rates determined in this case. The DSIC Rider will remain at zero until Met-Ed has  
8 added plant through its Commission-approved Long Term Infrastructure Improvement  
9 Plan ("LTIIIP") in excess of the claimed amount included in its estimated December 31,  
10 2017 rate base in the present case.

11 **Q. What effect will the proposed increases and changes in distribution rates and riders  
12 have on the Company's pro forma revenues at current rates?**

13 A. The effect of the proposed increases and changes in distribution rates and riders on the  
14 Company's pro forma revenues at current rates for the FPFTY is summarized in Met-Ed  
15 Exhibit CVF-3 and highlighted in Table 2 below:

1

**Table 2**

<b>Requested Revenue Change</b>	
Met-Ed	(\$ Thousands)
Distribution Base Rate	\$134,773
DSS & HPS Riders	\$ 5,475
Total Request	\$140,248
Percentage Increase in Total Revenue	9.53%
Smart Meter Roll In	\$ 3,637
DSIC Roll In	\$ 2,431
Net Increase in Revenue	\$134,180
Percentage Increase in Total Revenue	9.08%
Smart Meter – 2017 Rider revenue in the absence of the rate case	
DSIC Roll in – 2017 Rider revenue in the absence of the rate case	

2

3

The percentage increases shown are based on total Company revenue, assuming all customers are taking default service from the Company.

4

**Q. What overall rate of return and return on common equity does the Company propose be used for purposes of calculating its revenue requirement in this case?**

6

7

A. Met-Ed’s proposed distribution rates are designed to recover the Company’s costs to furnish safe and reliable distribution service and to provide it an opportunity to earn a fair return on its investment in distribution assets. More specifically, as summarized in Met-Ed Exhibit CVF-3 and explained in more detail in the direct testimony of Pauline M. Ahern (Met-Ed St. No. 8), the requested increase proposed by the Company would provide it an opportunity to earn an overall rate of return of 8.14% and a 10.90% return on common equity.

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1 **Q. How will the proposed rate increase impact the total bill of a typical residential**  
2 **customer using 1,000 kWh per month and how will the resulting bill compare to the**  
3 **current average residential bills of other Pennsylvania EDCs?**

4 A. Table 3 below shows: (1) a current monthly bill for a residential default service customer  
5 using 1,000 kWh; (2) the requested increase in that bill; and (3) the new bill under  
6 proposed base rates.

7 **Table 3**

<b>Current Monthly Bill*</b>	<b>Increase</b>	<b>Total Bill After Increase</b>
\$129.82	\$17.52	\$147.34

8 \*Based upon current default service rates as of the date of this filing.  
9

10 Under the corresponding rates in effect as of May 1, 2016, customers of the other three  
11 non-affiliated major Pennsylvania EDCs (i.e., Duquesne, PECO and PPL) would pay a  
12 monthly bill of between \$136.37 and \$156.21. Met-Ed Exhibit CVF-5 graphically  
13 depicts the billing comparison I just described.

14 **Q. What are the principal factors driving the Company's need for rate relief?**

15 A. The principal factors driving the Company's need to increase its distribution base rates  
16 are as follows:

17 1. **Growth in the Company's distribution rate base.** One of the factors driving  
18 Met-Ed's need for rate relief is the 12% growth in the Company's rate base  
19 attributable to its ongoing investment in distribution plant (including smart meter  
20 and DSIC-eligible investment). As shown in Table 4 below, the Company's  
21 estimated rate base at December 31, 2017, as summarized in Met-Ed Exhibit

1 CVF-3 and developed in Mr. D'Angelo's Met-Ed Exhibit RAD-1, is expected to  
2 be nearly \$150 million greater than the level reflected in current rates:

3 **Table 4**

	\$ (thousands)
Rate Base Docket No. R-2014-2428745	\$ 1,255,880
Rate Base RAD-1 pg. 1 line 19	\$ 1,405,890
Increase	\$ 150,010
Percentage Change	12%

- 4
- 5 2. **Reduction in sales.** Met-Ed's projected 2017 revenue at current rates is fourteen  
6 million dollars less than the revenue requirement agreed to in the Settlement  
7 Agreement approved by the Commission at Docket No. R-2014-2428745. Sales  
8 to the residential class as a whole are expected to decrease by 2.19% annually,  
9 driven by a decline in the average usage per customer of approximately 2.34%  
10 annually over the next four years, offset only slightly by increases in the number  
11 of residential customers. The decline in the average residential usage in the  
12 Company's service area is primarily due to implementation of Pennsylvania's  
13 state-mandated energy efficiency programs under Act 129, as well as federally  
14 mandated energy efficiency lighting standards.
- 15 3. **Deferred taxes.** Met-Ed's deferred tax expense for the FPFTY is higher than the  
16 amount reflected in its last base rate proceeding.
- 17 4. **Depreciation expense associated with increased investment in plant in**  
18 **service.** The Company has included with this filing a new service life study  
19 reflecting adoption of the Equal Life Group Method. The updated accrual rates,

1 along with the new distribution plant, result in corresponding increases in  
2 depreciation expense.

3 5. **Increase in operations and maintenance (“O&M”) expense.** Implementation  
4 of the Company’s LTIP, will drive higher O&M expenses, as work included in  
5 the LTIP has an ongoing O&M component in addition to the capital component.  
6 In addition, the Company has budgeted increases in expenses associated with  
7 vegetation management, facility repairs and substation maintenance as part of its  
8 ongoing efforts to enhance reliability. Finally, the Company continues to  
9 experience increased uncollectible accounts expense.

10 **IV. ORGANIZATION OF THE FILING, OTHER WITNESSES AND THE**  
11 **IMPORTANCE OF THIS CASE TO THE COMPANY AND ITS CUSTOMERS**

12 **Q. Please identify the other witnesses presenting direct testimony on behalf of the**  
13 **Company and the principal subjects they address.**

14 A. The Company is submitting the direct testimony of nine witnesses including myself. The  
15 other witnesses submitting direct testimony and the principal subjects they address are  
16 identified in Met-Ed Exhibit CVF-2 and can be summarized as follows:

<b>Richard A. D’Angelo</b>	Statement No. 2	Development of the Company’s revenue requirement, including sponsoring and explaining the Company’s principal accounting exhibits.
<b>Kevin M. Siedt</b>	Statement No. 3	Development of normalized sales and revenues; development of the Company’s proposed rate design; proposed changes to tariff rules and regulations, rate schedules and riders

<b>Thomas J. Dolezal</b>	Statement No. 4	Development of the Company's cost of service studies; separation studies; and cost of service at existing rates.
<b>Jeffrey L. Adams</b>	Statement No. 5	Development of the Company's claim for cash working capital.
<b>Laura W. Gifford</b>	Statement No. 6	Updating uncollectible accounts expense to be recovered in Met-Ed's DSS and HPS Riders. Updating the baselines for the measurement of smart meter savings.
<b>John J. Spanos</b>	Statement No. 7	Annual and accrued depreciation rates and service lives.
<b>Pauline M. Ahern</b>	Statement No. 8	Cost of common equity.
<b>Joseph Dipre</b>	Statement No. 9	Capitalization ratios; cost rates of long-term debt and common equity; and overall cost of capital.

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**Q. Please explain the importance of the proposed rate increase to the Company.**

A. In order to continue enhancing reliability and customer service, the Company must continue to make very substantial investments in new and replacement distribution plant, including the investments set forth in its Commission-approved LTIP. Moreover, it must do so during a period of declining sales and ever-increasing O&M expenses. Due to these factors, Met-Ed's projected overall rate of return for the FPFTY, at present rates, is only 2.99%. More importantly, its indicated return on common equity during that same period is anticipated to be but 0.59%, which is obviously grossly inadequate by any reasonable standard. Returns at these levels will simply not support the level of investment required to ensure that customers continue to receive safe and reliable electric service. Accordingly, it is critically important that the Company be granted the rate relief it is requesting in this case.

1 **Q. In view of the foregoing, do you have a recommendation regarding the rate of**  
2 **return on common equity that should be approved for the Company?**

3 A. Yes, I do. I strongly encourage the Commission to adopt the 10.9% equity return  
4 developed by Ms. Ahern.

5 **Q. Does this conclude your direct testimony?**

6 A. Yes, it concludes my direct testimony at this time. However, I would like to reserve the  
7 right to supplement my direct testimony should it become necessary to do so.

**Biography**  
**Charles V. Fullem**  
**Director – Rates & Regulatory Affairs/Pennsylvania**

Charles V. Fullem is Director- Rates & Regulatory Affairs/Pennsylvania, a position he was appointed to on January 22, 2006. In that capacity, he is responsible for developing the default service plans of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company, as well as all retail tariff filings and financial reports to the Pennsylvania Public Utility Commission (“PaPUC”) and the New York State Public Service Commission. He has over 30 years of experience in the energy industry, with a background in rates and regulation, marketing, unregulated retail pricing and regulated tariffs, contract development and negotiations of both wholesale and retail electric service contracts.

From December 2000 through January 2006, he served in various positions, including Director of Energy Consulting Operations for The E Group, the energy consulting subsidiary of FirstEnergy Corporation (“FirstEnergy”). As Director, he managed technical staff teams and was responsible for delivering all aspects of The E Group’s client services for an over one billion dollar client energy spend, including energy management, bill and rate analysis, development of energy procurement strategies, preparation of requests for proposal, evaluation of bids, contract development and implementation, open market analysis, and negotiations with suppliers and utilities and utility bill payment.

From November 1999 through December 2000, Mr. Fullem was Director, Pricing and Regulatory Affairs, in FirstEnergy’s rate department, where he was responsible for tariff administration and pricing programs serving over 2.2 million customers in Ohio and Pennsylvania. In this capacity, Mr. Fullem developed and implemented the unbundled tariffs designed to implement Customer Choice in Ohio, coordinated the development of FirstEnergy’s Supplier Tariff and Net Metering Rider, and participated in the Operational Support Plan (OSP) workgroups. The OSP workgroups were collaborative working groups charged with establishing the various rules and policies of retail choice in Ohio.

From December 1994 through November 1999, Mr. Fullem served in various roles in FirstEnergy’s marketing department, including Director, Planning and Strategy, and Director of Centerior Energy’s Competitive Analysis Department, where he developed and implemented successful marketing programs targeted to commercial and industrial customers and mass market customers in both competitive generation markets and traditional areas of competition between fully integrated electric utility providers.

From 1982 through December 1994, Mr. Fullem served in various roles in rates and regulation at Centerior Energy and Cleveland Electric Illuminating Company, including the roles of Director, Planning & Strategy, and Director of Rates & Contracts. In these roles, Mr. Fullem managed and performed cost of service studies, load research, customer requirements analyses, designed rates and tariffs, participated in the development of revenue requirements, and performed financial analyses.



Mr. Fullem holds his Bachelor of Science degree in Mineral Economics from the Pennsylvania State University. Mr. Fullem is a Certified Energy Procurement Professional by the Association of Energy Engineers. He has provided expert testimony before the Public Utilities Commission of Ohio (“PUCO”), the PaPUC, The New York State Public Service Commission and the Federal Energy Regulatory Commission (“FERC”).

Mr. Fullem has prepared and presented testimony in the following rate-related cases:

**PUCO Cases:**

<i>Docket Nos.</i>	<i>Case Name</i>
85-521-EL-COI	(In the Matter of the Investigation into the Perry Nuclear Power Station)
88-170-EL-AIR	(In the Matter of the Application of the Cleveland Electric Illuminating Company for Authority to Amend and to Increase Certain of its Filed Schedules Fixing Rates and Charges for Electric Service)
88-171-EL-AIR	(In the Matter of the Application of the Toledo Edison Company for Authority to Amend and to Increase Certain of its Filed Schedules Fixing Rates and Charges for Electric Service)
91-1528-EL-CSS	(In the Matter of the Complaint of Toledo Premium Yogurt, Inc., dba Freshens Yogurt, Complainant, v. Toledo Edison Company, Respondent)
91-2308-EL-CSS	(Board of Education, Cleveland City Schools v. Cleveland Electric Illuminating Company)
92-504-EL-CSS	(Board of Education, Cleveland City Schools v. Cleveland Electric Illuminating Company)
95-02-EL-ABN	(In the Matter of the Application of the City of Clyde Requesting Removal of Certain Electric Distribution Facilities of the Toledo Edison Company from Within Clyde’s Corporate Limits)
01-174-EL-CSS	(In the Matter of the Complaint of the City of Cleveland and WPS Energy Services, Inc., Complainants, v. The Cleveland Electric Illuminating Company and FirstEnergy Corp., Respondents)

**PaPUC Cases:**

<i>Docket No.</i>	<i>Case Name</i>
R – 850267	(Pennsylvania Public Utility Commission, et al. v. Pennsylvania Power Company)
R – 860378	(Pennsylvania Public Utility Commission, et al. v. Duquesne Light Company)
87-1160	(Duquesne Light Company and Pennsylvania Power Company, Appellants v. David M. Barasch, etc., et al.)
P-00072305	(Petition of Pennsylvania Power Company for Approval of Interim Default Service Supply Plan)
P-2008-2066692	(Voluntary Prepayment Plan)
P-2009-2093053	(Metropolitan Edison Company Default Service Programs)
P-2009-2093054	(Pennsylvania Electric Company Default Service Programs)
I-2009-2099881	(Compliance of Commonwealth of Pennsylvania with Section 410(a) of the American Recovery and Reinvestment Act 2009)
M-2009-2092222	(Petition of Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company for approval of its Energy Efficiency and Conservation Plans)
M-2009-2112952	(Petition of Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company for approval of its Energy Efficiency and Conservation Plans)
M-2009-2112956	(Petition of Metropolitan Edison Company, Pennsylvania Electric Company, & Pennsylvania Power Company for approval of its Energy Efficiency and Conservation Plans)
A-2010-2176520	(Joint Application of West Penn Power Company, Trans-Allegheny Interstate Line Company & FirstEnergy Corp.)
A-2010-2176732	(Joint Application of West Penn Power Company, Trans-Allegheny Interstate Line Company & FirstEnergy Corp.)

- P-2011-2273650 (Metropolitan Edison Company Default Service Programs)
- P-2011-2273668 (Pennsylvania Electric Company Default Service Programs)
- P-2011-2273669 (Pennsylvania Power Company Default Service Programs)
- P-2011-2273670 (West Penn Power Company Default Service Programs)
- M-2012-2334387 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of its Act 129 Phase II EE&C Plans
- M-2012-2334392 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of its Act 129 Phase II EE&C Plans
- M-2012-2334395 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of its Act 129 Phase II EE&C Plans
- M-2012-2334398 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of its Act 129 Phase II EE&C Plans
- R-2014-2428745 Metropolitan Edison Company – General Base Rate Filing
- R-2014-2428743 Pennsylvania Electric Company – General Base Rate Filing
- R-2014-2428744 Pennsylvania Power Company – General Base Rate Filing
- R-2014-2428742 West Penn Power Company – General Base Rate Filing
- A-2015-2488903 Joint Application of Mid-Atlantic Interstate Transmission, LLC (“MAIT”); Metropolitan Edison Company and Pennsylvania Electric Company
- A-2015-2488904 Joint Application of Mid-Atlantic Interstate Transmission, LLC (“MAIT”); Metropolitan Edison Company and Pennsylvania Electric Company
- A-2015-2488905 Joint Application of Mid-Atlantic Interstate Transmission, LLC (“MAIT”); Metropolitan Edison Company and Pennsylvania Electric Company

- G-2015-2488906 Joint Application of Mid-Atlantic Interstate Transmission, LLC (“MAIT”); Metropolitan Edison Company and Pennsylvania Electric Company
- G-2015-2488907 Joint Application of Mid-Atlantic Interstate Transmission, LLC (“MAIT”); Metropolitan Edison Company and Pennsylvania Electric Company
- P-2015-2511333 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs
- P-2015-2511351 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs
- P-2015-2511355 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs
- P-2015-2511356 Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Default Service Programs

**NY PSC Cases:**

- | <i>Docket No.</i> | <i>Case Name</i>  |
|-------------------|---|
| Case 11-E-0594    | (Pennsylvania Electric Company Waverly District – moving POLR rates to market supply) |

**FERC Cases:**

- | <i>Docket No.</i> | <i>Case Name</i>  |
|-------------------|---|
| ER93-471-000      | (COS – FERC Rate Case: Cleveland Electric Illuminating Company v. Cleveland Public Power) |









METROPOLITAN EDISON COMPANY

FILING REQUIREMENT I-A-1:

“Provide a summary discussion of the rate change request, including specific reasons for each increase or decrease. Also provide a breakdown which identifies the revenue requirement value of the major items generating the requested rate change.”

RESPONSE:

**Metropolitan Edison Company  
Statement of Reasons for Rate Changes**

**Introduction**

Metropolitan Edison Company (“Met-Ed” or the “Company”) has filed a tariff supplement and accompanying supporting data setting forth a proposed distribution base rate increase and other proposed tariff revisions (“Rate Plan”) for approval by the Pennsylvania Public Utility Commission (“Commission”).

The Rate Plan proposes rates that would produce an increase in Met-Ed’s annual distribution revenue of \$140.2 million based on a fully projected future test year ending December 31, 2017 and reflecting the Company’s proposed overall rate of return of 8.14% and a rate of return on the common equity portion of its capital structure of 10.9%. The average total-bill increases under the proposed rates vary by class of customers, and average class increases range from approximately 1.02% to 36.89% for customers that receive default service from the Company. The monthly bill of a residential default service customer using 1,000 kilowatt-hours (“kWh”) per month would increase from \$129.82 to \$147.34.

**Principal Reasons For The Proposed Increase In Rates**

Five principal factors are driving the Company's need to increase its distribution rates:

1. **Growth in the Company's distribution rate base.** One of the factors driving Met-Ed's need for rate relief is the 12% growth in the Company's rate base attributable to its ongoing investment in distribution plant (including smart meter and DSIC-eligible investment). As shown in the table below, the Company's estimated rate base at December 31, 2017, as developed in Mr. D'Angelo's **Exhibit RAD-1**, is expected to be approximately \$150 million greater than the level reflected in current rates:

<b>Met-Ed</b>	<b>(thousands)</b>
Rate Base Docket No. R-2014-2428745	\$ 1,255,880
Rate Base RAD-1 pg. 1 line 19	\$ 1,405,890
Increase	\$ 150,010
Percentage Change	12%

2. **Reduction in sales.** Met-Ed's projected 2017 revenue at current rates is fourteen million dollars less than the revenue requirement approved by the Commission at Docket No. R-2014-2428745. Sales to the residential class as a whole are expected to decrease by 2.19% annually, driven by a decline in the average usage per customer of approximately 2.34% annually over the next four years, offset slightly by increases in the number of residential customers. The decline in the average residential usage in the Company's service area is primarily due to

implementation of Pennsylvania's state-mandated energy efficiency programs (Act 129), as well as federally mandated energy efficiency lighting standards.

3. **Deferred Taxes.** Met-Ed's deferred tax expense for 2017 is higher than the amount reflected in the fully projected future test year in its last base rate proceeding.
4. **Depreciation expense associated with increased investment in plant in service.** The Company has included with this filing a new service life study reflecting adoption of the Equal Life Group Method. The updated accrual rates, along with the new distribution plant, result in corresponding increases in depreciation expense.
5. **Increase in operations and maintenance ("O&M") expense.** Implementation of the Company's Commission- approved Long Term Infrastructure Improvement Plan ("LTIIIP") will drive higher O&M expenses as work included in the LTIIIP has an on-going O&M component in addition to the capital component. In addition, the Company has budgeted increases in vegetation management, facility repairs and substation maintenance, as part of its on-going efforts to enhance reliability. Finally, the Company continues to experience increased uncollectible accounts expense.

Due in large part to its substantial investment in utility plant and notwithstanding its success in containing O&M expenses, Met-Ed's overall rate of return, at present rates, is projected to be only 2.86% for the fully projected future test year.

More importantly, the indicated return on common equity under present rates is anticipated to be only 0.59%, which is inadequate by any reasonable standard.

**Principal Components of the Rate Plan**

The Company's Rate Plan consists of the following principal components:

1. The Company is proposing a general rate increase to its distribution rates and is also requesting increases in its Default Service Support Rider and Hourly Pricing Default Service Rider in order to fully collect the uncollectible expense associated with the provision of default service, as well as the Purchase of Receivable Program offered to Electric Generation Suppliers. In addition, the Company is proposing to include smart meter and DSIC (Distribution System Improvement Charge) investment costs in base rates.
2. The Company currently has a Smart Meter Technologies Charge ("SMT-C") Rider through which it recovers the costs of implementing its Smart Meter Plan. Absent the filing of this base rate request, the Company's SMT-C Rider, which is currently set at zero, would be reinstated in 2017 to collect a budgeted \$3,637,000 of smart meter costs during calendar 2017. Because of this filing, the Company will include its 2017 smart meter costs in base rates and will maintain its SMT-C Rider rate at zero. The SMT-C Rider will remain in the Company's tariff and will be utilized to recover the costs of its Smart Meter Plan in excess of the level of such costs included in base rates, net of applicable savings.

3. Likewise, the Company has sought the Commission's approval to implement a Distribution System Improvement Charge ("DSIC Rider") for service rendered beginning July 1, 2016 at Docket No. P-2015-2508942. The Company proposes to roll the projected DSIC Rider charges and costs into base distribution rates, and to reset the DSIC Rider to zero as of the effective date of the base rates determined in this case. The DSIC Rider will remain at zero until Met-Ed has added plant through its LTIP in excess of the claimed amount included in its estimated December 31, 2017 rate base in the present case.

#### **Customer Impact/Bill Comparisons**

As previously noted, if Met-Ed's proposed rates were fully implemented, a residential customer of the Company using 1,000 kWh of electricity per month and receiving default service would pay a total monthly bill of \$147.34. That amount is competitive with the monthly bills of default service customers using 1,000 kWh per month served by the three other major EDCs in Pennsylvania not affiliated with Met-Ed,<sup>1</sup> which range from \$136.37 to \$156.21 under those companies' existing rates.

#### **Conclusion**

The Rate Plan reflects the Company's need for adequate and timely rate relief to support the substantial amounts of additional investment it will be required to make to maintain and enhance reliability, replace aging infrastructure, and fully implement its Smart Meter Plan while continuing to furnish its customers the safe, reliable and high-

---

<sup>1</sup> Duquesne Light Company, PECO Energy Company and PPL Electric Utilities Corporation.

quality electric service they have come to expect. Accordingly, it is critically important for both the Company and its customers that the Rate Plan be approved.



**METROPOLITAN EDISON COMPANY**

FILING REQUIREMENT I-A-2:

“Identify the proposed witnesses for all statements and schedules of revenues, expenses, taxes, property, valuation, and the like.”

RESPONSE:

<u>Witness</u>	<u>Statement Designation</u>	<u>Area of Testimony</u>
C. Fullem	Statement 1	Overview of Distribution Base Rate Case Filing
R. D’Angelo	Statement 2	Revenue Requirements
K. Siedt	Statement 3	Sales & Revenue Normalization, Rate Design, and Proposed Changes in Tariff
T. Dolezal	Statement 4	Cost of Service
J. Adams	Statement 5	Cash Working Capital
L. Gifford	Statement 6	Unbundled Uncollectible Expense, Smart Meters Cost Savings Baseline, and Smart Meter Revenue Requirements
J. Spanos	Statement 7	Annual and Accrued Depreciation Service Lives
P. Ahern	Statement 8	Cost of Common Equity
J. Dipre	Statement 9	Weighted Average Cost of Capital, Capital Structure, and Cost of Long-Term Debt

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT I-A-3:

“Provide a single page summary table showing, at present and at proposed rates, together with references to the filing information, the following as claimed for the fully adjusted test year:

Revenues  
Operating Expenses  
Operating Income  
Rate Base  
Rate of Return (produced)”

RESPONSE:

	<u>Total Distribution At Present Rates*</u> (\$ millions)	<u>Total Distribution At Proposed Rates*</u> (\$ millions)
	(Exhibit RAD-2 Page 1, Column 6)	(Exhibit RAD-2 Page 3, Column 24)
Revenues	\$ 354	\$ 488
Operating Expenses	\$ 313	\$ 374
Operating Income	\$ 40	\$ 114
Rate Base	\$ 1,406	\$ 1,406
Rate of Return (produced)	2.86%	8.14%

\*There is an increase in the total revenue requirements because of changes in the Default Service Support Rider of \$5,475.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT I-B-1:

“Provide a corporate history including the dates of original incorporation, subsequent mergers and acquisitions. Indicate all counties, cities and other governmental subdivisions to which service is provided, including service areas outside this Commonwealth, and the total number of customers or billed units in the areas served.”

RESPONSE:

Metropolitan Edison Company (“Met-Ed” or “Company”), a Pennsylvania corporation, was formed by a consolidation and merger of Metropolitan Edison Company (a predecessor constituent company of the same name as Met-Ed) and Metropolitan Electric Light & Power Company by an agreement dated June 8, 1922 in accordance with the provisions of the Action of 1909, P. L. 408, and letters patent were issued to Met-Ed on July 24, 1922. That predecessor constituent company of the same name as Met-Ed was likewise formed as the result of various successive mergers and consolidations. Since its incorporation, Met-Ed has acquired by purchase the properties and franchises of numerous electric light, heat and power and water power companies chartered to serve various parts of the area now embraced within Met-Ed’s territory.

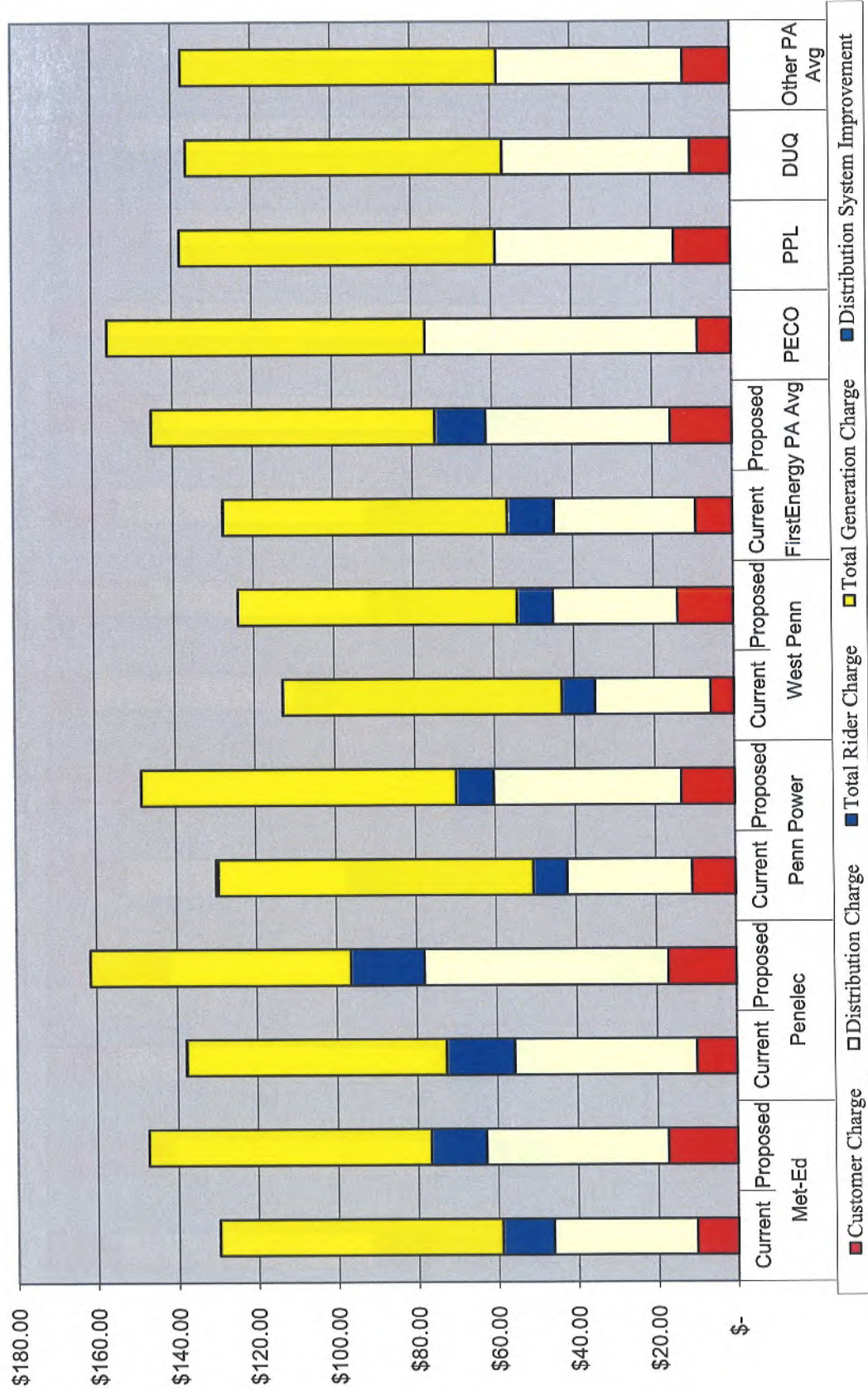
In 1946, General Public Utilities, Inc. (later “GPU Inc.”) was created, forming the umbrella under which Met-Ed, Pennsylvania Electric Company (“Penelec”) and Jersey Central Power & Light Company conducted business. On November 7, 2001, GPU merged with FirstEnergy Corp. Since that merger, Met-Ed has been a wholly owned subsidiary of FirstEnergy Corp.

The Company’s principal business is the transmission, distribution and sale of electricity in eastern and south central Pennsylvania. Met-Ed is affiliated with three other Pennsylvania electric distribution utilities (Penelec, Pennsylvania Power Company and West Penn Power Company), as well as six additional sister distribution utilities in New Jersey, Ohio, Maryland and West Virginia. Other affiliates include FirstEnergy Service Company (a service company) and various regulated transmission and unregulated competitive energy companies.

The Company provides retail service to approximately 560,000 customers in all or portions of fourteen counties in the eastern and south central parts of Pennsylvania. The municipalities which the Company serves are listed in the Company’s filed Electric Service Tariff, Electric Pa. P.U.C. No. 52.

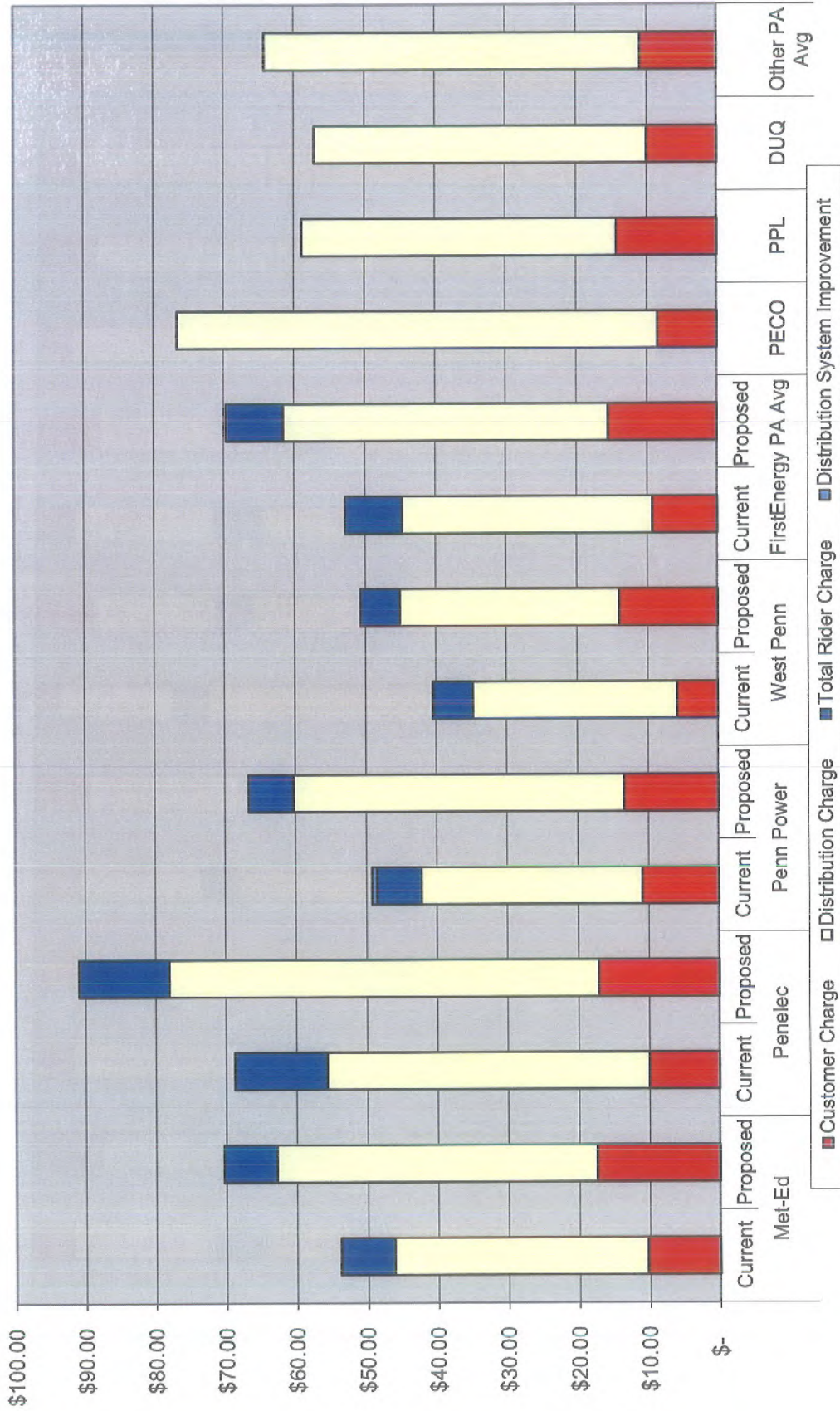


**PA 1,000 kWh Residential Default Service Bill Comparison**





PA 1,000 kWh Residential Delivery Bill Comparison



## FirstEnergy Web Changes Based on PA PUC Requirements for Meter Reading

### Order:

“The Company shall revise its website and customer education materials within ninety days of the Final Order in this proceeding to explicitly inform its customers, in plain language, of the Company’s standard policy to issue bills based on actual meter readings every other month. The Company’s website shall also explain, in plain language, that customers may provide actual readings in months when the Company would provide an estimated bill and the procedure for self-readings.”

Before July 1, 2015

### 1. Meter Reading (Help)

[www.firstenergycorp.com/content/customer/my\\_account/Submit\\_Meter\\_Reading.html](http://www.firstenergycorp.com/content/customer/my_account/Submit_Meter_Reading.html)

The screenshot shows the FirstEnergy website's "Meter Reading" help page. At the top right, there are links for "FirstEnergy Home", "Careers", "Contact Us", and "Log In", along with social media icons and a search bar. A navigation bar below contains links for "Home", "My Account", "Service Requests", "Customer Choice", "Outages", "Safety", "Save Energy", "Products", and "Help". The left sidebar lists various help topics, with "Meter Reading" highlighted. The main content area is titled "Meter Reading" and contains the following text:

At times, severe weather conditions or other unforeseen problems might prevent us from reading your meter. When this happens, your electricity usage is estimated based on your previous electric bills. If you do not want to receive an estimated bill, you can enter your [meter reading online](#).

We organize [meter reading schedules](#) by cycles. To know when your meter is scheduled to be read, look for the meter-reading cycle code on your bill, and find the corresponding code to identify when your meter is scheduled to be read.

Please be aware that your meter might be read one day before or after the scheduled meter read date if the meter reader needs to adjust the schedule because of weather, holidays, vacation, or sick days.

**Still need help?**  
Contact us with your questions.

**Want a convenient and easy way to be reminded when to submit your meter reading?**

If you register to receive text and/or email notifications, you will receive monthly alerts letting you know when to submit your meter reading. In addition, you can choose to receive alerts for:

- Restoration updates when you have reported an outage
- Notifications of scheduled power outages
- Severe weather alerts in advance of storms
- Billing reminders, including alerts when a new bill is available, a payment is due, a payment has been posted, or no payment has been received
- [Learn more](#)

At the bottom right, there is a blue box with the text: "Sign up for alerts and text messaging. Text REG to 544487 (LIGHTS) to get started. [Learn More](#)"



2. **Submit Meter Reading (My Account)**

[www.firstenergycorp.com/content/customer/my\\_account/Submit\\_Meter\\_Reading.html](http://www.firstenergycorp.com/content/customer/my_account/Submit_Meter_Reading.html)

- Home
- My Account**
- Service Requests
- Customer Choice
- Outages
- Safety
- Save Energy
- Products
- Help

- My Account
- Pay My Bill
- View My Bill
- View Payment History
- View Usage History
- View Accounts
- Manage My Account
- Payment & Billing Options
- Submit Meter Reading**
- Itemized Account Statement
- View Bill Inserts
- Analyze Usage

My Account > [Submit Meter Reading](#)

## Submit Meter Reading

### When Should You Submit Your Meter Reading?

You may choose to submit your meter reading online if it is scheduled to be estimated. A three-day window will be listed on your bill during this time. We will use your actual supplied reading to calculate your bill only if it is entered within the dates provided. If you enter a reading outside of this window we will prorate your bill using the supplied reading.

### Account Summary

Account	1000838349234, 123 Address
Name	John Smith
	123 Street
Address	Greensburg, PA 15601

### Meter Reading

Severe weather conditions or access problems can prevent us from reading your electric meter. If this happens, we issue an estimated bill that is based on your usage history. Your account will be automatically adjusted when we obtain an actual reading.

If you have received an estimated bill, you may use the form below to submit your own meter reading and you may receive an adjusted bill. In order to provide a reading for your next bill, you must wait 18 days from the date of your last billing. If we do not obtain a reading ourselves, we will use your reading to calculate the next bill.

Please note, if your bill is calculated using a reading you supply, it may appear as an "estimated reading" on your statement.

### Additional Information:

- [How to Read Your Meter](#)

## After July 1, 2015

### 1. Meter Reading (Help)

[www.firstenergycorp.com/content/customer/my\\_account/Submit\\_Meter\\_Reading.html](http://www.firstenergycorp.com/content/customer/my_account/Submit_Meter_Reading.html)



Help

**Managing My Account**

**Billing & Payments**

- Billing & Payment Options
- About Your Bill
- Meter Reading**
- Locating Meter Info
- Reading Load Meter
- Reading Meter
- View Meter Reading Schedules

Rates and Tariffs

Credit Policy

Bill Inserts

Bill Explanation of Terms

Assistance & Service Programs

**Making Service Requests**

**Outages**

**Safety**

**Saving Energy**

**Communication Tools**

**Pennsylvania Smart Meters**

**Contact Center**

**Useful Brochures & Forms**

Help > Billing

**Meter Reading**

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**Operating C**

Ohio Edison

The Illuminati

Toledo Edisic

Met-Ed

Penelec

Penn Power

West Penn F

Jersey Cent

Mon Power

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Potomac Edi

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associates  
another rea

We provide electricity to millions of customers and strive to deliver accurate bills every month. However, if you feel you've received a bill that is not accurate, you can read your meter and compare that reading with the one on your bill.

To submit your reading, you must enter it within a three-day window, which is listed under the "Messages" section on your bill, the month before a scheduled estimation. We will use your actual supplied reading to calculate your bill only if it is entered within this window. If you enter a reading outside of this window, we will prorate your bill using the reading you provided.

#### Unplanned Estimated Meter Readings

At times, severe weather conditions or other unforeseen circumstances might prevent us from reading your meter. On the months your meter is not read, your bill is estimated. You can submit a meter reading online or by calling our Contact Center if you prefer not to receive an estimated bill.

## 2. Submit Meter Reading (My Account)

[www.firstenergycorp.com/content/customer/my\\_account/Submit Meter Reading.html](http://www.firstenergycorp.com/content/customer/my_account/Submit_Meter_Reading.html)



Search Site

Search

[Home](#) | [My Account](#) | [Service Requests](#) | [Customer Choice](#) | [Outages](#) | [Safety](#) | [Save Energy](#) | [Products](#) | [Help](#)

My Account

Pay My Bill

View My Bill

View Payment History

View Usage History

View Accounts

Manage My Account

Payment & Billing  
Options

Submit Meter Reading

Itemized Account  
Statement

View Bill Inserts

Analyze Usage

My Account > Submit Meter Reading

### Submit Meter Reading

#### When Should You Submit Your Meter Reading?

West Penn Power issues bills based on actual meter readings every other month (bimonthly). On the months your meter is not read, your bill is estimated. You can submit a meter reading online or by calling our [Contact Center](#) if you prefer not to receive an estimated bill.

To submit your reading, you must enter it within a three-day window, which is listed on your bill the month before a scheduled estimation. We will use your actual supplied reading to calculate your bill only if it is entered within this window. If you enter a reading outside of this window, we will prorate your bill using the reading you provided.

#### Account Summary

Account	100093346235, 4113 CYPRESS ST ▾
Name	RICHARD A FRY
Address	4113 CYPRESS ST BUTLER PA 16001

#### Unplanned Estimated Meter Readings

Severe weather conditions or access problems can prevent us from reading your electric meter. If this happens, we issue an estimated bill that is based on your usage history. Your account will be automatically adjusted when we obtain an actual reading.

#### Additional Information:

- [How to Read Your Meter](#)
- [Meter Reading Work Schedule](#)
- [About Your Bill](#)





**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**METROPOLITAN EDISON COMPANY  
Docket No. R-2016-2537349**

**Direct Testimony  
of  
Richard A. D'Angelo**

**List of Topics Addressed**

**Accounting and Financial Data  
Budgets  
Ratemaking Adjustments to Budgeted Test Year Data  
Regulatory Treatment of Storm Damage Costs  
Reporting Required Under Settlement Provisions  
Other Filing Requirements**

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3

**DIRECT TESTIMONY  
OF  
RICHARD A. D'ANGELO**

4 **I. INTRODUCTION AND PURPOSE**

5 **Q. Please state your name and business address.**

6 A. My name is Richard A. D'Angelo. My business address is 2800 Pottsville Pike  
7 Reading, Pennsylvania 19605.

8 **Q. By whom are you employed and in what capacity?**

9 A. I am employed by FirstEnergy Service Company as Manager – Rates and  
10 Regulatory Affairs – Pennsylvania.

11 **Q. Please describe your responsibilities as Manager – Rates and Regulatory  
12 Affairs – Pennsylvania.**

13 A. Generally, the Rates and Regulatory Affairs Department provides regulatory  
14 support for Metropolitan Edison Company (“Met-Ed” or “Company”) and its  
15 affiliated Pennsylvania operating companies (collectively referred to as the  
16 “Companies”). I am responsible to the Director of Rates & Regulatory Affairs –  
17 Pennsylvania for the development, coordination, preparation and presentation of  
18 the Companies’ accounting and financial data in all their rate-related matters  
19 before the Pennsylvania Public Utility Commission (“PUC” or “Commission”)  
20 and the Federal Energy Regulatory Commission (“FERC”), as well as the  
21 preparation of statements and reports addressing, among other things, energy  
22 costs, non-utility generation (“NUG”) costs, quarterly earnings, and other

1 financial matters. Also, I am responsible for the administration of the Companies'  
2 retail and wholesale tariffs, the development of retail electric rates, and the  
3 promulgation of Company policies and practices ensuring uniform tariff  
4 administration and interpretation.

5 **Q. What is your educational and professional background?**

6 A. I obtained a Master's Degree in Business Administration from Pace University in  
7 1976. I am also a graduate of Brooklyn College where I received a Bachelor of  
8 Science degree with a major in Economics. I have over thirty-nine years of  
9 experience with FirstEnergy Service Company and GPU Energy. My work  
10 experience is more fully described in Appendix A to this testimony.

11 **Q. Have you previously testified in regulatory proceedings?**

12 A. Yes. As set forth in Appendix A, I have previously testified before the  
13 Commission, as well as the New Jersey Board of Public Utilities, the New York  
14 State Public Service Commission and, at the federal level, before FERC.

15 **Q. On whose behalf are you testifying in this proceeding?**

16 A. I am testifying in this proceeding on behalf of Met-Ed.

17 **Q. Please describe the purpose of your direct testimony.**

18 A. The general purpose of my testimony is to describe and support: (i) various  
19 accounting, rate case, and other financial data that are being submitted in response  
20 to the filing requirements for an electric utility base rate case proceeding; (ii) the  
21 budget level of capital and operation and maintenance ("O&M") expenses; (iii)

1 ratemaking adjustments to the budgeted test year rate base and operating income  
2 statement; (iv) updating the amount of smart meter costs included in base rates;  
3 (v) the continuing regulatory treatment of ongoing storm damage costs through  
4 the storm reserve established in accordance with the terms and conditions of the  
5 Joint Petition for Partial Settlement of Rate Investigation (“2015 Settlement”)  
6 agreement at Docket No. R-2014-2428745; and (vi) financial reports reflecting  
7 actual expenses and rate base additions for the twelve months ended April 30,  
8 2016 as required by Paragraph 6 of the Terms and Condition section of the 2015  
9 Settlement.

10 **Q. Have you prepared exhibits to accompany your testimony?**

11 A. Yes. Met-Ed Exhibits RAD-1 through RAD-67 were prepared by me or under my  
12 supervision. My testimony will focus primarily on Met-Ed Exhibit RAD-1,  
13 which sets forth the Company’s proposed rate base at December 31, 2017, i.e., the  
14 end of the fully projected future test year (“FPFTY”) being utilized in this  
15 proceeding, and Met-Ed Exhibit RAD-2, which provides a detailed income  
16 statement and support for certain normalization and annualization adjustments to  
17 the budgeted FPFTY data. The remaining exhibits, for the most part, comprise  
18 responses to those Commission base rate filing requirements for which I am  
19 responsible.

20 **Q. Please identify those witnesses whose testimony relates to and supports your**  
21 **testimony and exhibits.**

1 A. Kevin M. Siedt (Met-Ed Statement No. 3) supports the pro forma levels of energy  
2 sales, normalized revenues and late payment charges (“LPCs”) utilized to  
3 determine the need for rate relief. Mr. Siedt also details the proposed rate design  
4 and various rider modifications.

5 Thomas J. Dolezal (Met-Ed Statement No. 4) explains the cost of service study he  
6 performed along with how various cost of service components (e.g., rate base,  
7 expenses) attributable to FERC jurisdictional service, where appropriate, were  
8 identified and removed from the determination of the distribution revenue  
9 requirement.

10 Jeffrey L. Adams (Met-Ed Statement No. 5) supports the Company’s cash  
11 working capital requirements.

12 Laura W. Gifford (Met-Ed Statement No. 6) describes and supports the  
13 normalization of uncollectible accounts expense. She discusses the availability to  
14 the Company of its Smart Meter Technologies Charge Rider when the smart  
15 meter capital and O&M expense revenue requirements included in base rates are  
16 exceeded or when billable savings are achieved.

17 John J. Spanos (Met-Ed Statement No. 7) supports the depreciation accrual rates  
18 used to develop depreciation expenses for the FPFTY. In particular, he discusses  
19 the depreciation studies performed and the procedures utilized for calculating  
20 annual depreciation accrual rates using the Equal Life Group (“ELG”) method.

1 Pauline M. Ahern (Met-Ed Statement No. 8) develops and supports Met-Ed's  
2 requested return on common equity of 10.90%.

3 Joseph Dipre (Met-Ed Statement No. 9) presents the Company's proposed capital  
4 structure ratios and weighted average cost of long-term debt.

5 **II. ACCOUNTING AND FINANCIAL DATA**

6 **Q. Does the Company adhere to a system of accounts prescribed by the**  
7 **Commission?**

8 A. Yes. The Company's accounting records are maintained in accordance with the  
9 Commission's regulations at 52 Pa. Code § 57.41 *et seq.* and in conformity with  
10 the Uniform System of Accounts prescribed by the FERC and adopted by the  
11 Commission.

12 **Q. Are the accounting records of Met-Ed audited?**

13 A. Yes. Met-Ed's financial records are audited at least annually by an independent  
14 certified public accounting firm. In addition, the FERC conducts periodic  
15 compliance audits to confirm that the Company is keeping its accounts in  
16 conformity with the Uniform System of Accounts. Apart from conducting its  
17 own audits, the staff of the PUC reviews the findings of FERC's audits. Other  
18 independent agencies also have the authority to audit the Company's records on a  
19 recurring basis, including the Internal Revenue Service and the Securities and  
20 Exchange Commission. In addition, the PUC audit staff and the Pennsylvania  
21 Department of Revenue staff perform annual audits of the Company's cost  
22 recovery rider mechanisms and sales and use tax filings.

1 **Q. Have original cost determinations been made of Met-Ed's utility plant?**

2 A. Yes. For Met-Ed, an original cost determination was made as of December 31,  
3 1944, for which approval orders were issued by the PUC on December 11, 1945  
4 at EOC Docket No. 27 and for Edison Light and Power Company (which was  
5 subsequently merged with Met-Ed) on November 12, 1946 at Docket No. 11. In  
6 1948, the Company filed with the Commission a basic plan for maintaining its  
7 continuing property records. The PUC accepted and approved that plan on April  
8 19, 1948.

9 Since the dates noted above, Met-Ed has maintained its continuing property  
10 records in accordance with the approved plans.

11 **III. BUDGETS**

12 **Q. Mr. D'Angelo, are you familiar with the process by which Met-Ed budgets  
13 future capital expenditures, revenues and operating expenses?**

14 A. Yes, I am. In general, the budgeting process involves: (1) the establishment of  
15 documented and well-supported goals, objectives and guidelines; (2) intensive  
16 reviews and refinements by all levels of management and functional staffs; and  
17 (3) careful scrutiny and ultimate approval by appropriate senior management.

18 **Q. How were the Company's budgets utilized to develop the claimed revenue  
19 requirements in this proceeding?**

20 A. They provided the starting point for determining the claimed rate base at  
21 December 31, 2017 and operating income for the twelve months ending that date.

1 Specifically, I consolidated budgeted monthly data for the months of January  
2 through December from the forecast to develop the “Per Budget” amounts set  
3 forth in Column 1 of each of Met-Ed Exhibits RAD-1 and RAD-2.

4 **Q. Did you update any of the budgeted data for purposes of this rate filing?**

5 A. Yes. Since the completion of the capital budget, certain revisions were made to  
6 the forecasted capital structure and those changes have been reflected by Mr.  
7 Dipre in his testimony and exhibits.

8 The Company budget was prepared prior to submission of the Joint Petition for  
9 Full Settlement pending at Docket Nos. A-2015-2488903, et. al, which would  
10 establish the Mid-Atlantic Interstate Transmission, LLC (“MAIT”), and the  
11 transfer to it of the Company’s transmission investments, if approved by the  
12 Commission. While the budget excluded certain transmission investments and  
13 expenses associated with the formation of MAIT, it similarly did not include  
14 mutual assistance agreement (“MAA”) revenues associated with the use of space  
15 and communications software services portion of the MAA. Therefore, I have  
16 specifically excluded from rate base Intangible and General Plant, and associated  
17 depreciation reserves, associated with transmission facilities, as well as related  
18 depreciation expenses. The FERC jurisdictional allocators that I used were  
19 developed by Mr. Dolezal (see Met-Ed Statement No. 4) and are based on the  
20 same parameters utilized in prior base rate cases.

21 **Q. What opinion, if any, do you have as to the budgeted levels of capital and**  
22 **expense?**



1 A. In my opinion, the budgeted levels of capital and expense are reasonable  
2 estimates of what Met-Ed can expect to experience during the FPFTY prior to  
3 recognition of the appropriate ratemaking adjustments reflected in Met-Ed  
4 Exhibits RAD-1 and RAD-2.

5 **IV. RATEMAKING ADJUSTMENTS TO BUDGETED TEST YEAR DATA**

6 **A. Rate Base At December 31, 2017**

7 **Q. Please generally describe Met-Ed Exhibit RAD-1.**

8 A. This exhibit sets forth Met-Ed's proposed overall distribution rate base and smart  
9 meter rate base at December 31, 2017. Column 1 on page 1 of Exhibit RAD-1  
10 provides budgeted amounts; column 2 adjusts various components; and column 3  
11 reflects the adjusted rate base. The remaining columns on page 1 break the  
12 adjusted rate base into separate distribution and smart meter rate base elements.

13 The adjustments to the budgeted rate base data, along with a detailed explanation  
14 of each adjustment, are contained on pages 2 through 11 of Met-Ed Exhibit RAD-  
15 1 and are referenced on page 1 by adjustment number. The adjustments are  
16 designed to:

- 17 • Remove asset retirement costs ("ARCs"), remove transmission plant  
18 associated with MAIT ground lease; and remove an allocated portion  
19 of Intangible and General plant associated with MAIT;
- 20 • Reflect adjusted depreciation reserves applicable to rate base;
- 21 • Reflect inclusion of light emitting diode ("LED") street lights in  
22 accordance with the Company's latest work plan;
- 23 • Eliminate plant held for future use;

24

- 1 • Reflect in base rates the smart meter investment and related  
2 depreciation reserves;
- 3 • Reflect cash working capital requirements;
- 4 • Reflect material and supplies (“M&S”) inventories;
- 5 • Reflect in rate base the additional unrecovered legacy meter  
6 investment which was transferred from a plant in service account to a  
7 regulatory asset account;
- 8 • Reflect unamortized deferred storm damage expenses and the storm  
9 reserve balance established in the 2015 Settlement as an addition to  
10 rate base;
- 11 • Adjust accumulated deferred income taxes – liberalized depreciation;  
12 and
- 13 • Reflect operating reserves, net of tax, to remove FERC jurisdictional  
14 allocations.

15 **Q. Please describe Adjustment No. 1 -- Electric Plant in Service.**

16 A. This adjustment eliminates from plant in service accounts: (1) ARCs; and (2)  
17 FERC Transmission Plant, including transmission plant associated with the MAIT  
18 ground lease and allocated portions of Intangible and General Plant, based on the  
19 results of a separations study described by Mr. Dolezal in Met-Ed Statement No.  
20 4. The adjustment also reflects the inclusion of LED Street Lights in accordance  
21 with the latest work plan.

22 **Q. What are ARCs?**

23 A. ARCs apply to all legal obligations associated with the retirement of long-lived  
24 assets that result from construction under Financial Account Standards Board  
25 Statement No. 143 (“FAS-143”). FAS-143 requires that the fair value of a  
26 liability for an asset’s retirement obligation (“ARO”) be recognized in the period

1 in which it is incurred. The associated ARCs are capitalized as part of the  
2 carrying amount of the long-lived assets. ARCs increase the carrying amount of a  
3 long-lived asset when a liability for an ARO is recognized and is depreciated over  
4 the life of the asset. The ARCs and related depreciation reserve are excluded  
5 from rate base, while the associated depreciation expense is excluded from the  
6 income statement. This treatment is in accordance with 18 CFR Chapter 1 §  
7 35.18, Asset Retirement Obligations.

8 **Q. What is Met-Ed's position on plant held for future use?**

9 A. Historically, Met-Ed claimed in rate base those investments in plant held for  
10 future use that were expected to be utilized within ten years of the test period.  
11 The ten-year window reflected the Commission's prior policy of allowing such  
12 investments where definitive plans for utilizing the investment within the ten-year  
13 period existed. Under current Commission policy, investments in plant held for  
14 future use are excluded from rate base, but allowed to accrue carrying charges  
15 provided they satisfy the ten-year test. Adjustment No. 2 is designed to comply  
16 with that policy.

17 **Q. Please describe Adjustment No. 3 – Depreciation Reserve - Electric Plant in**  
18 **Service.**

19 A. This adjustment removes from the budgeted depreciation reserve those portions  
20 attributable to the plant eliminated in Adjustment No. 1.

21 **Q. What is the purpose of Adjustment No. 4 – Cash Working Capital?**

1 A. This adjustment includes the cash working capital requirements described by Mr.  
2 Adams in Met-Ed Statement No. 5 and computed by him in Met-Ed Exhibit JLA-1.

3 **Q. Please describe Adjustment No. 5 – M&S Inventories.**

4 A. This adjustment includes the Company’s allocated portion of the materials and  
5 supplies inventory maintained by the FirstEnergy Service Company at December  
6 31, 2015. The historic test year (“HTY”) year-end balance was used because the  
7 Company does not budget M&S inventories. Met-Ed Exhibit RAD-13 provides a  
8 monthly breakdown of M&S inventories for the thirteen months ended December  
9 31, 2015.

10 **Q. Please describe Adjustment No. 6 – Legacy Meters.**

11 A. In its March 6, 2014 Order at Docket Nos. M-2013-2341990, et al., approving the  
12 Companies’ Smart Meter Deployment Plans, the Commission directed that the  
13 cost of removing legacy meters (i.e., meters to be replaced by the installation of  
14 smart meters) be charged to the regulatory asset account containing the legacy  
15 meters and recovered, along with the unrecovered investment in those meters,  
16 over the remaining lives of those meters. This adjustment adds back to rate base  
17 the unamortized regulatory asset account, net of accrued depreciation and  
18 amortization expenses, plus the estimated cost of removal. The 2015 Settlement  
19 established the recovery period for legacy meters at five years.

20 **Q. What is the purpose of Adjustment No. 7 – Deferred Storm Damage**  
21 **Expenses?**

1 A. Adjustment No. 7 includes in claimed rate base certain unamortized storm  
2 damage costs, the recognition of which had been previously deferred and recovery  
3 authorized in accordance with previous Commission orders. The specific costs  
4 deferred by Met-Ed, and citations to the Commission orders approving their  
5 deferral, are provided on page 8 of Exhibit RAD-1. Recovery of these deferred  
6 storm damage costs and the accounting for the storm reserve commenced May  
7 2015 in accordance with the terms and conditions of the 2015 Settlement. The  
8 2015 Settlement also provided for a storm reserve account to be established and  
9 maintained on the Company's balance sheet. Accordingly, the storm reserve  
10 account balance has been included in rate base. Details of year-by-year storm  
11 costs for the FPFTY, future test year ("FTY"), HTY and four previous calendar  
12 years appear in Met-Ed Exhibit RAD-63.

13 **Q. Please describe Adjustment No. 8 – Accumulated Deferred Income Taxes –**  
14 **Liberalized Depreciation.**

15 A. Adjustment No. 8 adjusts the budgeted deferred tax balances for liberalized  
16 depreciation, excluding the impact of Statement of Financial Accounting  
17 Standards No. 109 deferrals, to eliminate: (1) deferred income taxes associated  
18 with Three Mile Island Unit No. 2; (2) deferred income taxes associated with  
19 other generation; (3) other excludable items (capital leases); (4) deferred income  
20 taxes associated with MAIT ground leases; (5) remaining state income tax  
21 deferrals including the benefit of those income taxes and (6) an allocated portion  
22 of the remaining federal deferred income taxes associated with FERC  
23 transmission plant.

1 **Q. Please describe Adjustment No. 9 – Operating Reserves.**

2 A. Adjustment No. 9 reflects operating reserves, net of accumulated deferred income  
3 taxes to remove FERC jurisdictional allocations.

4 **Q. After taking into account the foregoing adjustments, what is Met-Ed's**  
5 **claimed distribution rate base?**

6 A. Met-Ed's claimed distribution rate base equals \$1,405,890, of which \$75,509,000  
7 represents the Company's smart meter investment.

8 **Q. What is contained on page 11 of Met-Ed Exhibit RAD-1?**

9 A. This page sets forth Met-Ed's claimed overall rate of return, including its  
10 proposed capital structure ratios, weighted average cost of long-term debt and  
11 requested return on common equity. Those findings, which are presented and  
12 supported by Mr. Dipre and Ms. Ahern, are summarized below:

<b>Met-Ed</b>	<b>Capital Structure</b>	<b>Cost Rate</b>	<b>Weighted Cost</b>
	<b>Ratio</b>		<b>Rate</b>
Long-Term Debt	48.83%	5.25%	2.56%
Preferred Stock	0.0%	---	---
Common Equity	<u>51.17%</u>	<u>10.9%</u>	<u>5.58%</u>
	100.00%		8.14%

13

14 **B. Statement Of Operating Income For The Twelve Months Ending**  
15 **December 31, 2017**

16 **Q. What is contained in Met-Ed Exhibit RAD-2?**

17 A. Met-Ed Exhibit RAD-2 contains the budgeted and pro forma statements of net  
18 utility operating income for the FPFTY ending December 31, 2017. The first  
19 three pages summarize the budgeted and adjusted results of operations at present

1 and proposed rates; the next three pages break down the revenue requirement by  
2 component part (e.g., distribution, smart meter and total distribution); and the  
3 remaining pages, starting at page 7, document the specific adjustments made to  
4 normalize and annualize the budgeted data.

5 The adjustments are designed to:

- 6 • Annualize the number of customers, usage and sales at FPFTY year-  
7 end levels, roll in Distribution System Improvement Charge (“DSIC”)  
8 revenues, and eliminate smart meter rider revenues;
- 9 • Roll into base rates revenues associated with the State Tax Adjustment  
10 Surcharge (“STAS”);
- 11 • Eliminate DSIC rider revenues;
- 12 • Eliminate non-jurisdictional “Other Operating Revenues,” as  
13 applicable;
- 14 • Annualize payroll and employee benefit costs to reflect anticipated  
15 employee levels and benefits;
- 16 • Calculate net negative salvage based on a five-year average of net  
17 salvage, consistent with Commission practice;
- 18 • Normalize pension expense to reflect a ten-year average of cash  
19 contributions consistent with the approach approved by the  
20 Commission in prior proceedings;
- 21 • Normalize other post-employment benefits (“OPEBs”) to reflect the  
22 actual ongoing level of service costs charged to expense consistent  
23 with the approach used in the past with Commission approval;
- 24 • Normalize depreciation accruals to reflect utility plant in service as of  
25 the end of the FPFTY using ELG depreciation rates;
- 26 • Normalize rate case expenses to reflect a two-year cost recovery  
27 period;
- 28 • Eliminate non-jurisdictional O&M expenses;
- 29 • Normalize O&M expenses associated with serving new customers;



- 1 • Normalize customer accounts expenses for interest on customer  
2 deposits;
- 3 • Normalize safety-related O&M expenses;
- 4 • Amortize the investments in “legacy” meters made after the last base  
5 rate case that are being replaced by smart meters over the remaining  
6 thirty-nine month amortization period; and
- 7 • Adjust taxes other than income.

8 **Q. Is Met-Ed seeking to recover any acquisition premium or other transaction**  
9 **costs associated with the FirstEnergy/GPU or FirstEnergy/Allegheny**  
10 **mergers as part of the revenue requirement in this case?**

11 A. No. There is no provision in the budget for, nor has any adjustment been made to  
12 include, an amortization of the acquisition premiums or other transaction costs  
13 associated with either of those mergers.

14 **Q. Please describe Adjustment No. 1 – Base Operating Revenues.**

15 A. This is an adjustment to base operating revenues to: (1) annualize changes in  
16 number of customers; (2) roll in STAS revenues; (3) roll in DSIC revenues; (4)  
17 normalize the sales and revenue effects of energy efficiency measures  
18 implemented or to be implemented under the Company’s Energy Efficiency and  
19 Conservation Phase III Plan<sup>1</sup> and to reflect the impact of behind-the-meter  
20 generation; (5) eliminate smart meter rider revenues; (6) normalize Other  
21 Revenue; and (7) eliminate unbilled revenue. Parts (1) through (6) of this  
22 adjustment are discussed in detail by Mr. Siedt in Met-Ed Statement No. 3. I  
23 address item (7). By way of background, unbilled revenue has been included in

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<sup>1</sup> As approved by the Commission at Docket No. M-2015-2514767 on March 10, 2016.

1 the budget projection to reflect revenues for service rendered but not billed as of  
2 the end of each accounting period. Items that produce unbilled revenue include  
3 such things as increases in rates and increases in the number of customers. In  
4 developing pro forma revenues for ratemaking purposes, separate adjustments are  
5 being made to annualize and normalize the revenue effect of such factors.  
6 Therefore, to eliminate any duplication of revenue for ratemaking purposes,  
7 unbilled revenue must be eliminated, which is done in Adjustment No. 1.

8 **Q. Please describe Adjustment No. 2 – STAS Revenues.**

9 A. This adjustment eliminates budgeted test year revenues projected to be billed  
10 under the STAS Rider. Because all state taxes are included in distribution base  
11 rate revenue requirement, no revenues will be billed under the STAS Rider. As  
12 the Company did not forecast any charge under its STAS Rider, the adjustment is  
13 zero.

14 **Q. Please describe Adjustment No. 3 – DSIC Revenues.**

15 A. This adjustment eliminates revenues projected to be billed under the DSIC Rider  
16 as currently proposed and pending before the Commission.<sup>2</sup> Because all of the  
17 FPFTY capital additions contemplated to be associated with the DSIC Rider are  
18 included in the Company's distribution base rate revenue requirement, no costs  
19 related to those additions will be billed under the DSIC Rider if the proposed rates  
20 are approved as filed.

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<sup>2</sup> Petition of Met-Ed for Approval to Establish and Implement a DSIC at Docket No. P-2015-2508942.

1 **Q. Please describe Adjustment No. 4 – Other Operating Revenues.**

2 A. This adjustment eliminates projected MAIT ground lease revenues.

3 **Q. What is the purpose of Adjustment No. 5 – Distribution Expense?**

4 A. This adjustment: (1) normalizes Met-Ed's and FirstEnergy Service Company's  
5 payroll expense to reflect year-end wage and employee levels; (2) eliminates non-  
6 jurisdictional transmission expenses; (3) excludes the transmission portion of the  
7 amortization of gains or losses to reacquire debt, where applicable, based on the  
8 results of the separation study described by Mr. Dolezal in Met-Ed Statement No.  
9 4; and (4) normalizes additional O&M expenses for contractor safety requests.

10 Supporting Schedule No. 1 develops the payroll expense to reflect FPFTY year-  
11 end wage and employee levels for both the Company and FirstEnergy Service  
12 Company employees. The O&M payroll expense for the Company and  
13 FirstEnergy Service Company is then allocated to individual Price To Compare,  
14 Transmission, Distribution, Customer Accounts, Customer Service and  
15 Administrative and General components. These amounts are utilized in  
16 subsequent adjustments.

17 **Q. Please describe Adjustment No. 6 – Customer Accounts Expense.**

18 A. Customer Accounts expense is adjusted to reflect FPFTY year-end wage and  
19 employee levels for the Company and FirstEnergy Service Company personnel  
20 (developed in Adjustment No. 5, Supporting Schedule No. 1), increased costs  
21 associated with adding new customers and interest on customer deposits.

1 Supporting Schedule No. 1 develops the Other O&M expenses associated with  
2 serving new customers reflected in Adjustment No. 1. The Commission has  
3 previously approved an adjustment to customer accounts expense in recognition  
4 of this increased cost. This cost is estimated by determining the ratio of non-  
5 payroll customer account expense to distribution revenues from customers and  
6 applying this ratio to the additional revenue received from the additional  
7 customers.

8 Supporting Schedule No. 2 captures the cost of interest Met-Ed is required to pay  
9 on residential and non-residential customer deposits given that the customer  
10 deposits are deducted from rate base.

11 **Q. What is the purpose of Adjustment No. 7 – Customer Service and**  
12 **Information Expense?**

13 A. Customer Service and Information Expense is adjusted to reflect the FPFTY year-  
14 end wage and employee levels for the Company and FirstEnergy Service  
15 Company that were developed in Adjustment No. 5, Supporting Schedule No. 1.

16 **Q. Please describe Adjustment No. 8 – Administrative and General Expense.**

17 A. Administrative and General Expense is adjusted to reflect: (1) FPFTY year-end  
18 wage and employee levels for the Company and FirstEnergy Service Company  
19 that were developed in Adjustment No. 5, Supporting Schedule No. 1; (2) OPEBs  
20 at the service cost level; (3) pension expense at the ten-year average cash  
21 contribution level; (4) employee benefit expense at FPFTY year-end personal and  
22 wage levels; (5) the elimination of non-jurisdictional administrative and general

1 expenses based on the results of the separations study sponsored by Mr. Dolezal  
2 (Met-Ed Statement No. 4); (6) the elimination of other non-jurisdictional  
3 transmission expenses; and (7) the normalization of current rate case expenses  
4 over a two-year period.

5 Supporting Schedule No. 1 adjusts the budgeted level of OPEB expenses to the  
6 service cost level. The budgeted OPEB expense consists of the current service  
7 cost, adjustments to prior years' service costs, and the financing component. The  
8 service cost represents the actuarial present value of benefit liabilities accrued  
9 under the plan benefit formula for services rendered during the test year.

10 Inclusion of the service cost in rates provides for recovery of the current cost of  
11 benefits earned by plan participants. Any excess or shortfall related to the  
12 expected return on plan assets is excluded because its inclusion would artificially  
13 reduce or increase total costs and result in the recovery of more or less than the  
14 normal ongoing cost of service. The adjustment to restate OPEB expense at the  
15 current service cost level was originally adopted by the Commission at Docket  
16 Nos. R-00061366 and R-00061367 and included in the 2015 Settlement.

17 Supporting Schedule No. 2 normalizes the budgeted level of pension expense to  
18 appropriately reflect a ten-year historical average level of actual cash  
19 contributions to the pension plan under the methodology that was originally  
20 adopted by the Commission at Docket Nos. R-00061366 and R-00061367 and  
21 included in the 2015 Settlement.

1 Supporting Schedule No. 3 uses the O&M payroll expense developed in  
2 Adjustment No. 5, Supporting Schedule No. 1 to normalize the employee benefits  
3 costs charged to Administrative and General expense.

4 **Q. Please describe Adjustment No. 9 – Depreciation Expense.**

5 A. Budgeted Depreciation Expense is adjusted: (1) to reflect the application of ELG  
6 depreciation rates to claimed plant in service; (2) to remove depreciation expense  
7 attributable to non-jurisdictional assets; and (3) to restate the cost of  
8 removal/salvage expense on a five-year average basis removing the component  
9 associated with legacy meters consistent with Commission practice. The  
10 application of ELG depreciation rates is discussed in detail by Mr. Spanos in Met-  
11 Ed Statement No. 7.

12 **Q. Please describe Adjustment No. 10 – Amortization Expense.**

13 A. Amortization expenses included in the budget were adjusted to: (1) eliminate  
14 smart meter amortization; (2) eliminate legacy meter cost of removal; and (3)  
15 include amortization for additional unrecovered legacy meters over the remaining  
16 thirty-nine month amortization period.

17 Supporting Schedule No. 1 develops the appropriate annual amortization  
18 allowances for the additional legacy meters. In its March 6, 2014 Order at Docket  
19 No. M-2013-2341990 the Commission authorized the Company to create a  
20 regulatory asset for its existing meters currently in place to be replaced by smart  
21 meters referring to all such meters as legacy meters.

22 **Q. Please describe Adjustment No. 11 – Taxes Other Than Income Taxes.**

1 A. Taxes Other Than Income Taxes included in the budget were adjusted to: (1)  
2 eliminate non-jurisdictional payroll taxes; (2) eliminate Capital Stock Tax; (3)  
3 reflect Pennsylvania gross receipts tax (“GRT”) at 5.9% for normalized sales  
4 revenues; (3) eliminate non-jurisdictional expense portions of the Public Utility  
5 Realty Tax and other real estate taxes; and (4) adjust payroll tax expense based on  
6 annualized payroll and employee levels.

7 The adjustments to remove the non-jurisdictional portion of payroll taxes, the  
8 Public Utility Realty Tax and other real estate taxes are based on the results of the  
9 separation study performed by Mr. Dolezal.

10 Supporting Schedule No. 1 shows the calculation of Federal Insurance  
11 Contributions Act tax associated with the annualized O&M payroll expense  
12 developed in Adjustment No. 5, Supporting Schedule No. 1.

13 **Q. Please describe briefly the computation of federal and state income taxes as**  
14 **reflected in Adjustment No. 12.**

15 A. This schedule begins with the computation of the Company’s \$79,996,000 net  
16 operating income before income taxes from data shown on page 1 of Met-Ed  
17 Exhibit RAD-2 (line 6 less line 15 of column 3 on page 1). The revenues and  
18 expenses used to calculate the federal and state income taxes in Adjustment No.  
19 12 are divided into columns corresponding to the components shown on pages 1-3  
20 of this exhibit (Distribution, Smart Meter, Price to Compare, Universal Service,  
21 Energy Efficiency, Default Service Support, Solar, and NUG) to derive net  
22 operating income before income taxes. From that amount, interest was deducted.



1 Interest was calculated by multiplying the adjusted rate base by the weighted  
2 average cost of long-term debt. The resulting figure is net income before income  
3 taxes as shown on line 10.

4 Four adjustments (lines 11, 12, 13 and 15) were made to increase taxable income.  
5 The first reflects the five-year amortization of net salvage. The second adjusts  
6 depreciation to reflect accelerated depreciation, where permitted, on eligible  
7 property as of December 31, 2017. The third increases net income by adding  
8 back the amortization amount for legacy meters, and the fourth increases net  
9 income by adding back the cash pension contribution included in pro forma O&M  
10 expenses. This is because neither of these items represent a current deduction for  
11 tax purposes.

12 The remaining adjustment (line 14) is a deduction from taxable income. The  
13 adjustment reflects cost of removal \$7,420,000 that may be claimed as a current  
14 deduction for tax purposes. The net amount of these adjustments is included in  
15 the net income before federal and state income taxes to determine the income  
16 subject to state income tax. State taxable income is adjusted for limitations on  
17 federal bonus tax depreciation that is allowed for state income tax purposes.

18 Detailed calculations of the limitations of federal bonus tax depreciation allowed  
19 for state income tax purposes are provided in Met-Ed Exhibit RAD-65. The  
20 adjustment to taxable income is reflected on lines 18 through 20. The state and  
21 federal income tax calculations then follow. The state and federal income taxes  
22 are computed at the statutory rates of 9.99% and 35%, respectively.

1 Supporting Schedule No. 1 allocates tax depreciation into cost of removal, smart  
2 meter and distribution and removes the FERC non-jurisdictional tax depreciation.

3 **Q. Please describe Adjustment No. 13 – Provision for Deferred Income Taxes.**

4 A. This adjustment eliminates from the budgeted Provision for Deferred Income  
5 Taxes all deferred taxes except the federal deferred taxes associated with  
6 liberalized depreciation. Additionally, federal deferred taxes for liberalized  
7 depreciation are adjusted to reflect plant in service as of the end of the FPPTY.  
8 Detailed calculations of the federal deferrals are provided in Met-Ed Exhibit  
9 RAD-41.

10 The computation for post-1969 through 1980 “expansion” property is based on  
11 the difference between accelerated depreciation (calculated using the Sum of the  
12 Years Digits method and taxable lives based on the Asset Depreciation Range)  
13 and straight-line depreciation using “guideline” lives. The computation for 1981  
14 and subsequent property begins by determining the difference between tax  
15 depreciation using the Accelerated Cost Recovery System and the Modified  
16 Accelerated Cost Recovery System and straight-line depreciation (using book  
17 rates and tax basis).

18 The federal tax rate of 35% was applied to the amounts calculated in the manner  
19 described above and compared to the tax to be booked during the test year to  
20 determine the adjustment to deferred taxes.

21 The state deferred taxes associated with liberalized depreciation pertain only to  
22 FERC jurisdictional property and have been eliminated. The deferred taxes

1 associated with other miscellaneous items have been eliminated because the  
2 associated income has not been included in the calculation of taxable income used  
3 to compute federal and state taxes included in the Company's revenue  
4 requirement.

5 **Q. Please describe Adjustment No. 14 – Investment Tax Credit (“ITC”).**

6 A. This adjustment provides for the amortization of the jurisdictional portion of ITC.

7 **Q. What is Met-Ed's claimed additional distribution revenue requirement?**

8 A. Reflecting all of the adjustments to the budget data discussed above, Met-Ed's net  
9 utility operating income for the FPFTY at present rates is \$40,253,000 (page 1,  
10 column 6, line 24). This amount, compared to the \$114,462,000 shown on page  
11 3, column 24, line 24, shows that \$74,209,000 in additional return is required for  
12 Met-Ed to achieve an overall return of 8.14% on its distribution rate base. This  
13 translates into an additional base rate revenue requirement, or revenue deficiency  
14 under existing rates, of \$134,773,000, as shown on page 2, column 15, line 6.

15 **Q. What is contained in Met-Ed Exhibits RAD-3, RAD-4, RAD-5 and RAD-6?**

16 A. Met-Ed Exhibits RAD-3 and RAD-5 set forth the Company's rate base at  
17 December 31, 2016 and 2015, respectively. Met-Ed Exhibits RAD-4 and RAD-6  
18 set forth the Company's operating income statements with normalizing  
19 adjustments for the FTY (twelve months ending December 31, 2016) and the  
20 HTY (twelve months ended December 31, 2015), respectively.

1 While the specific numbers differ, these two sets of exhibits are identical in  
2 format and concept to Met-Ed Exhibits RAD-1 and RAD-2 and the description of  
3 the filing format in my testimony applies equally to them.

4 **V. REGULATORY TREATMENT OF STORM DAMAGE COSTS**  
5 **THROUGH A STORM RESERVE**

6 **Q. How has the Commission historically treated storm damage costs for**  
7 **ratemaking purposes?**

8 A. As in the case of other operating expenses, utilities have been allowed to include a  
9 normal, ongoing level of storm damage costs in their base rate revenue  
10 requirement. In addition, utilities have been permitted to request authorization to  
11 defer, for accounting purposes, extraordinary storm damage costs, with the  
12 understanding that rate recovery of the deferred costs would be addressed in a  
13 future base rate proceeding. The recovery of ongoing storm damage costs  
14 through the storm reserve was established in the Terms and Conditions, paragraph  
15 5 of the 2015 Settlement. In accordance with the Commission's policy and prior  
16 rulings regarding the ratemaking treatment of extraordinary storm damage, the  
17 Company has included in its FPFTY revenue requirement a normalized level of  
18 storm damage costs and continuing rate recovery of previously authorized  
19 deferrals of extraordinary storm damage costs identified in the Settlement (see  
20 Met-Ed Exhibits RAD-1 and RAD-2).

21 **Q. Is Met-Ed proposing any changes to the recovery of storm damage expense in**  
22 **this filing?**

1 A. No. Met-Ed is proposing to continue recovering storm damage costs, excluding  
2 expenses related to damage from extraordinary storm events, through the storm  
3 reserve mechanism established in the 2015 Settlement at the same level  
4 established in that base rate proceeding. The storm reserve has only been in place  
5 since May 2015 but appears to be working as the settlement parties envisioned.  
6 Therefore, the budget reflects a booking to the amortization account of the  
7 difference between the storm reserve revenues, less GRT, and the base line storm  
8 O&M expenses reflected in Met-Ed Exhibit RAD-63 for the FPFTY.

9 **Q. What is the normalized, ongoing amount of storm damage O&M expense**  
10 **budgeted for the twelve months ending December 31, 2017?**

11 A. Met-Ed Exhibit RAD-63 sets forth budgeted storm damage expense for the twelve  
12 months ending each of December 31, 2017 and December 31, 2016, and actual  
13 storm damage expense for the twelve months ended December 31, 2015, along  
14 with data for an additional four calendar years. The level of budgeted storm  
15 damage O&M expense normally recovered through base rates is \$6,827,028 for  
16 Met-Ed. However, Met-Ed's income statement (Exhibit RAD-2) includes the  
17 normalized level of storm damage expenses excluding extraordinary storms in the  
18 amount contained in the 2015 Settlement. This additional amount of storm  
19 damage costs, along with other amortization amounts, appears on the amortization  
20 line of Met-Ed Exhibit RAD-2. Therefore, the Company is proposing to continue  
21 at the same revenue requirement level established in that proceeding, or \$13  
22 million.

1 VI. **REPORTING REQUIRED UNDER PROVISIONS OF THE 2015**  
2 **SETTLEMENT AT DOCKET NO. R-2014-2428745**

3 **Q. Was Met-Ed required to provide any financial reports as part of its next base**  
4 **rate proceeding?**

5 A. Yes. The 2015 Settlement requires Met-Ed, in its next base rate proceeding, to  
6 file a comparison of its actual expenses and rate base additions for the twelve  
7 months ended April 30, 2016 to its projections originally filed at Docket No. R-  
8 2014-2428745. The Joint Petitioners recognized that the 2015 Settlement  
9 represented a black box settlement and consequently reflects compromises by all  
10 parties on the various issues raised during the proceeding. Except for specific  
11 terms and conditions addressed within the 2015 Settlement document itself, there  
12 were no findings made by the Commission for income statement or rate base  
13 purposes.

14 **Q. What is contained in Met-Ed Exhibit RAD-66?**

15 A. Met-Ed Exhibit RAD-66 contains a comparison of actual expenses for the twelve  
16 months ended April 30, 2016 compared to the projections originally filed at  
17 Docket No. R-2014-2428745. The format utilized is the same as developed for  
18 Met-Ed Exhibit RAD-55, which reflects a comparison of revenues and expenses  
19 in an income statement format by FERC account number. At the time of this  
20 filing, actual information was only available through February 29, 2016.  
21 Therefore, Met-Ed Exhibit RAD-66 contains ten months of actual information  
22 and two months of forecasted data. Once March and April 2016 actual

1 accounting data become available, Met-Ed Exhibit RAD-66 will be updated to  
2 incorporate actual expenses for the twelve months ended April 30, 2016.

3 **Q. What is contained in Met-Ed Exhibit RAD-67?**

4 A. Met-Ed Exhibit RAD-67 contains a comparison of rate base additions for the  
5 twelve months ended April 30, 2016 compared to the projections originally filed  
6 at Docket No. R-2014-2428745. The format utilized is the same as developed for  
7 Met-Ed Exhibit RAD-46, which reflects a comparison of plant in service  
8 additions by FERC account number. As in the case of Met-Ed Exhibit RAD-66,  
9 Met-Ed Exhibit RAD-67 contains ten months of actual information and two  
10 months of forecasted data. Once March and April 2016 actual accounting data  
11 become available, Met-Ed Exhibit RAD-67 will similarly be updated to  
12 incorporate actual rate base additions for the twelve months ended April 30, 2016.

13 **VII. OTHER FILING REQUIREMENTS**

14 **Q. Would you briefly describe Met-Ed Exhibits RAD-7 through RAD-62?**

15 A. Yes. 52 Pa. Code § 53.53 sets forth the information that must be included with a  
16 proposed general rate increase filing. Met-Ed Exhibits RAD-7 through RAD-60  
17 contain responses to various data requests assigned to me. Each exhibit cites the  
18 specific filing requirement to which it is responding and is followed by the  
19 Company's response.

20 Met-Ed Exhibit RAD-61 lists the types of advertising included in expenses for the  
21 test year and the immediately preceding year, in accordance with Section 1316(c)  
22 of the Public Utility Code, 66 Pa.C.S.. § 1316(c). Met-Ed Exhibit RAD-62



1 responds to the PUC Statement of Policy at 52 Pa. Code § 69.36, entitled  
2 “Performance criteria regarding energy supply alternatives.” This Statement of  
3 Policy identifies six areas for review in rate proceedings pertaining to an electric  
4 utility’s efforts to encourage the development of cost effective energy supply  
5 alternatives. Met-Ed Exhibit RAD-62 addresses five of the six identified areas.  
6 Mr. Siedt addresses the remaining area in Met-Ed Statement No. 3.

7 **VIII. CONCLUSION**

8 **Q. Please summarize your direct testimony and recommendations.**

9 A. Inclusive of the roll-in of smart meter costs, Met-Ed has supported an increase in  
10 base rate revenue requirements of \$134,773,000 of which \$10,397,000 is  
11 associated with smart meter costs. The total revenue requirement associated with  
12 the Smart Meter Deployment Plan reflected in proposed rates is \$29,190,000.

13 Finally, and as previously discussed, Met-Ed is proposing to continue with its  
14 storm damage reserve mechanism established in the 2015 Settlement at the same  
15 revenue requirement level established in that proceeding, or \$13 million.

16 **Q. Mr. D’Angelo, does this complete your direct testimony?**

17 A. Yes, it does.

18  
19  
20

Resume: Education and Experience of Richard A. D'Angelo

Education:

1972 Bachelor of Science Degree in Economics - Brooklyn College  
1976 Master of Business Administration Degree in Finance - Pace University

Experience:

9/72 - 11/76 Accountant and Supervisor - Bankers Trust Company  
11/76 - 2/81 Employed as Accountant within Regulatory Accounting Area -  
Metropolitan Edison Company ("Met-Ed")  
2/81 - 2/82 Senior Accountant within Regulatory Accounting Area with special  
emphasis on rate-related matters (Met-Ed)  
2/82 - 2/83 Supervisor - Rates and Financing (Met-Ed)  
2/83 - 3/95 Manager - Rate Revenue Requirements within the Rate Department  
(Met-Ed)  
3/95 - 8/96 Manager - Regulatory Liaison within the Regulatory Affairs and  
Pricing Department (Met-Ed/Penelec)  
8/96 - 11/01 Manager - Rate Activity within the Rate Department (GPU Energy)  
11/01 - Present Manager - Rates & Regulatory Affairs- Pennsylvania (FirstEnergy  
Service Company)

Prepared and presented testimony in the following rate-related cases:

Pa. P.U.C. Cases: Docket Nos. R-2014-2428745  
R-2014-2428743  
R-2014-2427744  
R-2014-2428742  
P-2011-2273650  
P-2011-2273668  
P-2011-2273669  
P-2011-2273670  
A-2010-2176520  
A-2010-2176732  
P-2010-2157862  
P-2009-2093053  
P-2009-2093054  
P-00072305  
P-00072259

P-00062235  
R-00061366  
R-00061367  
P-00062213  
P-00062214  
P-00052149  
P-00062214  
P-00052188  
A-110550F0160  
R-00016851C0001  
R-00016852C0001  
R-00016853C0001  
A-110300F.0095  
A-110400F.0040  
P-00001860  
P-00001861  
P-00001837 (Phase 2)  
P-00001838 (Phase 2)  
R-00974008 (Phase 1)  
R-00974009 (Phase 1)  
P-00971215  
P-00971216  
P-00971217  
P-00971223  
P-00971278  
P-00961015  
P-00950968  
A-110300 F0067  
R-922314  
P-0092087  
P-00900450  
R-860384  
R-842770  
R-832549  
R-822249  
I-900005  
P-890366  
M-FACE 8707  
M-FACE 8602

M-FACE 8506  
M-FACE 8404  
M-FACE 8203  
M-FACE 8104  
M-870171 C001

NJ B.P.U Case: Docket No. EO03121014  
Docket No. ER12111052

NY P.S.C. Case: Case No. 11-E-0594

FERC Cases: Docket Nos. ER-90-388-000 and ER-90-522-000  
ER-87-34-001  
ER-83-173

Assisted in development and preparation in the following rate cases:

Pa. P.U.C. Cases: Docket Nos. R-811601  
R-80051196  
R.I.D. 626

FERC Case: Docket No. ER-79-58  
Case 11-E-0594





**METROPOLITAN EDISON COMPANY**  
 Rate Base At Original Cost  
 Normalized To Year-End Conditions at December 31, 2017  
 (\$000)

Line No.	Description	Per Budget (1)	Adjustments and Normalizations		Total (3)	Pa Jurisdictional Normalized Rate Base			PA Jurisdictional Total (6) = (4) + (5)
			(2)	No.		Adj	Distribution (4)	Smart Meter (5)	
1	Electric Plant:								
2	Plant in service	\$ 2,567,704	\$ (102,165)	1	\$ 2,465,539	\$ 2,367,182	\$ 98,357	\$ 2,465,539	
3	Plant held for future use	596	(596)	2	-	-	-	-	
4	Construction work in progress - pollution control and safety	-	-	-	-	-	-	-	
4	Total electric plant	\$ 2,568,300	\$ (102,761)	-	\$ 2,465,539	\$ 2,367,182	\$ 98,357	\$ 2,465,539	
	Depreciation & Amortization								
5	Reserve:								
6	Plant in service	\$ 887,576	\$ (70,567)	3	\$ 817,009	\$ 800,535	\$ 16,474	\$ 817,009	
7	Plant held for future use	-	-	-	-	-	-	-	
7	Total depreciation & amortization reserve	\$ 887,576	\$ (70,567)	-	\$ 817,009	\$ 800,535	\$ 16,474	\$ 817,009	
8	Net Electric Plant	\$ 1,680,724	\$ (32,194)	-	\$ 1,648,530	\$ 1,566,647	\$ 81,883	\$ 1,648,530	
	Additions:								
9	Cash working capital	\$ -	\$ 134,868	4	\$ 134,868	\$ 134,868	\$ -	\$ 134,868	
10	M&S inventories	-	13,314	5	13,314	13,314	-	13,314	
12	Legacy meters	-	45,512	6	45,512	45,512	-	45,512	
11	Deferred storm damage	-	34,719	7	34,719	34,719	-	34,719	
13	Total additions	\$ -	\$ 228,413	-	\$ 228,413	\$ 228,413	\$ -	\$ 228,413	
	Deductions:								
14	Customer deposits	\$ 25,476	\$ -	-	\$ 25,476	\$ 25,476	\$ -	\$ 25,476	
15	Customer advances for construction	-	-	-	-	-	-	-	
16	Accum. Deferred income taxes - Liberalized depreciation	497,150	(52,549)	8	444,601	438,227	6,374	444,601	
17	Operating reserves (net of taxes)	976	-	-	976	976	-	976	
18	Total deductions	\$ 523,602	\$ (52,549)	9	\$ 471,053	\$ 464,679	\$ 6,374	\$ 471,053	
19	Total Rate Base	\$ 1,157,122	\$ 248,768	-	\$ 1,405,890	\$ 1,330,381	\$ 75,509	\$ 1,405,890	
20	Pro forma return at present rates (PA Distribution)	\$ 40,253							
21		2.86%							
22	Pro forma return at proposed rates (PA Distribution)	\$ 114,462							
23		8.14%							



METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 1  
 (\$000)

Adjustment of Electric Plant in Service

To adjust the budgeted gross plant in service to (1) eliminate the Asset Retirement Cost ("ARC"), (2) remove Mid-Atlantic Interstate Transmission ("MAIT") plant associated with Ground Lease, (3) remove an allocated portion of Intangible Plant that supports FERC Transmission Plant, (4) remove an allocated portion of General Plant that supports FERC Transmission Plant, and (5) reflect an increase in LED Street Lighting. An asset retirement cost ("ARC") increases the carrying amount of a long-lived asset when a liability for an asset retirement obligation ("ARO") is recognized. The ARC is depreciated over the life of the asset. The ARC and related reserve are excluded from Rate Base, while the associated depreciation expense is excluded from the Income Statement. This treatment is in accordance with 18 CFR Chapter 1 § 35.18 Asset retirement obligations.

Line No.	Description	Adjustments (1)	Plant in Service (2)	Cross Reference (3)
1	Budgeted Plant in Service at 12/31/2017		\$ 2,567,704	Met-Ed Exhibit RAD-46, Attach. B, p. 1 and 2
	Normalizing adjustments:			
2	Eliminate ARC associated with Nuclear, Transmission, Distribution, and General Plant	\$ (31,404)		Met-Ed Exhibit RAD-46, Attach. B, p. 1 and 2
3	Remove Transmission Plant associated with MAIT Ground Lease	(30,577)		Met-Ed Exhibit RAD-46, Attach. B, p. 1
4	Remove allocated portion of Intangible Plant associated with FERC Transmission Plant	(8,963)		Met-Ed Exhibit RAD-46, Attach. B, p. 1
5	Remove allocated portion of General Plant associated with FERC Transmission Plant	(31,502)		Met-Ed Exhibit RAD-46, Attach. B, p. 1 and 2
6	Increase LED Street Lighting	<u>281</u>		Met-Ed Exhibit RAD-46, Attach. B, p. 1
7	Normalization adjustment		<u>(102,165)</u>	
8	Plant in Service at 12/31/2017, as adjusted		\$ <u>2,465,539</u>	Met-Ed Exhibit RAD-46, Attach. B, p. 1 and 2

METROPOLITAN EDISON COMPANY  
Normalization Adjustment No. 2  
(\$000)

Adjustment of Plant Held for Future Use

To adjust Plant Held for Future Use. As an alternative to rate base treatment, the Company is requesting the allowance of deferred carrying charges on any current or future investments in Plant Held for Future Use with definitive plans of utilization within a ten-year period. This is consistent with long-standing Commission policy.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Per budget Plant Held for Future Use at 12/31/2017	\$ 596
	Normalizing adjustment:	
2	Eliminate Plant Held for Future Use	<u>(596)</u>
3	Plant Held for Future Use at 12/31/2017, as adjusted	<u>\$ -</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 3  
 (\$000)

Adjustment of Depreciation Reserves - Plant In Service

To adjust the budgeted plant in service depreciation reserves to (1) eliminate the Asset Retirement Cost ("ARC"), (2) remove Mid-Atlantic Interstate Transmission ("MAIT") plant reserves associated with Ground Lease, (3) remove an allocated portion of Intangible Plant reserves that support FERC Transmission Plant, and (4) remove an allocated portion of General Plant reserves that support FERC Transmission Plant. An asset retirement cost ("ARC") increases the carrying amount of a long-lived asset when a liability for an asset retirement obligation ("ARO") is recognized. The ARC is depreciated over the life of the asset. The ARC and related reserve are excluded from Rate Base, while the associated depreciation expense is excluded from the Income Statement. This treatment is in accordance with 18 CFR Chapter 1 § 35.18 Asset retirement obligations.

Line No.	Description	Depreciation Reserves		Cross Reference
		Adjustments	Plant in Service	
		(1)	(2)	(3)
1	Plant in Service depreciation reserves at 12/31/2017		\$ 887,576	Met-Ed Exhibit RAD-46, Attach. B, p. 3
	Normalizing adjustments:			
2	Eliminate ARC associated with Nuclear, Transmission, Distribution, and General Plant depreciation reserves	\$ (31,339)		Met-Ed Exhibit RAD-46, Attach. B, p. 3
3	Remove FERC Transmission Plant reserves associated with MAIT Ground Lease	(13,226)		Met-Ed Exhibit RAD-46, Attach. B, p. 3
4	Remove allocated portion of Intangible Plant reserves associated with FERC Transmission Plant	\$ (7,161)		Met-Ed Exhibit RAD-46, Attach. B, p. 3
5	Remove allocated portion of General Plant reserves associated with FERC Transmission Plant	\$ (18,841)		Met-Ed Exhibit RAD-46, Attach. B, p. 3
	Normalization Adjustment		<u>(70,567)</u>	
	Plant in Service depreciation reserves at 12/31/2017, as adjusted		\$ <u>817,009</u>	Met-Ed Exhibit RAD-46, Attach. B, p. 3

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 4  
 (\$000)

Adjustment of Cash Working Capital

To recognize cash working capital at year-end level. This adjustment is supported by Mr. J. L. Adams.

Line No.	Description	Cash Working Capital	
		(1)	(2)
1	Cash working capital per budget at 12/31/2017		\$ -
	Normalizing adjustment:		
2	Cash working capital normalized to year-end (Exhibit JLA-1)	\$ 134,868	
3	Cash working capital per budget		-
4	Normalization Adjustment		<u>134,868</u>
5	Cash working capital at 12/31/2017, as adjusted		<u>\$ 134,868</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 5  
 (\$000)

Adjustment of Material and Supplies Inventories

To recognize the Company's distribution portion of FE Service material and supplies ("M&S") inventory levels projected at 12/31/2017

Line No.	Description	M&S Inventories	
		(1)	(2)
1	M&S Inventory per budget at 12/31/2017		\$ -
	Normalizing adjustment:		
2	Distribution component of projected FE Service M&S Inventory allocated to Met-Ed at 12/31/2017 (Met-Ed Exhibit RAD-13)	\$ 13,314	
3	M&S Inventory per budget at 12/31/2017		<u>-</u>
4	Normalization Adjustment		<u>13,314</u>
5	M&S inventory at 12/31/2017, as adjusted		<u>\$ 13,314</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 6  
 (\$000)

Adjustment to Include Legacy Meters

To include legacy meters in a regulatory asset as ordered in the Final Order on the Smart Meter Deployment Plan at Docket No. M-2013-2341990.

Line No.	Description	Legacy Meters	
		(1)	(2)
1	Net legacy meters in regulatory asset at 12/31/2017		\$ -
2	Legacy Meter Regulatory Asset (Met-Ed Exhibit RAD-64)	\$ 45,512	
3	Normalizing Adjustment (Line 2)		<u>45,512</u>
6	Net legacy meters in regulatory asset as adjusted at 12/31/2017		<u>\$ 45,512</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 7  
 (\$000)

Adjustment of Deferred Storm Damage Expenses

To include in rate base (1) the deferred extraordinary storm damage balances for Winter Storm Nika, approved at Docket No. P-2014-2412229, Hurricane Sandy, approved at Docket No. P-2013-2351260, and distribution non-capital storm expenses that exceeded 125% of storm costs included in base rates between the period of February 25, 2011 through September 30, 2012 as a result of the FirstEnergy and Allegheny Merger approved at Docket Nos. A-2010-2176520 and A-2010-2176732, including but not limited to Hurricane Irene, the October 2011 snowstorm, and Tropical Storm Lee; and (2) the balance of the Storm Reserve approved at Docket No. P-2014-2428745.

Line No.	Description	Storms	
		(1)	(2)
1	Unamortized storm deferral expense per budget at 12/31/2017		\$ -
<u>Normalizing Adjustment:</u>			
2	Extraordinary and Merger Approval storm damage deferrals	\$ 44,584	
3	Storm Reserve Balance	(9,865)	
4	Normalization Adjustment (Line 1 + Line 2)		<u>34,719</u>
5	Storm damage expense deferrals at 12/31/2017, as adjusted		<u>\$ 34,719</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 8  
 (\$000)

Adjustment of Accumulated Deferred Income Taxes - Liberalized Depreciation

This adjustment adjusts the budgeted deferred tax balances for liberalized depreciation (excluding the impact of SFAS No. 109 deferrals) to (1) eliminate the deferred income taxes - liberalized depreciation balances associated with TMI-2, (2) eliminate deferred income taxes - liberalized depreciation associated with other generation, (3) eliminate other excludable items (capital leases), (4) eliminate deferred income taxes - liberalized depreciation associated with Mid-Atlantic Interstate Transmission ("MAIT") Ground Leases, and (5) eliminate remaining state deferred taxes - liberalized depreciation balances including the federal benefit of those taxes, and (6) eliminate an allocated portion of the remaining federal deferred income taxes - liberalized depreciation balance associated with FERC Transmission Plant.

Line No.	Description	Adjustments (1)	Accum Reserve for Deferred Taxes - Liberalized Depreciation (2)
1	Deferred taxes per budget - liberalized depreciation at 12/31/2017		\$ 497,150
	Normalizing adjustments:		
2	Eliminate deferred income taxes - liberalized depreciation associated with TMI-2 (federal and state)	\$ 2,699	
3	Eliminate deferred income taxes - liberalized depreciation associated with other generation (federal and state)	(84)	
4	Eliminate other excludable items - capital leases (federal and state)	(44,991)	
5	Eliminate deferred taxes - liberalized depreciation for MAIT ground leases (federal)	(149)	
6	Eliminate remaining state deferred taxes - liberalized depreciation including the federal benefit of those taxes	(10,024)	
7	Eliminate an allocated portion of the remaining federal deferred income taxes - liberalized depreciation associated with FERC Transmission Plant	-	
8	Normalization Adjustment (Line 2 + Line 3 + Line 4 + Line 5 + Line 6 + Line 7)		<u>(52,549)</u>
9	Deferred taxes - liberalized depreciation at 12/31/2017, as adjusted		<u>\$ 444,601</u>



METROPOLITAN EDISON COMPANY

Normalization Adjustment No. 9  
(\$000)

Adjustment of Operating Reserves

To adjust operating reserves (net of accumulated deferred income taxes) to eliminate an allocated portion associated with FERC Transmission operations.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Operating reserves, net of taxes, per budget at 12/31/2017	976
	Normalizing adjustment:	
2	Eliminate portion of operating reserves associated with FERC Transmission operations	-
3	Operating reserves, net of taxes at 12/31/2017, as adjusted	<u>\$ 976</u>

METROPOLITAN EDISON COMPANY

Rate of Return at December 31, 2017  
 (\$000)

<u>Line No.</u>	<u>Description</u>	<u>Exhibit JD-24 Capital Amounts (1)</u>	<u>Capital Ratios (2)</u>	<u>Cost Rate (3)</u>	<u>Weighted Cost Rate (4) = (2) X (3)</u>
1	Total long-term debt	\$ 849,316	48.83%	5.25%	2.56%
2	Total preferred stock	-	0.00%	0.00%	0.00%
3	Total Common Equity	<u>889,984</u>	<u>51.17%</u>	10.90%	<u>5.58%</u>
4	Total Capitalization	<u>\$ 1,739,300</u>	<u>100.00%</u>		<u>8.14%</u>



**Metropolitan Edison Company**  
**Statement of Operating Income, 12 Months Ending December 31, 2017. Normalized and Adjusted**  
**to Reflect Revenue Necessary to Achieve Allowable Return**  
 (\$000)

Line No.	Description	Per Budget (1)	Normalizations & Adjustments (2)	Adj. No.	Budget as Adjusted (3)=(1)-(2)	Distributor (4)	Smart Meters (5)	PaPUC Total Distributor (6)=(4)+(5)	Price to Compare (7)	Universal Service (8)	Energy Efficiency (9)	Default Service Support (10)	Solar (11)	NUG (12)
<b>Operating revenues</b>														
1	Retail sales	\$ 749,154	\$ (9,432)	1	\$ 739,722	\$ 316,138	18,793	\$ 334,931	\$ 325,485	\$ 23,908	\$ 27,232	\$ 23,755	\$ 4,411	\$ -
2	STAS revenue	-	-	2	-	-	-	-	-	-	-	-	-	-
3	DSIC revenue	2,431	(2,431)	3	-	-	-	-	-	-	249	-	-	-
4	Sales for resale	443	-	4	249	-	-	-	-	-	-	-	-	-
5	Other operating revenue	21,323	(2,688)	5	18,635	18,625	-	18,625	-	-	-	-	-	-
6	Total operating revenue	\$ 773,157	\$ (14,561)	6	\$ 758,596	\$ 334,763	18,793	\$ 353,556	\$ 325,485	\$ 23,908	\$ 27,481	\$ 23,755	\$ 4,411	\$ -
<b>Operating expenses</b>														
7	Price to Compare	\$ 328,115	-	7	\$ 328,115	\$ -	-	\$ -	\$ 313,167	\$ -	\$ -	\$ 9,000	\$ 5,948	\$ -
8	Distribution	62,923	(99)	8	62,824	47,494	-	47,494	-	-	-	15,330	-	-
9	Customer accounts	33,118	1,975	9	35,093	23,050	-	23,050	-	-	-	11,843	-	-
10	Customer service & info	42,797	13,424	10	56,221	19,883	-	19,883	22,784	-	-	186	-	-
11	Admin & gen expense	42,416	21,124	11	63,540	19,192	12,210	31,402	-	-	24,434	-	-	-
12	Depreciation - accrual	94,606	-	12	94,606	76,449	9,281	85,730	-	-	-	-	-	-
13	Amortization & Accretion	18,500	10,553	13	29,053	32,395	-	32,395	(2,253)	-	1,440	(8,653)	(1,904)	-
14	Taxes other than income	48,502	(1,146)	14	47,356	22,353	1,109	23,472	19,204	1,411	1,607	1,402	260	-
15	Operating expense before tax	\$ 632,977	\$ 45,623	15	\$ 678,600	\$ 240,826	22,600	\$ 263,426	\$ 330,118	\$ 24,383	\$ 27,481	\$ 28,908	\$ 4,304	\$ -
16	Operating income before income tax	\$ 140,180	\$ (60,184)	16	\$ 79,996	\$ 93,937	(3,807)	\$ 90,130	\$ (4,633)	\$ (455)	\$ -	\$ (5,153)	\$ 107	\$ -
<b>Income taxes</b>														
17	Federal income tax - current	\$ 11,672	\$ 12,262	17	\$ 23,934	\$ 35,178	(8,051)	\$ 27,127	\$ (1,460)	\$ (143)	\$ -	\$ (1,623)	\$ 34	\$ -
18	State income tax - current	4,455	5,093	18	9,548	13,113	(2,553)	10,560	(463)	(45)	-	(515)	11	-
19	Deferred income tax - federal	17,969	(5,408)	19	12,561	6,187	6,374	12,561	-	-	-	-	-	-
20	Deferred income tax - state	4,932	(4,932)	20	-	-	-	-	-	-	-	-	-	-
21	Investment tax credit	(372)	-	21	(372)	(372)	-	(372)	-	-	-	-	-	-
22	Total tax expense	\$ 38,656	\$ 7,016	22	\$ 45,672	\$ 54,107	(4,230)	\$ 49,876	\$ (1,922)	\$ (189)	\$ -	\$ (2,138)	\$ 44	\$ -
23	Total operating expenses	\$ 671,633	\$ 52,639	23	\$ 724,272	\$ 294,933	18,370	\$ 313,303	\$ 328,196	\$ 24,174	\$ 27,481	\$ 26,770	\$ 4,348	\$ -
24	Operating income	\$ 101,524	\$ (67,200)	24	\$ 34,324	\$ 39,830	423	\$ 40,253	\$ (2,711)	\$ (266)	\$ -	\$ (3,015)	\$ 63	\$ -



**Metropolitan Edison Company**  
**Statement of Operating Income, 12 Months Ending December 31, 2017, Normalized and Adjusted**  
**to Reflect Revenue Necessary to Achieve Allowable Return**  
 (\$'000)

Line No.	Description	Riders									
		Distribution (22) = (4) + (13)	Smart Meters (23) = (5) + (14)	PaPUC Total Distribution (24) = (6) + (15)	Price to Compare (25) = (7) + (16)	Universal Service (26) = (8) + (17)	Energy Efficiency (27) = (9) + (18)	Default Support (28) = (10) + (19)	Solar (29) = (11) + (20)	NUG (30) = (12) + (21)	
<b>Operating revenues</b>											
1	Retail sales	\$ 440,219	\$ 29,190	\$ 469,408	\$ 325,485	\$ 23,908	\$ 27,232	\$ 23,755	\$ 4,411	\$ -	
2	STAS revenue	-	-	-	-	-	-	-	-	-	
3	DSIC revenue	-	-	-	-	-	-	-	-	-	
4	Sales for resale	-	-	-	-	-	249	-	-	-	
5	Other operating revenue	18,921	-	18,921	-	-	-	-	-	-	
6	Total operating revenue	\$ 459,140	\$ 29,190	\$ 488,329	\$ 325,485	\$ 23,908	\$ 27,481	\$ 23,755	\$ 4,411	\$ -	
<b>Operating expenses</b>											
7	Price to Compare	\$ -	\$ -	\$ -	\$ 313,167	\$ -	\$ -	\$ -	\$ 9,000	\$ 5,948	
8	Distribution	47,494	-	47,494	-	-	-	-	15,330	-	
9	Customer accounts	23,050	-	23,050	-	-	-	-	11,643	-	
10	Customer service & info	19,883	-	19,883	-	22,784	-	186	-	-	
11	Admin & gen expense	19,192	12,210	31,402	-	-	24,434	-	-	-	
12	Depreciation - accrual	76,449	9,281	85,730	-	-	-	-	-	-	
13	Amortization	32,395	-	32,395	(2,253)	168	1,440	(8,653)	(1,904)	-	
14	Taxes other than income	29,684	1,722	31,406	19,204	1,411	1,607	1,402	260	-	
15	Operating expense before tax	\$ 248,147	\$ 23,213	\$ 271,360	\$ 330,118	\$ 24,363	\$ 27,481	\$ 28,908	\$ 4,304	\$ -	
16	Operating income before tax	\$ 210,993	\$ 5,976	\$ 216,969	\$ (4,633)	\$ (455)	\$ -	\$ (5,153)	\$ 107	\$ -	
<b>Income taxes</b>											
17	Federal income tax - current	72,055	(4,968)	67,086	(1,460)	(143)	-	(1,623)	34	-	
18	State income tax - current	24,807	(1,576)	23,231	(463)	(45)	-	(515)	11	-	
19	Deferred income tax - federal	6,187	6,374	12,561	-	-	-	-	-	-	
20	Deferred income tax - state	-	-	-	-	-	-	-	-	-	
21	Investment tax credit	(372)	-	(372)	-	-	-	-	-	-	
22	Total tax expense	\$ 102,677	\$ (171)	\$ 102,506	\$ (1,922)	\$ (189)	\$ -	\$ (2,138)	\$ 44	\$ -	
23	Total operating expenses	\$ 350,824	\$ 23,042	\$ 373,867	\$ 328,196	\$ 24,174	\$ 27,481	\$ 26,770	\$ 4,348	\$ -	
24	Operating income	\$ 108,315	\$ 6,147	\$ 114,462	\$ (2,711)	\$ (266)	\$ -	\$ (3,015)	\$ 63	\$ -	
24	Rate Base	\$ 1,330,381	\$ 75,509	\$ 1,405,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	Rate of Return overall	8.14%	8.14%	8.14%							
26	Return on Equity	10.90%	10.90%	10.90%							

**Metropolitan Edison Company  
 Summary of Revenue Requirements  
 Distribution  
 \$000**

<u>Line No.</u>	<u>Description</u>	<u>Budget as Adjusted</u>	<u>Revenue Adjustment Required</u>	<u>Allowable Revenue</u>
		(1)	(2)	(3)
	<u>Operating revenues</u>			
1	Retail sales	\$ 316,138	\$ 124,081	\$ 440,219
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	<u>18,625</u>	<u>296</u>	<u>18,921</u>
6	Total operating revenue	334,763	124,377	459,140
	<u>Operating expenses</u>			
7	PTC	\$ -	\$ -	\$ -
8	Distribution	47,494	-	47,494
9	Customer accounts	23,050	-	23,050
10	Customer service & info	19,883	-	19,883
11	Admin & gen expense	19,192	-	19,192
12	Depreciation - accrual	76,449	-	76,449
13	Amortization	32,395	-	32,395
14	Taxes other than income	<u>22,363</u>	<u>7,321</u>	<u>29,684</u>
15	Operating expense before tax	\$ 240,826	\$ 7,321	\$ 248,147
16	Operating income before tax	\$ 93,937	\$ 117,056	\$ 210,993
	<u>Income taxes</u>			
17	Federal income tax - current	\$ 35,178	\$ 36,877	\$ 72,055
18	State income tax - current	13,113	11,694	24,807
19	Deferred income tax - federal	6,187	-	6,187
20	Deferred income tax - state	-	-	-
21	Investment tax credit	<u>(372)</u>	<u>-</u>	<u>(372)</u>
22	Total tax expense	\$ 54,107	\$ 48,571	\$ 102,677
23	Total operating expenses	\$ 294,933	\$ 55,891	\$ 350,824
24	Operating Income	\$ 39,830	\$ 68,485	\$ 108,315
25	Rate Base	\$ 1,330,381		\$ 1,330,381
26	Rate of Return overall	2.99%		8.14%
27	Return on Equity	0.84%		10.90%

**Metropolitan Edison Company**  
**Summary of Revenue Requirements**  
**Smart Meters**  
 \$000

<u>Line No.</u>	<u>Description</u>	<u>Budget as Adjusted</u>	<u>Revenue Adjustment Required</u>	<u>Allowable Revenue</u>
		(1)	(2)	(3)
	<u>Operating revenues</u>			
1	Retail sales	\$ 18,793	\$ 10,397	\$ 29,190
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	-	-	-
6	Total operating revenue	<u>\$ 18,793</u>	<u>\$ 10,397</u>	<u>\$ 29,190</u>
	<u>Operating expenses</u>			
7	PTC	\$ -	\$ -	\$ -
8	Distribution	-	-	-
9	Customer accounts	-	-	-
10	Customer service & info	-	-	-
11	Admin & gen expense	12,210	-	12,210
12	Depreciation - accrual	9,281	-	9,281
13	Amortization	-	-	-
14	Taxes other than income	1,109	613	1,722
15	Operating expense before tax	<u>\$ 22,600</u>	<u>\$ 613</u>	<u>\$ 23,213</u>
16	Operating income before tax	\$ (3,807)	\$ 9,783	\$ 5,976
	<u>Income taxes</u>			
17	Federal income tax - current	\$ (8,051)	\$ 3,082	\$ (4,969)
18	State income tax - current	(2,553)	977	(1,576)
19	Deferred income tax - federal	6,374	-	6,374
20	Deferred income tax - state	-	-	-
21	Investment tax credit	-	-	-
22	Total tax expense	<u>\$ (4,230)</u>	<u>\$ 4,059</u>	<u>\$ (171)</u>
23	Total operating expenses	\$ 18,370	\$ 4,673	\$ 23,042
24	<b>Operating income</b>	\$ 423	\$ 5,724	\$ 6,147
25	<b>Rate Base</b>	\$ 75,509		\$ 75,509
26	<b>Rate of Return overall</b>			8.14%
27	<b>Return on Equity</b>			10.90%



**Metropolitan Edison Company**  
**Summary of Revenue Requirements**  
**Total Distribution**  
 \$000

<u>Line No.</u>	<u>Description</u>	<u>Budget as Adjusted</u>	<u>Revenue Adjustment Required</u>	<u>Allowable Revenue</u>
		(1)	(2)	(3)
	<u>Operating revenues</u>			
1	Retail sales	\$ 334,931	\$ 134,477	\$ 469,408
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	<u>18,625</u>	<u>296</u>	<u>18,921</u>
6	Total operating revenue	\$ 353,556	\$ 134,773	\$ 488,329
	<u>Operating expenses</u>			
7	PTC	\$ -	\$ -	\$ -
8	Distribution	47,494	-	47,494
9	Customer accounts	23,050	-	23,050
10	Customer service & info	19,883	-	19,883
11	Admin & gen expense	31,402	-	31,402
12	Depreciation - accrual	85,730	-	85,730
13	Amortization	32,395	-	32,395
14	Taxes other than income	<u>23,472</u>	<u>7,934</u>	<u>31,406</u>
15	Operating expense before tax	\$ 263,426	\$ 7,934	\$ 271,360
16	Operating income before tax	\$ 90,130	\$ 126,839	\$ 216,969
	<u>Income taxes</u>			
17	Federal income tax - current	\$ 27,127	\$ 39,959	\$ 67,086
18	State income tax - current	10,560	12,671	23,231
19	Deferred income tax - federal	12,561	-	12,561
20	Deferred income tax - state	-	-	-
21	Investment tax credit	<u>(372)</u>	<u>-</u>	<u>(372)</u>
22	Total tax expense	\$ 49,876	\$ 52,630	\$ 102,506
23	Total operating expenses	\$ 313,303	\$ 60,564	\$ 373,867
24	Operating income	\$ 40,253	\$ 74,209	\$ 114,462
25	Rate Base	\$ 1,405,890		\$ 1,405,890
26	Rate of Return overall	2.86%		8.14%
27	Return on Equity	0.59%		10.90%

Metropolitan Edison Company  
 Normalization Adjustment No. 1  
 \$000

Adjustment of Base Operating Revenues

To adjust base operating revenues (1) for changes in number of customers, (2) to roll in State Tax Adjustment Surcharge ("STAS") revenues into base rates, (3) to roll in Distribution System Improvement Charge ("DSIC") revenue into base rates, (4) for Energy Efficiency and Behind the Meter generation, (5) for other revenue, and (6) to eliminate unbilled revenues. Adjustments (1) through (5) are supported by Mr. K. M. Siedt. The adjustment for unbilled revenues is supported by Mr. R. A. D'Angelo.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Base revenues per budget for the 12 months ending 12/31/2017		\$ 749,154
	Normalizing adjustments:		
2	Customers - increase to yr end level	504	
	<u>Specific adjustments</u>		
3	Roll-in of STAS	-	
4	Roll-in of DSIC	792	
5	Adjust for Energy Efficiency and Behind the Meter Generation	(7,274)	
6	Eliminate Smart Meter Rider Revenues	(3,637)	
7	Adjust for Other Revenues	(19)	
8	Eliminate unbilled revenues	<u>202</u>	
9	Total	\$ (9,936)	
10	Normalizing adjustment (Line 2+ Line 9)		<u>(9,432)</u>
11	Base revenues per budget for the 12 months ending 12/31/2017, as adjusted		<u>\$ 739,722</u>

Metropolitan Edison Company  
Normalization Adjustment No. 2  
\$000

Adjustment of State Tax Adjustment Surcharge Revenues

To remove state tax adjustment surcharge ("STAS") revenues. Normalized STAS revenues are being rolled into base rates.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
1	STAS revenue per budget for the 12 months ending 12/31/2017	\$ -
2	Eliminate per budget STAS	<u>-</u>
3	STAS revenue per budget for the 12 months ending 12/31/2017, as adjusted	<u>\$ -</u>

Metropolitan Edison Company  
Normalization Adjustment No. 3  
\$000

Adjustment of Distribution System Improvement Charge Revenues

To remove Distribution System Improvement Charge ("DSIC") revenues.  
Normalized DSIC revenues are being rolled into base rates.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	DSIC revenue per budget for the 12 months ending 12/31/2017	\$ 2,431
2	Eliminate per budget DSIC revenues	<u>(2,431)</u>
3	DSIC revenue per budget for the 12 months ending 12/31/2017, as adjusted	<u>\$ -</u>

Metropolitan Edison Company  
Normalization Adjustment No. 4  
\$000

Adjustment of Other Operating Revenues

To adjust other operating revenue to eliminate Mid-Atlantic Interstate  
Transmission ("MAIT") Ground Lease Revenues.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Other operating revenue per budget for the 12 months ending 12/31/2017	\$ 21,323
2	Eliminate MAIT Ground Lease - Assoc Co revenues	<u>(2,698)</u>
3	Other operating revenue per budget for the 12 months ending 12/31/2017, as adjusted	<u>\$ 18,625</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 5  
 \$000

Adjustment of Distribution Expense

To adjust distribution expense (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to eliminate non-jurisdictional transmission expense (4) to include the jurisdictional portion of the amortization of gains or losses on reacquired debt, and (5) to include an increase for contractor safety requests. Mr. T. J. Dolezal supports the jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Distribution expense per budget for the 12 months ending 12/31/2017		\$ 62,923
2	Distribution payroll expense adjustment to reflect year end employee levels, and ongoing wage and salary rates (Supporting Schedule No. 1, Line 18, Column 2)	\$ 524	
3	Service Company Distribution payroll expense adjustment allocated to Met-Ed to reflect year end employee levels, and ongoing wage and salary rates (Supporting Schedule No. 1, Line 31, Column 2)	\$ 64	
4	Eliminate non-jurisdictional transmission expense (Exhibit RAD-25)	\$ (937)	
5	Amortization of (gain) or loss on reacquired debt	\$ 83	
6	Allocation ratio based on distribution plant	100.00%	
7	Distribution portion of (gain) or loss	\$ 83	
8	Increase in distribution expenses for contractor safety requests	\$ 167	
9	Total normalizing adjustment (Line 2 + Line 3 + Line 4 + Line 7 + Line 8)		<u>(99)</u>
10	Distribution expense per budget for the 12 months ending 12/31/2017, as adjusted		<u>\$ 62,824</u>

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 5  
 (\$000)

Adjustment to Payroll Expense to Reflect Year End Employee Levels and Wage Rates

To determine the additional payroll expense associated with (1) year end bargaining and non-bargaining wage rates and employee levels, and (2) Service Company year end wage rates and employee levels; and to allocate the additional payroll expense to individual components. Mr. T. J. Dolezal supports the Company labor allocation factors.

Line No.	Description	Amount	
		(1)	(2)
1	Total Company payroll per budget for the 12 months ending 12/31/2017 (Exhibit RAD-27)		\$ 66,166
	<u>Bargaining</u>		
2	Bargaining straight time payroll per budget, 12 months ending 12/31/2017 (Exhibit RAD-27)	\$ 37,907	
3	Bargaining straight time payroll per budget for the 4 months ending 4/30/2017	12,653	
4	Annualization adjustment for Bargaining 2.5% increase effective 5/01/2017 (Line 3 X 2.5%)	\$ 316	
5	Bargaining straight time payroll for 12 months ending 12/31/2017, as adjusted (Line 2 + Line 4)	\$ 38,223	
6	Annualization adjustment for Bargaining 2.5% increase effective 5/01/2018 (Line 5 X 2.5%)	\$ 956	
	<u>Non-Bargaining</u>		
7	Non-Bargaining straight time payroll per budget for the 12 months ending 12/31/2017 (Exhibit RAD-27)	\$ 16,582	
8	Non-Bargaining straight time payroll for the 2 months ending 2/28/2017	2,635	
9	Annualization adjustment for Non-Bargaining 3.0% increase effective 3/01/2017 (Line 8 X 3.0%)	\$ 79	
10	Non-Bargaining straight time payroll for 12 months ending 12/31/2017, as adjusted (Line 7 + Line 9)	\$ 16,661	
11	Annualization adjustment for Non-Bargaining straight time 2.5% increase effective 3/01/2018 (Line 10 X 3.0%)	\$ 500	
12	Total company payroll adjustments (Line 4 + Line 6 + Line 9 + Line 11)		<u>1,851</u>
13	O&M allocation %		45.72%
14	Company O&M payroll adjustment (Line 12 X Line 13)	\$ 846	
15	Total Company payroll, as adjusted (Line 1 + Line 12)		<u>\$ 68,017</u>
	<u>Allocation of Bargaining and Non-Bargaining payroll adjustment:</u>		
16	Price to Compare	0.00%	\$ -
17	Transmission	0.00%	-
18	Distribution	61.90%	524
19	Customer accounts	23.43%	198
20	Customer service	11.39%	96
21	Administrative and general	3.27%	28
22	Total	100%	\$ 846
	<u>Service Company</u>		
23	Service Company straight time payroll per budget for the 12 months ending 12/31/2017	\$ 12,875	
24	Jurisdictional Service Company straight time payroll for the 2 months ending 2/28/2017	\$ 1,941	
25	Annualization adjustment for Service Company 3.0% increase effective 3/01/2017 (Line 24 X 3.0%)	58	
26	Service Company straight time payroll for 12 months ending 12/31/2017, as adjusted (Line 23 + Line 25)	\$ 12,933	
27	Annualization adjustment for Service Company straight time 3.0% increase effective 3/01/2018 (Line 26 X 3.0%)	\$ 388	
28	Total Service Company payroll adjustments (Line 25 + Line 27)	\$ 446	
	<u>Allocation of Service Company payroll adjustments:</u>		
29	Price to Compare	0.00%	\$ -
30	Transmission	0.00%	-
31	Distribution	14.36%	64
32	Customer Accounting and Information	27.60%	123
33	Administrative and general	58.04%	259
34	Total	100%	\$ 446

Metropolitan Edison Company  
 Normalization Adjustment No. 6  
 \$000

Adjustment of Customer Accounts Expense

To adjust customer account expense (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to include increased O&M costs associated with serving new customers, and (4) to include interest on customer deposits.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		<u>(1)</u>	<u>(2)</u>
1	Customer Account expense per budget for the 12 months ending 12/31/2017		\$ 33,118
2	Customer Account payroll expense adjustment to reflect year end employee levels and ongoing wage & salary rates (Normalizing Adjustment No. 5, Supporting Schedule No. 1, Line 19, Column 2)	\$ 198	
3	Service Company customer account payroll expense adjustment allocated to Met-Ed to reflect year end employee levels and ongoing wage & salary rates (Normalizing Adjustment No. 5, Supporting Schedule No. 1, Line 32, Column 2)	123	
4	Increased O&M costs associated with increased number of customers in normalized revenue levels (Supporting Schedule 1, Line 10)	7	
5	Interest on customer deposits (Supporting Schedule 2, Column 3, Line 3)	<u>1,247</u>	
6	Total normalizing adjustment (Lines 2 + 3 + 4 + 5)		<u>1,575</u>
7	Customer Account expense per budget for the 12 months ending 12/31/2017, as adjusted		<u>\$ 34,693</u>



Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 6  
 (\$000)

Adjustment of Other O&M Costs Associated with Serving New Customers

To determine the cost associated with serving the additional customers reflected in Normalization Adjustment No. 1. The ratio of non-payroll customer account expense to total revenue is applied to the additional revenue from increased customers to estimate this cost. The Commission previously recognized and approved this adjustment. The adjustment to base operating revenue for changes in number of customers is supported by Mr. K. M. Siedt.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
	<u>Customer Account Expense Excluding Labor and Uncollectible</u>	
1	Customer Account expense per budget for the 12 months ending 12/31/2017	\$ 33,118
2	Less: uncollectible expense	(19,733)
3	Less: Labor expense	<u>(8,463)</u>
4	Customer Account expense excluding labor and uncollectible expense	<u>\$ 4,922</u>
	<u>Total Base Revenue</u>	
5	Distribution revenues per budget	\$ 340,726
6	Late payment charges per budget	<u>3,229</u>
7	Total	<u>\$ 343,955</u>
8	Ratio of customer account expense to distribution revenue (Line 4 / Line 7)	1.43%
9	Revenue from added customers (Adjustment No. 1, Line 2)	\$ 504
10	Additional expense from added customers (Line 8 X Line 9)	<u>\$ 7</u>

Metropolitan Edison Company  
 Supporting Schedule No. 2 to Normalizing Adjustment No. 6  
 (\$000)

Adjustment of Customer Account Expense to Allow for Interest Expense on Customer Deposits

To determine the interest paid on customer deposits. Since customer deposits are funds supplied to the Company by customers they are included in rate base as a deduction. The Commission previously recognized this adjustment to include the corresponding interest paid to customers on these deposits as an expense.

<u>Line No.</u>	<u>Description</u>	<u>Residential</u> (1)	<u>Non-Residential</u> (2)	<u>Total</u> (3)
1	Customer deposits included in rate base (Exhibit RAD-1 Column 1, Line 14)	\$ 9,417	\$ 16,059	\$ 25,476
2	Interest rate on deposits	3.00%	6.00%	
3	Interest expense on customer deposits (Lines 1 X 2)	<u>\$ 283</u>	<u>\$ 964</u>	<u>\$ 1,247</u>

Metropolitan Edison Company  
Normalization Adjustment No. 7  
\$000

Adjustment of Customer Service and Information Expense

To adjust customer service and information expense to reflect year end wage and employee levels.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Customer Service expense per budget for the 12 months ending 12/31/2017		\$ 42,757
2	Customer Service payroll expense adjustment to reflect year end employee levels and ongoing wage & salary rates, (Normalization Adjustment No. 5, Supporting Schedule No. 1, Line 20, Column 2)	\$ 96	
3	Total normalizing adjustment		<u>96</u>
4	Customer Service expense per budget for the 12 months ending 12/31/2017, as adjusted		<u>\$ 42,853</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 8  
 \$000

Adjustment of Administrative and General Expense

To adjust administrative and general expenses (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to reflect OPEB expense at service cost level, (4) to reflect pension expense at the ten year cash level, (5) to reflect employee benefits expense at year end wage rates and employee levels, (6) to include amortization of rate case expenses, and (7) to eliminate non-jurisdictional administrative and general expenses. Mr. T. J. Dolezal supports the non-jurisdictional expense allocation factor.

Line No.	Description	Amount	
		(1)	(2)
1	Administrative & general expense per budget for the 12 months ending 12/31/2017		\$ 42,416
2	Administrative & general expenses related to EE&C	\$ (24,434)	
3	Administrative & general expenses related to Smart Meters	<u>(12,210)</u>	
4	Adjustments to administrative & general expenses (Line 2 + Line 3)	(36,644)	
5	Net administrative & general expenses related to distribution (Line 1 + Line 4)	5,772	
6	Administrative & general payroll expense adjustment to reflect year-end employee levels and ongoing wage & salary rates (Normalization Adjustment No. 5, Support Schedule No. 1, Line 21, Column 2)	\$ 28	
7	Service Company administrative & general payroll expense adjustment allocated to Met-Ed to reflect year end employee levels and ongoing wage & salary rates (Normalization Adjustment No. 5, Supporting Schedule No. 1, Line 33, Column 2)	259	
8	Adjust OPEB expense to service cost level (Normalization Adjustment No. 8, Supporting Schedule No. 1, Line 12, Column 1)	2,682	
9	Adjust pension expense to ten year cash level (Normalization Adjustment No. 8, Supporting Schedule No. 2, Line 17, Column 3)	10,436	
10	Adjust employee benefit costs (Normalization Adjustment No. 8, Supporting Schedule No. 3, Line 8, Column 3)	408	
11	Subtotal of adjustments (Line 6 + Line 7 + Line 8 + Line 9 + Line 10)		<u>13,813</u>
12	Administrative and general expense, adjusted (Line 5 + Line 11)	\$ 19,585	
13	Non-jurisdictional expense allocation factor	0.00%	
14	Non-jurisdictional administrative and general expense		<u>-</u>
15	Rate case expenses to be incurred during current rate proceeding (Exhibit RAD-23)	\$ 548	
16	Recovery period - years	<u>2</u>	
17	Annual amount (Line 15 / Line 16)	\$ 274	
18	Less rate case expenses in budget	<u>-</u>	
19	Adjusted rate case expense total (Line 17 - Line 18)	\$ 274	
20	Eliminate other non-jurisdictional expense (RAD-25)		(667)
21	Total normalizing adjustments (Lines 11 + Line 14 + Line 19 + Line 20)		<u>13,420</u>
22	Administrative and general expense per budget for the 12 months ending 12/31/2017, as adjusted (Line 1 + Line 21)		<u>\$ 55,836</u>

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 8  
 \$000

Adjustment of OPEB Expense

To adjust OPEB expense to the test year service cost. The service cost represents the actuarial present value of benefit liabilities accrued under the plan benefit formula for services rendered during the test year. Inclusion of the service cost in rates provides for recovery of the current cost of benefits earned by plan participants. Any excess or shortfall related to the expected return on plan assets are not included because their inclusion would artificially reduce or increase total costs and result in the recovery of more or less than the actual normal cost of service. The adjustment for OPEB expense to the current service cost amount was adopted by the Commission at Docket Numbers R-00061366 and R-00061367, and included at Docket Nos. R-2014-2428745; R-2014-2428743; R-2014-2428744 and R-2014-2428742.

<u>Line No.</u>	<u>Description</u>	<u>O&amp;M</u> (1)	<u>Capital</u> (2)	<u>Total</u> (3)
1	O&M - Capital allocation ratios	45.72%	54.28%	100.00%
2	Company OPEB expense included in budget (Exhibit RAD-27)	\$ (2,023)	\$ (2,402)	\$ (4,425)
3	FirstEnergy Service Corp. OPEB expense	\$ (11,010)	\$ (13,072)	\$ (24,082)
4	Allocation ratio	<u>5.70%</u>	<u>5.70%</u>	<u>5.70%</u>
5	Allocated FirstEnergy Service Corp. OPEB expense included in budget (Line 3 X Line 4)	\$ (628)	\$ (745)	\$ (1,373)
6	Total OPEB expense included in budget (Line 2 + Line 5)	<u>\$ (2,651)</u>	<u>\$ (3,147)</u>	<u>\$ (5,798)</u>
7	Service cost for company OPEB expense	\$ 16	\$ 19	\$ 35
8	Service cost for FirstEnergy Service Corp. OPEB expense	\$ 256	\$ 304	\$ 560
9	Allocation ratio	<u>5.70%</u>	<u>5.70%</u>	<u>5.70%</u>
10	Allocated FirstEnergy Service Corp. service cost (Line 8 X Line 9)	\$ 15	\$ 17	\$ 32
11	Total OPEB service cost (Lines 7 + 10)	<u>\$ 31</u>	<u>\$ 36</u>	<u>\$ 67</u>
12	Adjustment to set OPEB expense at ongoing service cost level (Lines 11 - Line 6)	<u>\$ 2,682</u>	<u>\$ 3,183</u>	<u>\$ 5,865</u>

Metropolitan Edison Company  
 Supporting Schedule No. 2 to Normalizing Adjustment No. 8  
 \$000

Adjustment of Pension Expense

To adjust pension expense to a ten year historical average level of actual cash contributions under the methodology that was adopted by the Commission at Docket Numbers R-00061366 and R-0061367, and included at Docket Nos. R-2014-2428745; R-2014-2428743; R-2014-2428744 and R-2014-2428742.

Line No.	Description	Amount		
		(1) Total	(2) O&M %	(3) O&M
<u>Company Cash Contributions</u>				
1	2009 Cash Pension Contribution	123,521	50.49%	62,366
2	2011 Cash Pension Contribution	35,000	45.09%	15,782
3	2015 Cash Pension Contribution	23,000	37.46%	8,616
4	2016 Cash Pension Contribution	39,616	46.00%	18,223
5	Total Company Cash Pension Contributions	\$ 221,137		\$ 104,986
<u>FirstEnergy Service Company Cash Contributions</u>				
6	2016 Pension Contribution	\$ 24,760		
7	2016 Company Allocation Factor	5.70%		
8	2016 Service Company Pension Contribution allocated to the Company	\$ 1,411	46.00%	649
9	2017 Pension Contribution	\$ 221,366		
10	2017 Company Allocation Factor	5.70%		
11	2017 Service Company Pension Contribution allocated to the Company	\$ 12,618	45.72%	5,769
12	Total FirstEnergy Service Company Cash Pension Contributions allocated to the Company ( Line 8 + Line 11)	\$ 14,029		\$ 6,418
13	Total Pension cash contributions (Line 5 + Line 12)	\$ 235,166		\$ 111,405
14	Average	10		10
15	Pension expense cash contribution, averaged over 10 years	\$ 23,517		\$ 11,140
16	O&M Pension Expense included in budget			704
17	Adjustment to Pension Expense (Line 15 - Line 16)			\$ 10,436

Metropolitan Edison Company  
 Supporting Schedule No. 3 to Normalizing Adjustment No. 8  
 \$000

Adjustment to Employee Benefit Expense to Reflect Year End Employee Levels and Ongoing Wage Rates

To determine the normalized costs associated with providing additional employee benefits related to the increased O&M payroll expense reflected in Normalization Adjustment No. 5, Supporting Schedule No. 1.

Employee benefits applicable to operating expenses:

Line No.		Effective Rate (a)	Payroll Adjustment		Benefit Adjustment
		(1)	(2)		(3) = (1) X (2)
1	Workers compensation	0.647%	\$ 846	(b)	\$ 5
2	Pension costs	33.422%	\$ 846	(b)	283
3	OPEB costs	0.053%	\$ 846	(b)	-
4	Life insurance	0.141%	\$ 846	(b)	1
5	Medical insurance	8.835%	\$ 846	(b)	75
6	Savings Plan	3.109%	\$ 846	(b)	26
7	Other	2.158%	\$ 846	(b)	18
8	Total increase due to payroll adjustment				<u>\$ 408</u>

(a) Summary of effective employee benefit rates based on total payroll for the 12 months ending 12/31/2017

	Total Amount	Total Payroll	Effective Rate
Workers compensation (Exhibit RAD-27)	\$ 428	\$ 66,166	0.647%
Pension costs - normalized basis	22,114	66,166	33.422%
OPEB costs - service cost	35	66,166	0.053%
Life insurance (Exhibit RAD-27)	93	66,166	0.141%
Medical insurance (Exhibit RAD-27)	5,846	66,166	8.835%
Savings Plan (Exhibit RAD-27)	2,057	66,166	3.109%
Other (Exhibit RAD-27)	1,428	66,166	2.158%

(b) Adjustment No. 5, Supporting Schedule No. 1, Line 14, Column 2

Metropolitan Edison Company  
 Normalization Adjustment No. 9  
 \$000

Adjustment of Depreciation Expense

To adjust depreciation expense (1) to reflect equal life group ("ELG") rates on adjusted rate base, (2) to adjust cost of removal / salvage expense to a five-year average per Commission practice, (3) to eliminate non-jurisdictional cost of removal / salvage expense, and (4) to eliminate legacy meter cost of removal from the five-year average. Mr. T. J. Dolezal supports the jurisdictional expense allocation factor. Mr. J. J. Spanos supports the ELG depreciation rates.

Line No.	Description	Amount			
		(1)	(2)	(3)	(4)
1	Depreciation expense per budget for the 12 months ending 12/31/2017				\$ 64,606
2	Cost of removal/salvage expense per budget for the 12 months ending 12/31/2017 (Exhibit RAD-30)		\$ 7,886		
3	Depreciation accrual per budget (Line 1 - Line 2)		\$ 56,720		
4	Jurisdictional depreciation expense accrual on adjusted rate base at equal life group rates (Exhibit RAD-53, page 2)		71,310		
5	Adjustment for equal life group rates applied to jurisdictional plant (Line 4 - Line 3)			\$ 14,590	
6	Cost of removal/salvage expense per budget for the 12 months ending 12/31/2017 (Exhibit RAD-30)			\$ 7,886	
<u>Cost of removal and salvage</u>					
		Per Exhibit RAD-30	Jurisdictional Allocator	Jurisdictional Amount (Col. 1 x Col. 2)	
7	01/01/2011 - 12/31/2011	\$ 17,681	79.62%	\$ 14,078	
8	01/01/2012 - 12/31/2012	28,161	79.62%	22,422	
9	01/01/2013 - 12/31/2013	8,116	79.62%	6,462	
10	01/01/2014 - 12/31/2014	18,295	79.62%	14,566	
11	01/01/2015 - 12/31/2015	18,385	79.62%	14,638	
12	Totals	\$ 90,638		\$ 72,166	
13	Five-year average on jurisdictional basis (Line 12 / 5 years)			\$ 14,433	
14	Less five-year average for legacy meter cost of removal			(13)	
15	Jurisdictional cost of removal/salvage expense at a jurisdictional five-year average as adjusted (Line 13 + Line 14)			14,420	
16	Adjustment of jurisdictional cost of removal/salvage expense to a jurisdictional five-year average (Line 15 - Line 6)			6,534	
17	Total normalizing adjustments (Line 5 + Line 16)				21,124
18	Depreciation expense per budget for the 12 months ending 12/31/2017, as adjusted (Line 1 + Line 17)				\$ 85,730



Metropolitan Edison Company  
 Normalization Adjustment No. 10  
 \$000

Adjustment of Amortization Expense

To adjust amortization expense (1) to exclude the deferral of transmission vegetation management, (2) to exclude smart meter amortization in the budget, (3) to update the amortization of legacy meters costs over 39 months from the original amortization period as supported in Exhibit RAD-64, and (4) to exclude accretion expense.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Amortization expense per budget for the 12 months ending 12/31/2017		\$ 10,540
2	Eliminate transmission vegetation management amortization per budget	\$ -	
3	Eliminate smart meter amortization per budget	6,511	
4	Eliminate legacy meters cost of removal in budget	897	
5	Adjustment to reflect additional annual amortization of legacy meters (Normalization Adjustment No. 10, Supporting Schedule No.1)	3,245	
6	Remove accretion expense	<u>-</u>	
7	Normalization adjustment (Line 2 + Line 3 + Line 4 + Line 5 + Line 6)		<u>10,653</u>
8	Amortization expense per budget for the 12 months ending 12/31/2017, as adjusted (Line 1 + Line 7)		<u>\$ 21,193</u>

Metropolitan Edison Company  
Supporting Schedule No. 1 to Normalizing Adjustment No. 10  
\$000

Adjustment for Amortization Expense of Legacy Meters

To determine additional legacy meters amortization to fully recover all legacy meter costs over 39 months of the original amortization period.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
1	Total Legacy Meters and Cost of Removal to be recovered (Exhibit RAD-64)	\$ 64,340
2	Less Legacy Meters and Cost of Removal being recovered in current Base Rates (Exhibit RAD-64)	<u>53,794</u>
3	Unrecovered Legacy Meters (Line 1 - Line 2)	<u>\$ 10,546</u>
4	Additional annual amount of unrecovered legacy meter (Line 3 / 39 months X 12 months)	<u>\$ 3,245</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 11  
 \$000

Adjustment of Taxes Other Than Income

To adjust taxes other than income (1) to eliminate non-jurisdictional tax expense, (2) to eliminate Capital Stock Tax, (3) to reflect normalized sales revenues in gross receipts tax expense, and (4) to reflect year end wage rates and employee levels in payroll tax expenses. The non-jurisdictional allocation factor is supported by Mr. T. J. Dolezal.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>		
		(1)	(2)	(3)
1	Taxes Other Than Income per budget for the 12 months ending 12/31/2017			\$ 48,502
2	Federal and State payroll taxes in budget (Exhibit RAD-32)	\$ 1,979		
3	Non-jurisdictional percent	0.00%		
4	Eliminate non-jurisdictional payroll taxes		\$ -	
5	Eliminate Capital Stock Tax included in budget (Exhibit RAD-32)		(48)	
6	PURTA tax in budget (Exhibit RAD-32)	2,009		
7	Real Estate tax in budget (Exhibit RAD-32)	133		
8	Total Other taxes	\$ 2,142		
9	Non-jurisdictional percent	20.38%		
10	Eliminate non-jurisdictional taxes		(437)	
	Gross Receipts Tax			
11	Normalized sales revenues (Exhibit RAD-2, Page 1, Column 3, Line 1)	\$ 739,722		
12	Gross receipts tax @ 5.9%	43,644		
13	Gross receipts tax included in budget (Exhibit RAD-32)	44,331		
14	Adjustment for gross receipts tax at normalized revenue level (Line 12 - Line 13)		(687)	
15	Adjustment for payroll taxes on normalized payroll (Supporting Schedule No. 1, Line 8)		25	
16	Total normalizing adjustment (Line 4 + Line 5 + Line 10 + Line 14 + Line 15)			(1,146)
17	Taxes other than income per budget for the 12 months ending 12/31/2017, as adjusted			\$ 47,356

Metropolitan Edison Company  
 Supporting Schedule No.1 to Normalizing Adjustment No. 11  
 \$000

Adjustment to Taxes Other Than Income to reflect changes in payroll taxes.

To determine the additional payroll tax expense associated with the increased O&M payroll expense reflected in Normalization Adjustment No. 5, Supporting Schedule No. 1.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
1	Total payroll per budget for the 12 months ending 12/31/2017 (Normalization Adjustment No. 5, Schedule 1, Line 1, Col 2)	\$ 66,166
2	Total payroll tax included in budget (Exhibit RAD-32)	<u>1,979</u>
3	Effective payroll tax rate (Line 2 / Line 1)	<u>2.991%</u>
4	Total payroll as adjusted (Normalization Adjustment No. 5, Supporting Schedule No. 1, Line 15, Column 2)	\$ <u>68,017</u>
5	Payroll tax on normalized payroll (Line 3 x Line 4)	\$ 2,034
6	Total Company payroll tax adjustment (Line 5 - Line 2)	\$ 55
7	O&M Allocation percentage	45.72%
8	Adjustment for payroll tax (Line 6 x Line 7)	\$ <u>25</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 12  
 \$000

Adjustment of Federal & State Income Taxes

To adjust federal and state income taxes to reflect the revenue and expense levels shown on Exhibit RAD-2, Page 1, Col. 3 - Budget as Adjusted.

Line No.	Description	Total Company Calculated Taxes (1)	Distribution Calculated Taxes (2)	Smart Meters Calculated Taxes (3)	Total Distribution Calculated Taxes (4) = (2) + (3)	PTC Calculated Taxes (5)	Universal Service Calculated Taxes (6)	Energy Efficiency Calculated Taxes (7)	DSS Calculated Taxes (8)	Solar Calculated Taxes (9)	NUG Charge Calculated Taxes (10)
1	Total operating revenue	\$ 758,596	\$ 334,763	\$ 18,793	\$ 353,556	\$ 325,485	\$ 23,908	\$ 27,481	\$ 23,755	\$ 4,411	\$ -
2	Less: Total O & M Expense	524,321	106,619	12,210	121,829	313,167	22,784	24,434	36,159	5,946	-
3	Depreciation - accrual	71,310	62,029	9,281	71,310	-	-	-	-	-	-
4	Average net salvage	14,420	14,420	-	14,420	(2,253)	168	1,440	(8,653)	(1,904)	-
5	Amortization	21,193	32,385	1,109	33,494	19,204	1,411	1,607	1,402	260	-
6	Taxes other than income tax	47,356	22,363	22,800	45,163	330,118	24,363	27,481	28,908	4,304	-
7	Total deductions	\$ 678,600	\$ 240,926	\$ 22,800	\$ 263,726	\$ 330,118	\$ 24,363	\$ 27,481	\$ 28,908	\$ 4,304	\$ -
8	Net operating income before income taxes	\$ 79,996	\$ 93,837	\$ (3,007)	\$ 90,130	\$ (4,633)	\$ (455)	\$ -	\$ (5,153)	\$ 107	\$ -
9	Less: Interest Charges (A)	36,038	34,103	1,935	36,038	(4,633)	(455)	-	(5,153)	107	-
10	Net income before income taxes	\$ 43,957	\$ 59,734	\$ (5,742)	\$ 54,091	\$ (4,633)	\$ (455)	\$ -	\$ (5,153)	\$ 107	\$ -
Adjustments to taxable income:											
11	Book Average net salvage	14,420	14,420	-	14,420	-	-	-	-	-	-
12	Adj. of book depreciation to tax basis (B)	2,534	22,348	(19,814)	2,534	-	-	-	-	-	-
13	Adj. to Amortization of Legacy Meters	14,004	14,004	-	14,004	-	-	-	-	-	-
14	Tax cost of removal/salvage	(7,420)	(7,420)	-	(7,420)	-	-	-	-	-	-
15	Adjust cash pensior	10,436	10,436	-	10,436	-	-	-	-	-	-
16	Net adjustments	33,974	53,788	(19,814)	33,974	-	-	-	-	-	-
17	Income subject to state income tax (Line 10 + Line 16)	\$ 77,932	\$ 113,623	\$ (25,557)	\$ 88,066	\$ (4,633)	\$ (455)	\$ -	\$ (5,153)	\$ 107	\$ -
Adjustments to state taxable income:											
18	Plus: Federal Bonus Depreciation	30,361	30,361	-	30,361	-	-	-	-	-	-
19	Less: Additional State Depreciator	(12,720)	(12,720)	-	(12,720)	-	-	-	-	-	-
20	Net adjustment to state taxable income	17,641	17,641	-	17,641	-	-	-	-	-	-
21	Income subject to state income tax (Lines 17 + 20)	\$ 95,573	\$ 131,264	\$ (25,557)	\$ 105,707	\$ (4,633)	\$ (455)	\$ -	\$ (5,153)	\$ 107	\$ -
22	State income tax @ 9.99%	9,548	13,113	(2,565)	10,548	(463)	(45)	-	(515)	11	-
23	Taxes as budgeted	4,455	4,455	-	4,455	-	-	-	-	-	-
24	Adjustment to state income tax (Line 22 - Line 23)	5,093	8,658	(2,553)	6,105	(463)	(45)	-	(515)	11	-
25	Income subject to federal income tax (Line 17 - Line 22)	\$ 66,384	\$ 100,509	\$ (23,003)	\$ 77,506	\$ (4,170)	\$ (410)	\$ -	\$ (4,638)	\$ 56	\$ -
26	Federal income tax @ 35%	23,934	35,178	(8,051)	27,127	(1,460)	(143)	-	(1,623)	34	-
27	Taxes as budgeted	11,672	11,672	-	11,672	-	-	-	-	-	-
28	Adjustment to federal income tax (Line 26 - Line 27)	12,262	23,506	(8,051)	15,455	(1,460)	(143)	-	(1,623)	34	-
(A) Computation of interest charges											
	Total rate base	\$ 1,405,890	\$ 1,330,381	\$ 75,509	\$ 1,405,890	\$ 48,833%	\$ 48,833%	\$ 48,833%	\$ 48,833%	\$ 48,833%	\$ 48,833%
	Debt ratio	48.83%	48.83%	48.85%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%
	Cost of debt	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
	Interest expense	36,038	34,103	1,936	36,038	-	-	-	-	-	-
(B) Adjustment of book depreciation to tax basis:											
	Tax depreciation	68,776	39,681	29,095	68,776	-	-	-	-	-	-
	Book depreciation	71,310	62,029	9,281	71,310	-	-	-	-	-	-
	Depreciation adjustment	(2,534)	(22,348)	19,814	(2,534)	-	-	-	-	-	-

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalization Adjustment No. 12  
 \$000

Computation of Federal & State Income Taxes - Normalized

To adjust tax depreciation (1) to eliminate the cost of removal component and (2) to eliminate non-jurisdictional tax depreciation. Mr. T. J. Dolezal supports the non-jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>		
		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
1	Tax depreciation expense per budget (Exhibit RAD-33)	\$ 76,196		
2	Cost of removal / salvage in tax depreciation	7,420	100.00%	\$ 7,420
3	Smart meter tax depreciation	<u>29,095</u>	100.00%	29,095
4	Distribution tax depreciation (Line 1 - Line 2 - Line 3)	\$ 39,681	100.00%	<u>39,681</u>
5	Total tax depreciation (Line 3 + Line 4)			<u>\$ 68,776</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 13  
 \$000

Adjustment of Provision for Deferred Income Taxes

To adjust the provision for deferred income taxes (1) to reflect year-end plant balances for federal deferred income taxes, (2) to eliminate miscellaneous federal deferred taxes not associated with liberalized depreciation, and (3) to eliminate all state deferred income taxes associated with liberalized depreciation.

<u>Line No.</u>	<u>Description</u>	<u>Provision for Deferred Taxes - Net</u>	
		<u>Federal</u>	<u>State</u>
		<u>(1)</u>	<u>(2)</u>
1	Deferred taxes per budget, 12 months ending 12/31/2017	\$ 17,969	\$ 4,932
2	Deferred taxes - liberalized depreciation (Exhibit RAD-41, page 19)	12,561	-
3	Less: Smart Meter deferred taxes	<u>(6,374)</u>	-
4	Distribution deferred taxes (Line 2 + Line 3)	6,187	-
5	Jurisdictional allocation factor	<u>100.00%</u>	<u>100.00%</u>
6	Jurisdictional deferred taxes - liberalized depreciation (Line 4 x Line 5)	6,187	-
7	Plus: Smart Meter deferred taxes	<u>6,374</u>	-
8	Total Deferred Taxes (Line 6 + Line 7)	12,561	-
5	Adjustment to deferred tax expense (Line 8 - Line 1)	<u>(5,408)</u>	<u>(4,932)</u>
6	Deferred tax expense per budget for the 12 months ending 12/31/2017, as adjusted	<u>\$ 12,561</u>	<u>\$ -</u>

Metropolitan Edison Company  
Normalization Adjustment No. 14  
\$000

Adjustment of Investment Tax Credit

To adjust investment tax credit to eliminate non-jurisdictional investment tax credit. Mr. T. J. Dolezal supports the non-jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Investment tax credit adjustments per budget, 12 months ending 12/31/2017	\$	(372)
2	Non-jurisdictional allocation factor	0%	
3	Less: Adjustment to investment tax credit (Line 1 X Line 2)	\$	<u>-</u>
4	Investment tax credit per budget for the 12 months ending 12/31/2017, as adjusted		<u><u>(372)</u></u>





**METROPOLITAN EDISON COMPANY**  
 Rate Base At Original Cost  
 Normalized To Year-End Conditions at December 31, 2016  
 (\$000)

Line No.	Description	Per Budget (1)	Adjustments and Normalizations		Total (3)	PA Jurisdictional Normalized Rate Base			PA Jurisdictional Total (6) = (4) + (5)	
			Normalizations (2)	Adj. No.		Distribution (4)	Smart Meter (5)			
<b>Electric Plant:</b>										
1	Plant in service	\$ 2,887,857	\$ (525,956)	1	\$ 2,361,901	\$ 2,302,450	\$ 59,451	\$ -	\$ 2,361,901	
2	Plant held for future use	596	(596)	2	-	-	-	-	-	
3	Construction work in progress - pollution control and safety	-	-	-	-	-	-	-	-	
4	Total electric plant	\$ 2,888,453	\$ (526,552)	-	\$ 2,361,901	\$ 2,302,450	\$ 59,451	\$ -	\$ 2,361,901	
<b>Depreciation &amp; Amortization</b>										
<b>Reserve:</b>										
5	Plant in service	\$ 987,783	\$ (221,024)	3	\$ 766,759	\$ 759,466	\$ 7,293	\$ -	\$ 766,759	
6	Plant held for future use	-	-	-	-	-	-	-	-	
7	Total depreciation & amortization reserve	\$ 987,783	\$ (221,024)	-	\$ 766,759	\$ 759,466	\$ 7,293	\$ -	\$ 766,759	
8	Net Electric Plant	\$ 1,900,670	\$ (305,528)	-	\$ 1,595,142	\$ 1,542,984	\$ 52,158	\$ -	\$ 1,595,142	
<b>Additions:</b>										
9	Cash working capital	\$ -	\$ 134,868	4	\$ 134,868	\$ 134,868	\$ -	\$ -	\$ 134,868	
10	M&S inventories	-	13,314	5	13,314	13,314	-	-	13,314	
12	Legacy meters	-	57,167	6	57,167	57,167	-	-	57,167	
11	Deferred storm damage	-	53,919	7	53,919	53,919	-	-	53,919	
13	Total additions	\$ -	\$ 259,268	-	\$ 259,268	\$ 259,268	\$ -	\$ -	\$ 259,268	
<b>Deductions:</b>										
14	Customer deposits	\$ 25,476	\$ -	-	\$ 25,476	\$ 25,476	\$ -	\$ -	\$ 25,476	
15	Customer advances for construction	-	-	-	-	-	-	-	-	
16	Accum. Deferred income taxes - Liberalized depreciation	562,984	(162,729)	8	400,255	395,146	5,109	-	400,255	
17	Operating reserves (net of taxes)	976	(199)	9	777	777	-	-	777	
18	Total deductions	\$ 569,436	\$ (162,928)	-	\$ 426,508	\$ 421,399	\$ 5,109	\$ -	\$ 426,508	
19	Total Rate Base	\$ 1,311,234	\$ 116,668	-	\$ 1,427,902	\$ 1,380,653	\$ 47,049	\$ -	\$ 1,427,902	
20	Pro forma return at present rates (PA Distribution)	\$ 60,322								
21		4.22%								
22	Pro forma return at proposed rates (PA Distribution)	\$ 116,244								
23		8.14%								

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 1  
 (\$000)

Adjustment of Electric Plant in Service

To adjust the budgeted gross plant in service to (1) eliminate the Asset Retirement Cost ("ARC"), (2) remove FERC Transmission Plant which is non-jurisdictional, (3) remove an allocated portion of Intangible Plant that supports FERC Transmission Plant, (4) remove an allocated portion of General Plant that supports FERC Transmission Plant, and (5) reflect an increase in LED Street Lighting. An asset retirement cost ("ARC") increases the carrying amount of a long-lived asset when a liability for an asset retirement obligation ("ARO") is recognized. The ARC is depreciated over the life of the asset. The ARC and related reserve are excluded from Rate Base, while the associated depreciation expense is excluded from the Income Statement. This treatment is in accordance with 18 CFR Chapter 1 § 35.18 Asset retirement obligations.

Line No.	Description	Adjustments (1)	Plant in Service (2)	Cross Reference (3)
1	Budgeted Plant in Service at 12/31/2016		\$ 2,887,857	Met-Ed Exhibit RAD-47, Attach. B, p. 1 and 2
	Normalizing adjustments:			
2	Eliminate ARC associated with Nuclear, Transmission, Distribution, and General Plant	\$ (31,404)		Met-Ed Exhibit RAD-47, Attach. B, p. 1 and 2
3	Remove FERC Transmission Plant	(446,189)		Met-Ed Exhibit RAD-47, Attach. B, p. 1
4	Remove allocated portion of Intangible Plant associated with FERC Transmission Plant	(8,486)		Met-Ed Exhibit RAD-47, Attach. B, p. 1
5	Remove allocated portion of General Plant associated with FERC Transmission Plant	(40,158)		Met-Ed Exhibit RAD-47, Attach. B, p. 1 and 2
6	Increase LED Street Lighting	<u>281</u>		Met-Ed Exhibit RAD-47, Attach. B, p. 1
7	Normalization adjustment		<u>(525,956)</u>	
8	Plant in Service at 12/31/2016, as adjusted		\$ <u>2,361,901</u>	Met-Ed Exhibit RAD-47, Attach. B, p. 1 and 2

METROPOLITAN EDISON COMPANY  
Normalization Adjustment No. 2  
(\$000)

Adjustment of Plant Held for Future Use

To adjust Plant Held for Future Use. As an alternative to rate base treatment, the Company is requesting the allowance of deferred carrying charges on any current or future investments in Plant Held for Future Use with definitive plans of utilization within a ten-year period. This is consistent with long-standing Commission policy.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Per budget Plant Held for Future Use at 12/31/2016	\$ 596
	Normalizing adjustment:	
2	Eliminate Plant Held for Future Use	<u>(596)</u>
3	Plant Held for Future Use at 12/31/2016, as adjusted	<u>\$ -</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 3  
 (\$000)

Adjustment of Depreciation Reserves - Plant In Service

To adjust the budgeted plant in service depreciation reserves to (1) eliminate the Asset Retirement Cost ("ARC"), (2) remove FERC Transmission Plant reserves which are non-jurisdictional, (3) remove an allocated portion of Intangible Plant reserves that support FERC Transmission Plant, and (4) remove an allocated portion of General Plant reserves that support FERC Transmission Plant. An asset retirement cost ("ARC") increases the carrying amount of a long-lived asset when a liability for an asset retirement obligation ("ARO") is recognized. The ARC is depreciated over the life of the asset. The ARC and related reserve are excluded from Rate Base, while the associated depreciation expense is excluded from the Income Statement. This treatment is in accordance with 18 CFR Chapter 1 § 35.18 Asset retirement obligations.

Line No.	Description	Depreciation Reserves		Cross Reference
		Adjustments (1)	Plant in Service (2)	
1	Plant in Service depreciation reserves at 12/31/2016		\$ 987,783	Met-Ed Exhibit RAD-47, Attach. B, p. 3
	Normalizing adjustments:			
2	Eliminate ARC associated with Nuclear, Transmission, Distribution, and General Plant depreciation reserves	\$ (31,336)		Met-Ed Exhibit RAD-47, Attach. B, p. 3
3	Remove FERC Transmission Plant depreciation reserves	(157,256)		Met-Ed Exhibit RAD-47, Attach. B, p. 3
4	Remove allocated portion of Intangible Plant reserves associated with FERC Transmission Plant	\$ (6,459)		Met-Ed Exhibit RAD-47, Attach. B, p. 3
5	Remove allocated portion of General Plant reserves associated with FERC Transmission Plant	\$ (25,973)		Met-Ed Exhibit RAD-47, Attach. B, p. 3
	Normalization Adjustment		<u>(221,024)</u>	
	Plant in Service depreciation reserves at 12/31/2016 as adjusted		\$ <u>766,759</u>	Met-Ed Exhibit RAD-47, Attach. B, p. 3

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 4  
 (\$000)

Adjustment of Cash Working Capital

To recognize cash working capital at year-end level. This adjustment is supported by Mr. J. L. Adams.

Line No.	Description	Cash Working Capital	
		(1)	(2)
1	Cash working capital per budget at 12/31/2016		\$ -
	Normalizing adjustment:		
2	Cash working capital normalized to year-end (Exhibit JLA-1)	\$ 134,868	
3	Cash working capital per budget		-
4	Normalization Adjustment		<u>134,868</u>
5	Cash working capital at 12/31/2016, as adjusted		<u>\$ 134,868</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 5  
 (\$000)

Adjustment of Material and Supplies Inventories

To recognize the Company's distribution portion of FE Service material and supplies ("M&S") inventory levels projected at 12/31/2016

Line No.	Description	M&S Inventories	
		(1)	(2)
1	M&S Inventory per budget at 12/31/2016		\$ -
	Normalizing adjustment:		
2	Distribution component of projected FE Service M&S Inventory allocated to Met-Ed at 12/31/2016 (Met-Ed Exhibit RAD-13)	\$ 13,314	
3	M&S Inventory per budget at 12/31/2016		-
4	Normalization Adjustment		<u>13,314</u>
5	M&S inventory at 12/31/2016, as adjusted		<u>\$ 13,314</u>

METROPOLITAN EDISON COMPANY  
Normalization Adjustment No. 6  
(\$000)

Adjustment to Include Legacy Meters

To include legacy meters in a regulatory asset as ordered in the Final Order on the Smart Meter Deployment Plan at Docket No. M-2013-2341990.

Line No.	Description	Legacy Meters	
		(1)	(2)
1	Net legacy meters in regulatory asset at 12/31/2016		\$ -
2	Legacy Meter Regulatory Asset	\$ 57,167	
3	Normalizing Adjustment (Line 2)		<u>57,167</u>
6	Net legacy meters in regulatory asset as adjusted at 12/31/2016		<u>\$ 57,167</u>



METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 7  
 (\$000)

Adjustment of Deferred Storm Damage Expenses

To include in rate base (1) the deferred extraordinary storm damage balances for Winter Storm Nika, approved at Docket No. P-2014-2412229, Hurricane Sandy, approved at Docket No. P-2013-2351260, and distribution non-capital storm expenses that exceeded 125% of storm costs included in base rates between the period of February 25, 2011 through September 30, 2012 as a result of the FirstEnergy and Allegheny Merger approved at Docket Nos. A-2010-2176520 and A-2010-2176732, including but not limited to Hurricane Irene, the October 2011 snowstorm, and Tropical Storm Lee; and (2) the balance of the Storm Reserve approved at Docket No. P-2014-2428745.

Line No.	Description	Storms	
		(1)	(2)
1	Unamortized storm deferral expense per budget at 12/31/2016		\$ -
<u>Normalizing Adjustment:</u>			
2	Extraordinary and Merger Approval storm damage deferrals	\$ 57,569	
3	Storm Reserve Balance	<u>(3,650)</u>	
4	Normalization Adjustment (Line 1 + Line 2)		<u>53,919</u>
5	Storm damage expense deferrals at 12/31/2016, as adjusted		\$ <u>53,919</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 8  
 (\$000)

Adjustment of Accumulated Deferred Income Taxes - Liberalized Depreciation

This adjustment adjusts the budgeted deferred tax balances for liberalized depreciation (excluding the impact of SFAS No. 109 deferrals) to (1) eliminate the deferred income taxes - liberalized depreciation balances associated with TMI-2, (2) eliminate deferred income taxes - liberalized depreciation associated with other generation, (3) eliminate other excludable items (capital leases), (4) eliminate deferred income taxes - liberalized depreciation associated with Mid-Atlantic Interstate Transmission ("MAIT") Ground Leases, and (5) eliminate remaining state deferred taxes - liberalized depreciation balances including the federal benefit of those taxes, and (6) eliminate an allocated portion of the remaining federal deferred income taxes - liberalized depreciation balance associated with FERC Transmission Plant.

Line No.	Description	Adjustments (1)	Accum Reserve for Deferred Taxes - Liberalized Depreciation (2)
1	Deferred taxes per budget - liberalized depreciation at 12/31/2016		\$ 562,984
	Normalizing adjustments:		
2	Eliminate deferred income taxes - liberalized depreciation associated with TMI-2 (federal and state)	\$ 2,765	
3	Eliminate deferred income taxes - liberalized depreciation associated with other generation (federal and state)	(85)	
4	Eliminate other excludable items - capital leases (federal and state)	(46,276)	
5	Eliminate deferred taxes - liberalized depreciation for MAIT ground lease (federal)	-	
6	Eliminate remaining state deferred taxes - liberalized depreciation including the federal benefit of those taxes	(16,682)	
7	Eliminate an allocated portion of the remaining federal deferred income taxes - liberalized depreciation associated with FERC Transmission Plant	(102,452)	
8	Normalization Adjustment (Line 2 + Line 3 + Line 4 + Line 5 + Line 6 + Line 7)		(162,729)
9	Deferred taxes - liberalized depreciation at 12/31/2016, as adjusted		\$ 400,255

METROPOLITAN EDISON COMPANY

Normalization Adjustment No. 9  
(\$000)

Adjustment of Operating Reserves

To adjust operating reserves (net of accumulated deferred income taxes) to eliminate an allocated portion associated with FERC Transmission operations.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Operating reserves, net of taxes, per budget at 12/31/2016	976
	Normalizing adjustment:	
2	Eliminate portion of operating reserves associated with FERC Transmission operations	<u>(199)</u>
3	Operating reserves, net of taxes at 12/31/2016, as adjusted	<u>\$ 777</u>

METROPOLITAN EDISON COMPANY

Rate of Return at December 31, 2016  
 (\$000)

<u>Line No.</u>	<u>Description</u>	<u>Exhibit JD-24 Capital Amounts (1)</u>	<u>Capital Ratios (2)</u>	<u>Cost Rate (3)</u>	<u>Weighted Cost Rate (4) = (2) X (3)</u>
1	Total long-term debt	\$ 849,316	48.83%	5.25%	2.56%
2	Total preferred stock	-	0.00%	0.00%	0.00%
3	Total Common Equity	<u>889,984</u>	<u>51.17%</u>	10.90%	<u>5.58%</u>
4	Total Capitalization	<u>\$ 1,739,300</u>	<u>100.00%</u>		<u>8.14%</u>



**Metropolitan Edison Company**  
**Statement of Operating Income, 12 Months Ending December 31, 2016, Normalized and Adjusted**  
**to Reflect Revenue Necessary to Achieve Allowable Return**  
 (5000)

Line No.	Description	Par Budget	Normalizations & Adjustments	Adj. No.	Budget as Adjusted	Distributor	Smart Meters	PaPUC Total Distributor	Price to Compare	Universal Service	Energy Efficiency	Default Service Support	Solar	NIUG
<b>Operating revenues</b>														
1	Retail sales	\$ 785,730	\$ (8,657)	1	\$ 777,073	\$ 318,287	\$ 18,793	\$ 337,080	\$ 336,027	\$ 23,889	\$ 24,015	\$ 46,299	\$ 4,451	\$ 4,712
2	STAS revenue	-	-	2	-	-	-	-	-	-	-	-	-	-
3	DSIC revenue	792	(792)	3	-	-	-	-	-	-	-	-	-	-
4	Sales for resale	5,589	-	4	5,589	-	-	-	5,273	-	316	-	-	-
5	Other operating revenue	7,1917	(66,686)	5	25,232	25,232	-	25,232	-	-	-	-	-	-
6	Total operating revenue	\$ 884,028	\$ (56,134)	6	\$ 807,894	\$ 343,519	\$ 18,793	\$ 362,312	\$ 341,900	\$ 23,889	\$ 24,331	\$ 46,299	\$ 4,451	\$ 4,712
<b>Operating expenses</b>														
7	Price to Compare	\$ 340,519	-	7	\$ 340,519	-	-	-	\$ 326,443	-	-	-	-	-
8	Distribution	67,206	(13,499)	8	53,708	38,379	-	38,379	-	-	-	9,000	5,076	-
9	Customer accounts	30,941	1,576	9	32,518	23,377	-	23,377	-	-	-	15,390	-	-
10	Customer service & info	40,492	33	10	40,525	18,363	-	18,363	-	-	-	6,972	-	-
11	Admin & gen expense	66,305	9,144	11	75,449	18,383	-	18,383	-	22,086	-	186	-	-
12	Depreciation & amortization	36,305	12,164	12	48,469	13,534	-	13,534	-	-	23,686	-	-	-
13	Amortization & accretion	36,843	12,861	13	49,704	74,804	-	80,473	-	-	-	-	-	-
14	Taxes other than income	50,557	(1,117)	14	49,440	33,205	-	33,205	(1,133)	897	(849)	14,061	(912)	4,434
15	Operating expense before tax	\$ 681,171	\$ 21,294	15	\$ 702,465	\$ 223,371	\$ 1,109	\$ 234,880	\$ 19,861	\$ 1,409	\$ 1,417	\$ 2,732	\$ 283	\$ 278
16	Operating income before income tax	\$ 182,857	\$ (77,428)	16	\$ 105,429	\$ 112,263	\$ (1,519)	\$ 110,744	\$ (3,271)	\$ (453)	\$ 67	\$ (1,682)	\$ 24	\$ -
<b>Income taxes</b>														
17	Federal income tax - current	21,850	4,161	17	26,011	33,409	\$ (6,724)	\$ 27,685	\$ (1,030)	\$ (143)	\$ 21	\$ (530)	\$ 8	\$ -
18	State income tax - current	8,539	4,199	18	13,038	15,384	\$ (1,815)	\$ 13,569	\$ (327)	\$ (45)	\$ 7	\$ (168)	\$ 2	\$ -
19	Deferred income tax - federal	22,344	(12,880)	19	9,464	4,355	5,109	9,464	-	-	-	-	-	-
20	Deferred income tax - state	5,462	(5,462)	20	-	-	-	-	-	-	-	-	-	-
21	Investment tax credit	(372)	76	21	(296)	(296)	-	(296)	-	-	-	-	-	-
22	Total tax expense	\$ 57,823	\$ (9,806)	22	\$ 48,217	\$ 52,852	\$ (2,430)	\$ 50,422	\$ (1,357)	\$ (188)	\$ 28	\$ (698)	\$ 10	\$ -
23	Total operating expenses	\$ 738,894	\$ 11,668	23	\$ 750,682	\$ 284,108	\$ 17,882	\$ 301,990	\$ 343,814	\$ 24,154	\$ 24,292	\$ 47,283	\$ 4,437	\$ 4,712
24	Operating income	\$ 125,034	\$ (67,822)	24	\$ 57,212	\$ 59,411	\$ 911	\$ 60,322	\$ (1,914)	\$ (265)	\$ 39	\$ (984)	\$ 14	\$ -

Normalized PaPUC Jurisdictional

Riders

**Metropolitan Edison Company**  
**Statement of Operating Income, 12 Months Ending December 31, 2016, Normalized and Adjusted**  
**to Reflect Revenue Necessary to Achieve Allowable Return**  
 (\$000)

Line No.	Description	Riders									
		Distribution (13)	Smart Meters (14)	PaPUC Total Distribution, (15) = (13) + (14)	Price to Compare (16)	Universal Service (17)	Energy Efficiency (18)	Default Service Support (19)	Solar (20)	NUG (21)	
<b>Operating revenues</b>											
1	Retail sales	\$ 96,274	\$ 5,302	\$ 101,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	STAS revenue	-	-	-	-	-	-	-	-	-	
3	DSIC revenue	-	-	-	-	-	-	-	-	-	
4	Sales for resale	-	-	-	-	-	-	-	-	-	
5	Other operating revenue	-	-	-	-	-	-	-	-	-	
6	Total operating revenue	\$ 96,274	\$ 5,302	\$ 101,576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Operating expenses</b>											
7	Price to Compare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Distribution	-	-	-	-	-	-	-	-	-	
9	Customer accounts	-	-	-	-	-	-	-	-	-	
10	Customer service & info	-	-	-	-	-	-	-	-	-	
11	Admin & gen expense	-	-	-	-	-	-	-	-	-	
12	Depreciation - accrual	-	-	-	-	-	-	-	-	-	
13	Amortization	-	-	-	-	-	-	-	-	-	
14	Taxes other than income	5,680	313	5,993	-	-	-	-	-	-	
15	Operating expense before tax	\$ 5,680	\$ 313	\$ 5,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
16	Operating income before income tax	\$ 90,594	\$ 4,990	\$ 95,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Income taxes</b>											
17	Federal income tax - current	\$ 28,540	\$ 1,572	\$ 30,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	State income tax - current	9,050	498	9,548	-	-	-	-	-	-	
19	Deferred income tax - federal	-	-	-	-	-	-	-	-	-	
20	Deferred income tax - state	-	-	-	-	-	-	-	-	-	
21	Investment tax credit	-	-	-	-	-	-	-	-	-	
22	Total tax expense	\$ 37,591	\$ 2,070	\$ 39,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
23	Total operating expenses	\$ 43,271	\$ 2,383	\$ 45,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24	Operating income	\$ 53,003	\$ 2,919	\$ 55,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**Metropolitan Edison Company  
 Statement of Operating Income, 12 Months Ending December 31, 2016, Normalized and Adjusted  
 to Reflect Revenue Necessary to Achieve Allowable Return**  
 (\$'000)

Line No.	Description	Riders									
		Distribution (22) = (4) + (13)	Smart Meters (23) = (5) + (14)	PaPUC Total Distribution (24) = (6) + (15)	Price to Compare (25) = (7) + (16)	Universal Service (26) = (8) + (17)	Energy Efficiency (27) = (9) + (18)	Default Service Support (28) = (10) + (19)	Solar (29) = (11) + (20)	NUG (30) = (12) + (21)	
<b>Operating revenues</b>											
1	Retail sales	\$ 414,561	\$ 24,095	\$ 438,656	\$ 336,627	\$ 23,889	\$ 24,015	\$ 46,299	\$ 4,451	\$ 4,712	
2	STAS revenue	-	-	-	-	-	-	-	-	-	
3	DSIC revenue	-	-	-	-	-	-	-	-	-	
4	Sales for resale	-	-	-	5,273	-	316	-	-	-	
5	Other operating revenue	25,232	-	25,232	-	-	-	-	-	-	
6	Total operating revenue	\$ 439,793	\$ 24,095	\$ 463,888	\$ 341,900	\$ 23,889	\$ 24,331	\$ 46,299	\$ 4,451	\$ 4,712	
<b>Operating expenses</b>											
7	Price to Compare	\$ -	\$ -	\$ -	\$ 326,443	\$ -	\$ -	\$ 9,000	\$ 5,076	\$ -	
8	Distribution	38,379	-	38,379	-	-	-	15,330	-	-	
9	Customer accounts	25,847	-	25,847	-	-	-	6,672	-	-	
10	Customer service & info	18,363	-	18,363	-	22,036	-	186	-	-	
11	Admin & gen expense	18,287	13,534	31,821	-	-	23,696	-	-	-	
12	Depreciation - accrual	74,804	5,669	80,473	-	-	-	-	-	-	
13	Amortization	33,205	-	33,205	(1,133)	897	(849)	14,061	(912)	4,434	
14	Taxes other than income	28,051	1,422	29,473	19,861	1,409	1,417	2,732	263	278	
15	Operating expense before tax	\$ 236,936	\$ 20,625	\$ 257,561	\$ 345,171	\$ 24,342	\$ 24,264	\$ 47,981	\$ 4,427	\$ 4,712	
16	Operating income before tax	\$ 202,857	\$ 3,471	\$ 206,327	\$ (3,271)	\$ (453)	\$ 67	\$ (1,682)	\$ 24	\$ -	
<b>Income taxes</b>											
17	Federal income tax - current	61,949	(4,152)	57,797	(1,030)	(143)	21	(530)	8	-	
18	State income tax - current	24,435	(1,317)	23,118	(327)	(45)	7	(168)	2	-	
19	Deferred income tax - federal	4,355	5,109	9,464	-	-	-	-	-	-	
20	Deferred income tax - state	-	-	-	-	-	-	-	-	-	
21	Investment tax credit	(296)	-	(296)	-	-	-	-	-	-	
22	Total tax expense	\$ 90,443	\$ (360)	\$ 90,083	\$ (1,357)	\$ (188)	\$ 28	\$ (698)	\$ 10	\$ -	
23	Total operating expenses	\$ 327,379	\$ 20,265	\$ 347,644	\$ 343,814	\$ 24,154	\$ 24,292	\$ 47,283	\$ 4,437	\$ 4,712	
24	<b>Operating income</b>	\$ 112,414	\$ 3,830	\$ 116,244	\$ (1,914)	\$ (265)	\$ 39	\$ (984)	\$ 14	\$ -	
24	<b>Rate Base</b>	\$ 1,380,853	\$ 47,049	\$ 1,427,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	<b>Rate of Return overall</b>	8.14%	8.14%	8.14%							
26	<b>Return on Equity</b>	10.90%	10.90%	10.90%							



**Metropolitan Edison Company**  
**Summary of Revenue Requirements**  
**Distribution**  
 \$000

<u>Line No.</u>	<u>Description</u>	<u>Budget as Adjusted</u>	<u>Revenue Adjustment Required</u>	<u>Allowable Revenue</u>
		(1)	(2)	(3)
	<u>Operating revenues</u>			
1	Retail sales	\$ 318,287	\$ 96,274	\$ 414,561
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	<u>25,232</u>	<u>-</u>	<u>25,232</u>
6	Total operating revenue	343,519	96,274	439,793
	<u>Operating expenses</u>			
7	PTC	\$ -	\$ -	\$ -
8	Distribution	38,379	-	38,379
9	Customer accounts	25,847	-	25,847
10	Customer service & info	18,363	-	18,363
11	Admin & gen expense	18,287	-	18,287
12	Depreciation - accruai	74,804	-	74,804
13	Amortization	33,205	-	33,205
14	Taxes other than income	<u>22,371</u>	<u>5,680</u>	<u>28,051</u>
15	Operating expense before tax	\$ 231,256	\$ 5,680	\$ 236,936
16	Operating income before tax	\$ 112,263	\$ 90,594	\$ 202,857
	<u>Income taxes</u>			
17	Federal income tax - current	\$ 33,409	\$ 28,540	\$ 61,949
18	State income tax - current	15,384	9,050	24,435
19	Deferred income tax - federal	4,355	-	4,355
20	Deferred income tax - state	-	-	-
21	Investment tax credit	<u>(296)</u>	<u>-</u>	<u>(296)</u>
22	Total tax expense	\$ 52,852	\$ 37,591	\$ 90,443
23	Total operating expenses	\$ 284,108	\$ 43,271	\$ 327,379
24	<b>Operating Income</b>	\$ 59,411	\$ 53,003	\$ 112,414
25	<b>Rate Base</b>	\$ 1,380,853		\$ 1,380,853
26	<b>Rate of Return overall</b>	4.30%		8.14%
27	<b>Return on Equity</b>	3.40%		10.90%

**Metropolitan Edison Company**  
**Summary of Revenue Requirements**  
**Smart Meters**  
 \$000

<u>Line No.</u>	<u>Description</u>	<u>Budget as Adjusted</u>	<u>Revenue Adjustment Required</u>	<u>Allowable Revenue</u>
		(1)	(2)	(3)
	<u>Operating revenues</u>			
1	Retail sales	\$ 18,793	\$ 5,302	\$ 24,095
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	-	-	-
6	Total operating revenue	<u>\$ 18,793</u>	<u>\$ 5,302</u>	<u>\$ 24,095</u>
	<u>Operating expenses</u>			
7	PTC	\$ -	\$ -	\$ -
8	Distribution	-	-	-
9	Customer accounts	-	-	-
10	Customer service & info	-	-	-
11	Admin & gen expense	13,534	-	13,534
12	Depreciation - accrual	5,669	-	5,669
13	Amortization	-	-	-
14	Taxes other than income	1,109	313	1,422
15	Operating expense before tax	<u>\$ 20,312</u>	<u>\$ 313</u>	<u>\$ 20,625</u>
16	Operating income before tax	\$ (1,519)	\$ 4,990	\$ 3,471
	<u>Income taxes</u>			
17	Federal income tax - current	\$ (5,724)	\$ 1,572	\$ (4,152)
18	State income tax - current	(1,815)	498	(1,317)
19	Deferred income tax - federal	5,109	-	5,109
20	Deferred income tax - state	-	-	-
21	Investment tax credit	-	-	-
22	Total tax expense	<u>\$ (2,430)</u>	<u>\$ 2,070</u>	<u>\$ (360)</u>
23	Total operating expenses	\$ 17,882	\$ 2,383	\$ 20,265
24	<b>Operating income</b>	\$ 911	\$ 2,919	\$ 3,830
25	<b>Rate Base</b>	\$ 47,049		\$ 47,049
26	<b>Rate of Return overall</b>	1.94%		8.14%
27	<b>Return on Equity</b>	-1.23%		10.90%

**Metropolitan Edison Company**  
**Summary of Revenue Requirements**  
**Total Distribution**  
 \$000

<u>Line No.</u>	<u>Description</u>	<u>Budget as Adjusted</u>	<u>Revenue Adjustment Required</u>	<u>Allowable Revenue</u>
		(1)	(2)	(3)
	<u>Operating revenues</u>			
1	Retail sales	\$ 337,080	\$ 101,576	\$ 438,656
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	25,232	-	25,232
6	Total operating revenue	\$ 362,312	\$ 101,576	\$ 463,888
	<u>Operating expenses</u>			
7	PTC	\$ -	\$ -	\$ -
8	Distribution	38,379	-	38,379
9	Customer accounts	25,847	-	25,847
10	Customer service & info	18,363	-	18,363
11	Admin & gen expense	31,821	-	31,821
12	Depreciation - accrual	80,473	-	80,473
13	Amortization	33,205	-	33,205
14	Taxes other than income	23,480	5,993	29,473
15	Operating expense before tax	\$ 251,568	\$ 5,993	\$ 257,561
16	Operating income before tax	\$ 110,744	\$ 95,583	\$ 206,327
	<u>Income taxes</u>			
17	Federal income tax - current	\$ 27,685	\$ 30,112	\$ 57,797
18	State income tax - current	13,569	9,549	23,118
19	Deferred income tax - federal	9,464	-	9,464
20	Deferred income tax - state	-	-	-
21	Investment tax credit	(296)	-	(296)
22	Total tax expense	\$ 50,422	\$ 39,661	\$ 90,083
23	Total operating expenses	\$ 301,990	\$ 45,654	\$ 347,644
24	<b>Operating income</b>	\$ 60,322	\$ 55,923	\$ 116,244
25	<b>Rate Base</b>	\$ 1,427,902		\$ 1,427,902
26	<b>Rate of Return overall</b>	4.22%		8.14%
27	<b>Return on Equity</b>	3.25%		10.90%

Metropolitan Edison Company  
 Normalization Adjustment No. 1  
 \$000

Adjustment of Base Operating Revenues

To adjust base operating revenues (1) for changes in number of customers, (2) to roll in State Tax Adjustment Surcharge ("STAS") revenues into base rates, (3) to roll in Distribution System Improvement Charge ("DSIC") revenue into base rates, (4) for Energy Efficiency and Behind the Meter generation, (5) for other revenue, and (6) to eliminate unbilled revenues. Adjustments (1) through (5) are supported by Mr. K. M. Siedt. The adjustment for unbilled revenues is supported by Mr. R. A. D'Angelo.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Base revenues per budget for the 12 months ending 12/31/2016		\$ 785,730
	Normalizing adjustments:		
2	Customers - increase to yr end level	583	
	<u>Specific adjustments</u>		
3	Roll-in of STAS	-	
4	Roll-in of DSIC	792	
5	Adjust for Energy Efficiency and Behind the Meter Generation	(10,289)	
6	Eliminate Smart Meter Rider Revenues	-	
7	Adjust for Other Revenues	(19)	
8	Eliminate unbilled revenues	276	
9	Total	\$ (9,240)	
10	Normalizing adjustment (Line 2+ Line 9)		<u>(8,657)</u>
11	Base revenues per budget for the 12 months ending 12/31/2016 as adjusted		<u>\$ 777,073</u>

Metropolitan Edison Company  
Normalization Adjustment No. 2  
\$000

Adjustment of State Tax Adjustment Surcharge Revenues

To remove state tax adjustment surcharge ("STAS") revenues. Normalized STAS revenues are being rolled into base rates.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
1	STAS revenue per budget for the 12 months ending 12/31/2016	\$ -
2	Eliminate per budget STAS	<u>-</u>
3	STAS revenue per budget for the 12 months ending 12/31/2016, as adjusted	<u>\$ -</u>

Metropolitan Edison Company  
Normalization Adjustment No. 3  
\$000

Adjustment of Distribution System Improvement Charge Revenues

To remove Distribution System Improvement Charge ("DSIC") revenues.  
Normalized DSIC revenues are being rolled into base rates.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	DSIC revenue per budget for the 12 months ending 12/31/2016	\$ 792
2	Eliminate per budget DSIC revenues	<u>(792)</u>
3	DSIC revenue per budget for the 12 months ending 12/31/2016, as adjusted	<u>\$ -</u>

Metropolitan Edison Company  
Normalization Adjustment No. 4  
\$000

Adjustment of Other Operating Revenues

To adjust other operating revenue to eliminate non-jurisdictional transmission revenues.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Other operating revenue per budget for the 12 months ending 12/31/2016	\$ 71,917
2	Eliminate non-jurisdictional transmission revenues	<u>(46,685)</u>
3	Other operating revenue per budget for the 12 months ending 12/31/2016, as adjusted	<u>\$ 25,232</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 5  
 \$000

Adjustment of Distribution Expense

To adjust distribution expense (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to eliminate non-jurisdictional transmission expense (4) to include the jurisdictional portion of the amortization of gains or losses on reacquired debt, and (5) to include an increase for contractor safety requests. Mr. T. J. Dolezal supports the jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Distribution expense per budget for the 12 months ending 12/31/2016		\$ 67,208
2	Distribution payroll expense adjustment to reflect year end employee levels, and ongoing wage and salary rates (Supporting Schedule No. 1, Line 18, Column 2)	\$ 460	
3	Service Company Distribution payroll expense adjustment allocated to Met-Ed to reflect year end employee levels, and ongoing wage and salary rates (Supporting Schedule No. 1, Line 31, Column 2)	\$ 121	
4	Eliminate non-jurisdictional transmission expense	\$ (14,313)	
5	Amortization of (gain) or loss on reacquired debt	\$ 83	
6	Allocation ratio based on distribution plant	<u>79.62%</u>	
7	Distribution portion of (gain) or loss	\$ 66	
8	Increase in distribution expenses for contractor safety requests	\$ 167	
9	Total normalizing adjustment (Line 2 + Line 3 + Line 4 + Line 7 + Line 8)		<u>(13,499)</u>
10	Distribution expense per budget for the 12 months ending 12/31/2016, as adjusted		<u>\$ 53,709</u>



Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 5  
 (\$000)

Adjustment to Payroll Expense to Reflect Year End Employee Levels and Wage Rates.

To determine the additional payroll expense associated with (1) year end bargaining and non-bargaining wage rates and employee levels, and (2) Service Company year end wage rates and employee levels; and to allocate the additional payroll expense to individual components. Mr. T. J. Dolezal supports the Company labor allocation factors.

Line No.	Description	Amount	
		(1)	(2)
1	Total Company payroll per budget for the 12 months ending 12/31/2016 (Exhibit RAD-27)		\$ 64,083
<u>Bargaining</u>			
2	Bargaining straight time payroll per budget, 12 months ending 12/31/2016 (Exhibit RAD-27)	\$ 36,544	
3	Bargaining straight time payroll per budget for the 4 months ending 4/30/2016	12,190	
4	Annualization adjustment for Bargaining 2.5% increase effective 5/01/2016 (Line 3 X 2.5%)	\$ 305	
5	Bargaining straight time payroll for 12 months ending 12/31/2016, as adjusted (Line 2 + Line 4)	\$ 36,849	
6	Annualization adjustment for Bargaining 2.5% increase effective 5/01/2017 (Line 5 X 2.5%)	\$ 921	
<u>Non-Bargaining</u>			
7	Non-Bargaining straight time payroll per budget for the 12 months ending 12/31/2016 (Exhibit RAD-27)	\$ 15,858	
8	Non-Bargaining straight time payroll for the 2 months ending 2/29/2016	2,504	
9	Annualization adjustment for Non-Bargaining 3.0% increase effective 3/01/2016 (Line 8 X 3.0%)	\$ 75	
10	Non-Bargaining straight time payroll for 12 months ending 12/31/2016, as adjusted (Line 7 + Line 9)	\$ 15,933	
11	Annualization adjustment for Non-Bargaining straight time 2.5% increase effective 3/01/2017 (Line 10 X 3.0%)	\$ 478	
12	Total company payroll adjustments (Line 4 + Line 6 + Line 9 + Line 11)		<u>1,779</u>
13	O&M allocation %		46.00%
14	Company O&M payroll adjustment (Line 12 X Line 13)		<u>\$ 818</u>
15	Total Company payroll, as adjusted (Line 1 + Line 12)		<u>\$ 65,862</u>
<u>Allocation of Bargaining and Non-Bargaining payroll adjustment:</u>			
16	Price to Compare	0.00%	\$ -
17	Transmission	5.74%	46
18	Distribution	56.16%	460
19	Customer accounts	23.43%	192
20	Customer service	11.39%	93
21	Administrative and general	3.27%	27
22	Total	100%	<u>\$ 818</u>
<u>Service Company</u>			
23	Service Company straight time payroll per budget for the 12 months ending 12/31/2016	\$ 14,475	
24	Jurisdictional Service Company straight time payroll for the 2 months ending 2/29/2016	\$ 2,170	
25	Annualization adjustment for Service Company 3.0% increase effective 3/01/2016 (Line 24 X 3.0%)	65	
26	Service Company straight time payroll for 12 months ending 12/31/2016, as adjusted (Line 23 + Line 25)	\$ 14,540	
27	Annualization adjustment for Service Company straight time 3.0% increase effective 3/01/2017 (Line 26 X 3.0%)	\$ 436	
28	Total Service Company payroll adjustments (Line 25 + Line 27)	\$ 501	
<u>Allocation of Service Company payroll adjustments:</u>			
29	Price to Compare	0.00%	\$ -
30	Transmission	10.64%	53
31	Distribution	24.20%	121
32	Customer Accounting and Information	26.43%	132
33	Administrative and general	38.73%	195
34	Total	100%	<u>\$ 501</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 6  
 \$000

Adjustment of Customer Accounts Expense

To adjust customer account expense (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to include increased O&M costs associated with serving new customers, and (4) to include interest on customer deposits.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Customer Account expense per budget for the 12 months ending 12/31/2016		\$ 30,941
2	Customer Account payroll expense adjustment to reflect year end employee levels and ongoing wage & salary rates (Normalizing Adjustment No. 5, Supporting Schedule No. 1, Line 19, Column 2)	\$ 192	
3	Service Company customer account payroll expense adjustment allocated to Met-Ed to reflect year end employee levels and ongoing wage & salary rates (Normalizing Adjustment No. 5, Supporting Schedule No. 1, Line 32, Column 2)	132	
4	Increased O&M costs associated with increased number of customers in normalized revenue levels (Supporting Schedule 1, Line 10)	7	
5	Interest on customer deposits (Supporting Schedule 2, Column 3, Line 3)	<u>1,247</u>	
6	Total normalizing adjustment (Line 2 + Line 3 + Line 4 + Line 5)		<u>1,578</u>
7	Customer Account expense per budget for the 12 months ending 12/31/2016, as adjusted		<u>\$ 32,519</u>

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 6  
 (\$000)

Adjustment of Other O&M Costs Associated with Serving New Customers

To determine the cost associated with serving the additional customers reflected in Normalization Adjustment No. 1. The ratio of non-payroll customer account expense to total revenue is applied to the additional revenue from increased customers to estimate this cost. The Commission previously recognized and approved this adjustment. The adjustment to base operating revenue for changes in number of customers is supported by Mr. K. M. Siedt.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
	<u>Customer Account Expense Excluding Labor and Uncollectible</u>	
1	Customer Account expense per budget for the 12 months ending 12/31/2016	\$ 30,941
2	Less: uncollectible expense	(18,190)
3	Less: Labor expense	<u>(8,463)</u>
4	Customer Account expense excluding labor and uncollectible expense	<u>\$ 4,288</u>
	<u>Total Base Revenue</u>	
5	Distribution revenues per budget	\$ 345,737
6	Late payment charges per budget	<u>3,537</u>
7	Total	<u>\$ 349,274</u>
8	Ratio of customer account expense to distribution revenue (Line 4 / Line 7)	1.23%
9	Revenue from added customers (Adjustment No. 1, Line 2)	\$ 583
10	Additional expense from added customers (Line 8 X Line 9)	<u>\$ 7</u>

Metropolitan Edison Company  
 Supporting Schedule No. 2 to Normalizing Adjustment No. 6  
 (\$000)

Adjustment of Customer Account Expense to Allow for Interest Expense on Customer Deposits

To determine the interest paid on customer deposits. Since customer deposits are funds supplied to the Company by customers they are included in rate base as a deduction. The Commission previously recognized this adjustment to include the corresponding interest paid to customers on these deposits as an expense.

<u>Line No.</u>	<u>Description</u>	<u>Residential</u> (1)	<u>Non-Residential</u> (2)	<u>Total</u> (3)
1	Customer deposits included in rate base (Exhibit RAD-3 Column 1, Line 14)	\$ 9,417	\$ 16,059	\$ 25,476
2	Interest rate on deposits	3.00%	6.00%	
3	Interest expense on customer deposits (Lines 1 X 2)	<u>\$ 283</u>	<u>\$ 964</u>	<u>\$ 1,247</u>

Metropolitan Edison Company  
Normalization Adjustment No. 7  
\$000

Adjustment of Customer Service and Information Expense

To adjust customer service and information expense to reflect year end wage and employee levels.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Customer Service expense per budget for the 12 months ending 12/31/2016		\$ 40,492
2	Customer Service payroll expense adjustment to reflect year end employee levels and ongoing wage & salary rates, (Normalization Adjustment No. 5, Supporting Schedule No. 1, Line 20, Column 2)	\$ 93	
3	Total normalizing adjustment		<u>93</u>
4	Customer Service expense per budget for the 12 months ending 12/31/2016, as adjusted		<u>\$ 40,585</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 8  
 \$000

Adjustment of Administrative and General Expense

To adjust administrative and general expenses (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to reflect OPEB expense at service cost level, (4) to reflect pension expense at the ten year cash level, (5) to reflect employee benefits expense at year end wage rates and employee levels, (6) to include amortization of rate case expenses, and (7) to eliminate non-jurisdictional administrative and general expenses. Mr. T. J. Dolezal supports the non-jurisdictional expense allocation factor.

Line No.	Description	Amount	
		(1)	(2)
1	Administrative & general expense per budget for the 12 months ending 12/31/2016		\$ 46,303
2	Administrative & general expenses related to EE&C	\$ (23,696)	
3	Administrative & general expenses related to Smart Meters	(13,534)	
4	Adjustments to administrative & general expenses (Line 2 + Line 3)	(37,230)	
5	Net administrative & general expenses related to distribution (Line 1 + Line 4)	9,073	
6	Administrative & general payroll expense adjustment to reflect year-end employee levels and ongoing wage & salary rates (Normalization Adjustment No. 5, Support Schedule No. 1, Line 21, Column 2)	\$ 27	
7	Service Company administrative & general payroll expense adjustment allocated to Met-Ed to reflect year end employee levels and ongoing wage & salary rates (Normalization Adjustment No. 5, Supporting Schedule No. 1, Line 33, Column 2)	195	
8	Adjust OPEB expense to service cost level (Normalization Adjustment No. 8, Supporting Schedule No. 1, Line 12, Column 1)	2,712	
9	Adjust pension expense to ten year cash level (Normalization Adjustment No. 8, Supporting Schedule No. 2, Line 18, Column 3)	10,201	
10	Adjust employee benefit costs (Normalization Adjustment No. 8, Supporting Schedule No. 3, Line 8, Column 3)	416	
11	Subtotal of adjustments (Line 6 + Line 7 + Line 8 + Line 9 + Line 10)		13,551
12	Administrative and general expense, adjusted (Line 5 + Line 11)	\$ 22,624	
13	Non-jurisdictional expense allocation factor	20.38%	
14	Non-jurisdictional administrative and general expense		(4,611)
15	Rate case expenses to be incurred during current rate proceeding (Exhibit RAD-23)	\$ 548	
16	Recovery period - years	2	
17	Annual amount (Line 15 / Line 16)	\$ 274	
18	Less rate case expenses in budget	-	
19	Adjusted rate case expense total (Line 17 - Line 18)		\$ 274
20	Eliminate other non-jurisdictional expense		-
21	Total normalizing adjustments (Lines 11 + Line 14 + Line 19 + Line 20)		9,214
22	Administrative and general expense per budget for the 12 months ending 12/31/2016, as adjusted (Line 1 + Line 21)		\$ 55,517

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 8  
 \$000

Adjustment of OPEB Expense

To adjust OPEB expense to the test year service cost. The service cost represents the actuarial present value of benefit liabilities accrued under the plan benefit formula for services rendered during the test year. Inclusion of the service cost in rates provides for recovery of the current cost of benefits earned by plan participants. Any excess or shortfall related to the expected return on plan assets are not included because their inclusion would artificially reduce or increase total costs and result in the recovery of more or less than the actual normal cost of service. The adjustment for OPEB expense to the current service cost amount was adopted by the Commission at Docket Numbers R-00061366 and R-00061367, and included at Docket Nos. R-2014-2428745; R-2014-2428743; R-2014-2428744 and R-2014-2428742.

<u>Line No.</u>	<u>Description</u>	<u>O&amp;M</u>	<u>Capital</u>	<u>Total</u>
		(1)	(2)	(3)
1	O&M - Capital allocation ratios	46.00%	54.00%	100.00%
2	Company OPEB expense included in budget (Exhibit RAD-27)	\$ (2,047)	\$ (2,402)	\$ (4,449)
3	FirstEnergy Service Corp. OPEB expense	\$ (11,147)	\$ (13,085)	\$ (24,232)
4	Allocation ratio	<u>5.70%</u>	<u>5.70%</u>	<u>5.70%</u>
5	Allocated FirstEnergy Service Corp. OPEB expense included in budget (Line 3 X Line 4)	\$ (635)	\$ (746)	\$ (1,381)
6	Total OPEB expense included in budget (Line 2 + Line 5)	<u>\$ (2,682)</u>	<u>\$ (3,148)</u>	<u>\$ (5,830)</u>
7	Service cost for company OPEB expense	\$ 16	\$ 18	\$ 34
8	Service cost for FirstEnergy Service Corp. OPEB expense	\$ 250	\$ 294	\$ 544
9	Allocation ratio	<u>5.70%</u>	<u>5.70%</u>	<u>5.70%</u>
10	Allocated FirstEnergy Service Corp. service cost (Line 8 X Line 9)	\$ 14	\$ 17	\$ 31
11	Total OPEB service cost (Lines 7 + 10)	<u>\$ 30</u>	<u>\$ 35</u>	<u>\$ 65</u>
12	Adjustment to set OPEB expense at ongoing service cost level (Line 11 - Line 6)	<u>\$ 2,712</u>	<u>\$ 3,183</u>	<u>\$ 5,895</u>

Metropolitan Edison Company  
 Supporting Schedule No. 2 to Normalizing Adjustment No. 8  
 \$000

Adjustment of Pension Expense

To adjust pension expense to a ten year historical average level of actual cash contributions under the methodology that was adopted by the Commission at Docket Numbers R-00061366 and R-0061367, and included at Docket Nos. R-2014-2428745; R-2014-2428743; R-2014-2428744 and R-2014-2428742.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>		
		(1) Total	(2) O&M %	(3) O&M
<u>Company Cash Contributions</u>				
1	2007 Cash Pension Contribution	\$ 11,012	55.42%	\$ 6,103
2	2009 Cash Pension Contribution	123,521	50.49%	62,366
3	2011 Cash Pension Contribution	35,000	45.09%	15,782
4	2015 Cash Pension Contribution	23,000	37.46%	8,616
5	2016 Cash Pension Contribution	39,616	46.00%	18,223
6	Total Company Cash Pension Contributions	\$ 232,149		\$ 111,089
<u>FirstEnergy Service Company Cash Contributions</u>				
7	2007 Pension Contribution	\$ 27,468		
8	2007 Company Allocation Factor	<u>11.29%</u>		
9	2007 Service Company Pension Contribution allocated to the Company	\$ 3,101	55.42%	\$ 1,719
10	2016 Pension Contribution	\$ 24,760		
11	2016 Company Allocation Factor	<u>5.70%</u>		
12	2016 Service Company Pension Contribution allocated to the Company	\$ 1,411	46.00%	\$ 649
13	Total FirstEnergy Service Company Cash Pension Contributions allocated to the Company ( Line 9 + Line 12)	\$ 4,512		\$ 2,368
14	Total Pension cash contributions (Line 6 + Line 13)	\$ 236,661		\$ 113,457
15	Average	<u>10</u>		<u>10</u>
16	Pension expense cash contribution, averaged over 10 years	\$ 23,666		\$ 11,346
17	O&M Pension Expense included in budget			<u>1,145</u>
18	Adjustment to Pension Expense (Line 16 - Line 17)			<u>\$ 10,201</u>



Metropolitan Edison Company  
 Supporting Schedule No. 3 to Normalizing Adjustment No. 8  
 \$000

Adjustment to Employee Benefit Expense to Reflect Year End Employee Levels and Ongoing Wage Rates

To determine the normalized costs associated with providing additional employee benefits related to the increased O&M payroll expense reflected in Normalization Adjustment No. 5, Supporting Schedule No. 1.

Employee benefits applicable to operating expenses:

<u>Line No.</u>		<u>Effective Rate (a)</u>	<u>Payroll Adjustment</u>		<u>Benefit Adjustment</u>
		(1)	(2)		(3) = (1) X (2)
1	Workers compensation	0.668%	\$ 818 (b)	\$	5
2	Pension costs	36.226%	\$ 818 (b)		296
3	OPEB costs	0.053%	\$ 818 (b)		-
4	Life insurance	0.144%	\$ 818 (b)		1
5	Medical insurance	8.726%	\$ 818 (b)		71
6	Savings Plan	3.073%	\$ 818 (b)		25
7	Other	2.247%	\$ 818 (b)		18
8	Total increase due to payroll adjustment			\$	<u>416</u>

(a) Summary of effective employee benefit rates based on total payroll for the 12 months ending 12/31/2016

	<u>Total Amount</u>	<u>Total Payroll</u>	<u>Effective Rate</u>
Workers compensation (Exhibit RAD-27)	\$ 428	\$ 64,083	0.668%
Pension costs - normalized basis	23,215	64,083	36.226%
OPEB costs - service cost	34	64,083	0.053%
Life insurance (Exhibit RAD-27)	92	64,083	0.144%
Medical insurance (Exhibit RAD-27)	5,592	64,083	8.726%
Savings Plan (Exhibit RAD-27)	1,969	64,083	3.073%
Other (Exhibit RAD-27)	1,440	64,083	2.247%

(b) Adjustment No. 5, Supporting Schedule No. 1, Line 14, Column 2

Metropolitan Edison Company  
 Normalization Adjustment No. 9  
 \$000

Adjustment of Depreciation Expense

To adjust depreciation expense (1) to reflect equal life group ("ELG") rates on adjusted rate base, (2) to adjust cost of removal / salvage expense to a five-year average per Commission practice, (3) to eliminate non-jurisdictional cost of removal / salvage expense, and (4) to eliminate legacy meter cost of removal from the five-year average. Mr. T. J. Dolezal supports the jurisdictional expense allocation factor. Mr. J. J. Spanos supports the ELG depreciation rates.

Line No.	Description	Amount			
		(1)	(2)	(3)	(4)
1	Depreciation expense per budget for the 12 months ending 12/31/2016				\$ 68,309
2	Cost of removal/salvage expense per budget for the 12 months ending 12/31/2016 (Exhibit RAD-30)		\$ 12,091		
3	Depreciation accrual per budget (Line 1 - Line 2)		\$ 56,218		
4	Jurisdictional depreciation expense accrual on adjusted rate base at equal life group rates (Exhibit RAD-53, page 4)		66,053		
5	Adjustment for equal life group rates applied to jurisdictional plant (Line 4 - Line 3)			\$ 9,835	
6	Cost of removal/salvage expense per budget for the 12 months ending 12/31/2016 (Exhibit RAD-30)			\$ 12,091	
<u>Cost of removal and salvage</u>					
		Per Exhibit RAD-30	Jurisdictional Allocator	Jurisdictional Amount (Col. 1 x Col. 2)	
7	01/01/2011 - 12/31/2011	\$ 17,681	79.62%	\$ 14,078	
8	01/01/2012 - 12/31/2012	28,161	79.62%	22,422	
9	01/01/2013 - 12/31/2013	8,116	79.62%	6,462	
10	01/01/2014 - 12/31/2014	18,295	79.62%	14,566	
11	01/01/2015 - 12/31/2015	18,385	79.62%	14,638	
12	Totals	\$ 90,638		\$ 72,166	
13	Five-year average on jurisdictional basis (Line 12 / 5 years)			\$ 14,433	
14	Less five-year average for legacy meter cost of removal			(13)	
15	Jurisdictional cost of removal/salvage expense at a jurisdictional five-year average as adjusted (Line 13 + Line 14)			14,420	
16	Adjustment of jurisdictional cost of removal/salvage expense to a jurisdictional five-year average (Line 15 - Line 6)			2,329	
17	Total normalizing adjustments (Line 5 + Line 16)				12,164
18	Depreciation expense per budget for the 12 months ending 12/31/2016, as adjusted (Line 1 + Line 17)				\$ 80,473

Metropolitan Edison Company  
 Normalization Adjustment No. 10  
 \$000

Adjustment of Amortization Expense

To adjust amortization expense (1) to exclude the deferral of transmission vegetation management, (2) to exclude smart meter amortization in the budget, (3) to update the amortization of legacy meters costs over 39 months from the original amortization period as supported in Exhibit RAD-64, and (4) to exclude accretion expense.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		<u>(1)</u>	<u>(2)</u>
1	Amortization expense per budget for the 12 months ending 12/31/2016		\$ 36,842
2	Eliminate transmission vegetation management amortization per budget	\$ 3,300	
3	Eliminate smart meter amortization per budget	5,400	
4	Eliminate legacy meters cost of removal in budget	916	
5	Adjustment to reflect additional annual amortization of legacy meters (Normalization Adjustment No. 10, Supporting Schedule No.1)	3,245	
6	Remove accretion expense	<u>-</u>	
7	Normalization adjustment (Line 2 + Line 3 + Line 4 + Line 5 + Line 6)		<u>12,861</u>
8	Amortization expense per budget for the 12 months ending 12/31/2016, as adjusted (Line 1 + Line 7)		<u>\$ 49,703</u>

Metropolitan Edison Company  
Supporting Schedule No. 1 to Normalizing Adjustment No. 10  
\$000

Adjustment for Amortization Expense of Legacy Meters

To determine additional legacy meters amortization to fully recover all legacy meter costs over 39 months of the original amortization period.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
1	Total Legacy Meters and Cost of Removal to be recovered (Exhibit RAD-64)	\$ 64,340
2	Less Legacy Meters and Cost of Removal being recovered in current Base Rates (Exhibit RAD-64)	<u>53,794</u>
3	Unrecovered Legacy Meters (Line 1 - Line 2)	<u>\$ 10,546</u>
4	Additional annual amount of unrecovered legacy meter (Line 3 / 39 months X 12 months)	<u>\$ 3,245</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 11  
 \$000

Adjustment of Taxes Other Than Income

To adjust taxes other than income (1) to eliminate non-jurisdictional tax expense, (2) to eliminate Capital Stock Tax, (3) to reflect normalized sales revenues in gross receipts tax expense, and (4) to reflect year end wage rates and employee levels in payroll tax expenses. The non-jurisdictional allocation factor is supported by Mr. T. J. Dolezal.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>		
		(1)	(2)	(3)
1	Taxes Other Than Income per budget for the 12 months ending 12/31/2016			\$ 50,557
2	Federal and State payroll taxes in budget	\$ 1,995		
3	Non-jurisdictional percent	<u>5.93%</u>		
4	Eliminate non-jurisdictional payroll taxes		\$ (118)	
5	Eliminate Capital Stock Tax included in budget		(47)	
6	PURTA tax in budget	1,989		
7	Real Estate tax in budget	<u>132</u>		
8	Total Other taxes	\$ 2,121		
9	Non-jurisdictional percent	<u>20.38%</u>		
10	Eliminate non-jurisdictional taxes		(432)	
	Gross Receipts Tax			
11	Normalized sales revenues (Exhibit RAD-4, Page 1, Column 3, Line 1)	\$ 777,073		
12	Gross receipts tax @ 5.9%	45,847		
13	Gross receipts tax included in budget	<u>46,392</u>		
14	Adjustment for gross receipts tax at normalized revenue level (Line 12 - Line 13)		(545)	
15	Adjustment for payroll taxes on normalized payroll (Supporting Schedule No. 1, Line 8)		<u>25</u>	
16	Total normalizing adjustment (Line 4 + Line 5 + Line 10 + Line 14 + Line 15)			<u>(1,117)</u>
17	Taxes other than income per budget for the 12 months ending 12/31/2016, as adjusted			<u>\$ 49,440</u>

Metropolitan Edison Company  
 Supporting Schedule No.1 to Normalizing Adjustment No. 11  
 \$000

Adjustment to Taxes Other Than Income to reflect changes in payroll taxes.

To determine the additional payroll tax expense associated with the increased O&M payroll expense reflected in Normalization Adjustment No. 5, Supporting Schedule No. 1.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
1	Total payroll per budget for the 12 months ending 12/31/2016 (Normalization Adjustment No. 5, Schedule 1, Line 1, Col 2)	\$ 64,083
2	Total payroll tax included in budget	<u>1,995</u>
3	Effective payroll tax rate (Line 2 / Line 1)	<u>3.113%</u>
4	Total payroll as adjusted (Normalization Adjustment No. 5, Supporting Schedule 1, Line 15, Column 2)	\$ <u>65,862</u>
5	Payroll tax on normalized payroll (Line 3 x Line 4)	\$ 2,050
6	Total Company payroll tax adjustment (Line 5 - Line 2)	\$ 55
7	O&M Allocation percentage	46.00%
8	Adjustment for payroll tax (Line 6 x Line 7)	\$ <u>25</u>

Metropolitan Edison Company  
Normalization Adjustment No. 12  
\$000

Adjustment of Federal & State Income Taxes

To adjust federal and state income taxes to reflect the revenue and expense levels shown on Exhibit RAD-4, Page 1, Col. 3 - Budget as Adjusted.

Line No.	Description	Total Company Calculated Taxes (1)	Distribution Calculated Taxes (2)	Smart Meters Calculated Taxes (3)	Total Distribution Calculated Taxes (4) = (2) + (3)	PTC Calculated Taxes (5)	Universal Service Calculated Taxes (6)	Energy Efficiency Calculated Taxes (7)	DSS Calculated Taxes (8)	Solar Calculated Taxes (9)	NUG Charge Calculated Taxes (10)
1	Total operating revenue	\$ 807,864	\$ 343,519	\$ 18,793	\$ 362,312	\$ 341,900	\$ 23,889	\$ 24,331	\$ 48,289	\$ 4,451	\$ 4,712
2	Less: Total O&M Expense	522,849	100,376	13,534	114,410	326,443	22,036	23,696	31,188	5,076	-
3	Depreciation - accrual	60,063	60,384	5,669	66,053	-	-	-	-	-	-
4	Average net salvage	14,420	14,420	-	14,420	(1,133)	897	(649)	14,061	(912)	4,634
5	Amortization	49,703	33,205	-	33,205	19,861	1,409	2,732	2,732	263	273
6	Taxes other than income tax	49,440	22,371	1,109	23,480	345,171	24,342	24,264	47,981	4,427	4,712
7	Total deductions	\$ 702,465	\$ 231,256	\$ 20,312	\$ 251,568	\$ 345,171	\$ 24,342	\$ 24,264	\$ 47,981	\$ 4,427	\$ 4,712
8	Net operating income before income taxes	\$ 105,429	\$ 112,263	\$ (1,519)	\$ 110,744	\$ (3,271)	\$ (453)	\$ 67	\$ (1,692)	\$ 24	\$ -
9	Less: Interest Charges (A)	36,603	35,397	1,206	36,603	-	-	-	-	-	-
10	Net income before income taxes	\$ 68,826	\$ 76,866	\$ (2,725)	\$ 74,141	\$ (3,271)	\$ (453)	\$ 67	\$ (1,692)	\$ 24	\$ -
Adjustments to taxable income:											
11	Book Average net salvage	14,420	14,420	-	14,420	-	-	-	-	-	-
12	Adj. of book depreciation to tax basis (B)	(11,491)	3,063	(15,444)	(11,491)	-	-	-	-	-	-
13	Adj. to Amortization of Legacy Meters	14,004	1,004	-	14,004	-	-	-	-	-	-
14	Tax cost of removal/salvage	(8,606)	(8,606)	-	(8,606)	-	-	-	-	-	-
15	Adjust cash pension	10,201	10,201	-	10,201	-	-	-	-	-	-
16	Net adjustments	\$ 18,526	\$ 33,372	\$ (15,444)	\$ 18,528	-	-	-	-	-	-
17	Income subject to state income tax (Line 10 + Line 16)	\$ 87,354	\$ 110,938	\$ (18,169)	\$ 92,669	\$ (3,271)	\$ (453)	\$ 67	\$ (1,692)	\$ 24	\$ -
Adjustments to state taxable income:											
18	Plus: Federal Bonus Depreciation	56,690	56,690	-	56,690	-	-	-	-	-	-
19	Less: Additional State Depreciator	(13,531)	(13,531)	-	(13,531)	-	-	-	-	-	-
20	Net adjustment to state taxable income	\$ 43,159	\$ 43,159	-	\$ 43,159	-	-	-	-	-	-
21	Income subject to state income tax (Line 17 + 20)	\$ 130,513	\$ 153,997	\$ (18,169)	\$ 135,828	\$ (3,271)	\$ (453)	\$ 67	\$ (1,692)	\$ 24	\$ -
22	State income tax @ 9.95%	13,038	15,384	(1,815)	13,569	(327)	(45)	7	(168)	2	-
23	Taxes as budgeted	8,539	8,539	-	8,539	-	-	-	-	-	-
24	Adjustment to state income tax (Line 22 - Line 23)	4,499	6,845	(1,815)	5,030	(327)	(45)	7	(168)	2	-
25	Income subject to federal income tax (Line 17 - Line 24)	\$ 74,316	\$ 95,454	\$ (16,354)	\$ 79,100	\$ (2,944)	\$ (408)	\$ 60	\$ (1,514)	\$ 22	\$ -
26	Federal income tax @ 35%	26,011	33,409	(5,724)	27,685	(1,030)	(143)	21	(530)	8	-
27	Taxes as budgeted	21,850	21,850	-	21,850	-	-	-	-	-	-
28	Adjustment to federal income tax (Line 26 - Line 28)	4,161	11,559	(5,724)	5,835	(1,030)	(143)	21	(530)	8	-
(A) Computation of interest charges											
	Total rate base	\$ 1,427,902	\$ 1,390,853	\$ 47,049	\$ 1,427,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Debt ratio	48.33%	48.33%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%
	Cost of debt	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
	Interest expense	\$ 36,603	\$ 35,397	\$ 1,206	\$ 36,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(B) Adjustment of book depreciation to tax basis:											
	Tax depreciation	\$ 77,544	\$ 65,451	\$ 21,113	\$ 77,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Book depreciation	66,053	60,384	5,669	66,053	-	-	-	-	-	-
	Depreciation adjustment	11,491	(3,963)	15,444	11,491	-	-	-	-	-	-

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalization Adjustment No. 12  
 \$000

Computation of Federal & State Income Taxes - Normalized

To adjust tax depreciation (1) to eliminate the cost of removal component and (2) to eliminate non-jurisdictional tax depreciation. Mr. T. J. Dolezal supports the non-jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>		
		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
1	Tax depreciation expense per budget	\$ 102,797		
2	Cost of removal / salvage in tax depreciation	10,809	79.62%	\$ 8,606
3	Smart meter tax depreciation	<u>21,113</u>	100.00%	21,113
4	Distribution tax depreciation (Line 1 - Line 2 - Line 3)	\$ 70,875	79.62%	<u>56,431</u>
5	Total tax depreciation (Line 3 + Line 4)			<u>\$ 77,544</u>



Metropolitan Edison Company  
 Normalization Adjustment No. 13  
 \$000

Adjustment of Provision for Deferred Income Taxes

To adjust the provision for deferred income taxes (1) to reflect year-end plant balances for federal deferred income taxes, (2) to eliminate miscellaneous federal deferred taxes not associated with liberalized depreciation, and (3) to eliminate all state deferred income taxes associated with liberalized depreciation.

<u>Line No.</u>	<u>Description</u>	<u>Provision for Deferred Taxes - Net</u>	
		<u>Federal</u>	<u>State</u>
		<u>(1)</u>	<u>(2)</u>
1	Deferred taxes per budget, 12 months ending 12/31/2016	\$ 22,344	\$ 5,462
2	Deferred taxes - liberalized depreciation (Exhibit RAD-41, page 19)	10,579	-
3	Less: Smart Meter deferred taxes	<u>(5,109)</u>	-
4	Distribution deferred taxes (Line 2 + Line 3)	5,470	-
5	Jurisdictional allocation factor	<u>79.62%</u>	<u>79.62%</u>
6	Jurisdictional deferred taxes - liberalized depreciation (Line 4 x Line 5)	4,355	-
7	Plus: Smart Meter deferred taxes	<u>5,109</u>	-
8	Total Deferred Taxes (Line 6 + Line 7)	9,464	-
5	Adjustment to deferred tax expense (Line 8 - Line 1)	<u>(12,880)</u>	<u>(5,462)</u>
6	Deferred tax expense per budget for the 12 months ending 12/31/2016, as adjusted	<u>\$ 9,464</u>	<u>\$ -</u>

Metropolitan Edison Company  
Normalization Adjustment No. 14  
\$000

Adjustment of Investment Tax Credit

To adjust investment tax credit to eliminate non-jurisdictional investment tax credit. Mr. T. J. Dolezal supports the non-jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Investment tax credit adjustments per budget, 12 months ending 12/31/2016	\$	(372)
2	Non-jurisdictional allocation factor	<u>20.38%</u>	
3	Less: Adjustment to investment tax credit (Lines 1 X Line 2)		<u>76</u>
4	Investment tax credit expense per budget for the 12 months ending 12/31/2016, as adjusted	\$	<u>(296)</u>



**METROPOLITAN EDISON COMPANY**  
 Rate Base At Original Cost  
 Normalized To Year-End Conditions at December 31, 2015  
 (\$'000)

Line No.	Description	Per Books (1)	Adjustments and Normalizations (2)		Total (3)	Pa Jurisdictional Normalized Rate Base			PA Jurisdictional Total (6) = (4) + (5)
			Normalizations	Adj No.		Distribution (4)	Smart Meter (5)	Total	
1	Electric Plant:								
2	Plant in service	\$ 2,755,659	\$ (500,800)	1	\$ 2,254,859	\$ 2,226,671	\$ 28,188	\$ 2,254,859	
3	Plant held for future use	596	(596)	2	-	-	-	-	
4	Construction work in progress - pollution control and safety	-	-	-	-	-	-	-	
	Total electric plant	\$ 2,756,255	\$ (501,396)		\$ 2,254,859	\$ 2,226,671	\$ 28,188	\$ 2,254,859	
	Depreciation & Amortization Reserve:								
5	Plant in service	\$ 941,378	\$ (216,345)	3	\$ 725,033	\$ 722,573	\$ 2,460	\$ 725,033	
6	Plant held for future use	-	-	-	-	-	-	-	
7	Total depreciation & amortization reserve	\$ 941,378	\$ (216,345)		\$ 725,033	\$ 722,573	\$ 2,460	\$ 725,033	
8	Net Electric Plant	\$ 1,814,877	\$ (285,051)		\$ 1,529,826	\$ 1,504,098	\$ 25,728	\$ 1,529,826	
	Additions:								
9	Cash working capital	\$ -	\$ 134,868	4	\$ 134,868	\$ 134,868	\$ -	\$ 134,868	
10	M&S inventories	-	13,314	5	13,314	13,314	-	13,314	
11	Legacy meters	-	57,167	6	57,167	57,167	-	57,167	
12	Deferred storm damage	-	53,919	7	53,919	53,919	-	53,919	
13	Total additions	\$ -	\$ 259,268		\$ 259,268	\$ 259,268	\$ -	\$ 259,268	
	Deductions:								
14	Customer deposits	\$ 25,476	\$ -		\$ 25,476	\$ 25,476	\$ -	\$ 25,476	
15	Customer advances for construction	-	-		-	-	-	-	
16	Accum. Deferred income taxes - Liberalized depreciation	548,026	(151,707)	8	396,319	393,061	3,258	396,319	
17	Operating reserves (net of taxes)	976	(199)	9	777	777	-	777	
18	Total deductions	\$ 574,478	\$ (151,906)		\$ 422,572	\$ 419,314	\$ 3,258	\$ 422,572	
19	Total Rate Base	\$ 1,240,399	\$ 126,123		\$ 1,366,522	\$ 1,344,052	\$ 22,470	\$ 1,366,522	
20	Pro forma return at present rates (PA Distribution)	\$ 76,123							
21		5.57%							
22	Pro forma return at proposed rates (PA Distribution)	\$ 111,247							
23		8.14%							

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 1  
 (\$000)

Adjustment of Electric Plant in Service

To adjust the actual gross plant in service to (1) eliminate the Asset Retirement Cost ("ARC"), (2) remove FERC Transmission Plant which is non-jurisdictional, (3) remove an allocated portion of Intangible Plant that supports FERC Transmission Plant, (4) remove an allocated portion of General Plant that supports FERC Transmission Plant, and (5) reflect an increase in LED Street Lighting. An asset retirement cost ("ARC") increases the carrying amount of a long-lived asset when a liability for an asset retirement obligation ("ARO") is recognized. The ARC is depreciated over the life of the asset. The ARC and related reserve are excluded from Rate Base, while the associated depreciation expense is excluded from the Income Statement. This treatment is in accordance with 18 CFR Chapter 1 § 35.18 Asset retirement obligations.

Line No.	Description	Adjustments	Plant in Service	Cross Reference
		(1)	(2)	(3)
1	Actual Plant in Service at 12/31/2015		\$ 2,755,659	Met-Ed Exhibit RAD-48, Attach. B, p. 1 and 2
	Normalizing adjustments:			
2	Eliminate ARC associated with Nuclear, Transmission, Distribution, and General Plant	\$ (31,404)		Met-Ed Exhibit RAD-48, Attach. B, p. 1 and 2
3	Remove FERC Transmission Plant	(422,906)		Met-Ed Exhibit RAD-48, Attach. B, p. 1
4	Remove allocated portion of Intangible Plant associated with FERC Transmission Plant	(7,753)		Met-Ed Exhibit RAD-48, Attach. B, p. 1
5	Remove allocated portion of General Plant associated with FERC Transmission Plant	(39,018)		Met-Ed Exhibit RAD-48, Attach. B, p. 1 and 2
6	Increase LED Street Lighting	<u>281</u>		Met-Ed Exhibit RAD-48, Attach. B, p. 1
7	Normalization adjustment		<u>(500,800)</u>	
8	Plant in Service at 12/31/2015, as adjusted		<u>\$ 2,254,859</u>	Met-Ed Exhibit RAD-48, Attach. B, p. 1 and 2

METROPOLITAN EDISON COMPANY  
Normalization Adjustment No. 2  
(\$000)

Adjustment of Plant Held for Future Use

To adjust Plant Held for Future Use. As an alternative to rate base treatment, the Company is requesting the allowance of deferred carrying charges on any current or future investments in Plant Held for Future Use with definitive plans of utilization within a ten-year period. This is consistent with long-standing Commission policy.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Per books Plant Held for Future Use at 12/31/2015	\$ 596
	Normalizing adjustment:	
2	Eliminate Plant Held for Future Use	<u>(596)</u>
3	Plant Held for Future Use at 12/31/2015, as adjusted	<u>\$ -</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 3  
 (\$000)

Adjustment of Depreciation Reserves - Plant In Service

To adjust the actual plant in service depreciation reserves to (1) eliminate the Asset Retirement Cost ("ARC"), (2) remove FERC Transmission Plant reserves which are non-jurisdictional, (3) remove an allocated portion of Intangible Plant reserves that support FERC Transmission Plant, and (4) remove an allocated portion of General Plant reserves that support FERC Transmission Plant. An asset retirement cost ("ARC") increases the carrying amount of a long-lived asset when a liability for an asset retirement obligation ("ARO") is recognized. The ARC is depreciated over the life of the asset. The ARC and related reserve are excluded from Rate Base, while the associated depreciation expense is excluded from the Income Statement. This treatment is in accordance with 18 CFR Chapter 1 § 35.18 Asset retirement obligations.

Line No.	Description	Depreciation Reserves		Cross Reference
		Adjustments (1)	Plant in Service (2)	
1	Plant in Service depreciation reserves at 12/31/2015		941,378	Met-Ed Exhibit RAD-48, Attach. B, p. 3
	Normalizing adjustments:			
2	Eliminate ARC associated with Nuclear, Transmission, Distribution, and General Plant depreciation reserves	\$ (31,334)		Met-Ed Exhibit RAD-48, Attach. B, p. 3
3	Remove FERC Transmission Plant depreciation reserves	(154,051)		Met-Ed Exhibit RAD-48, Attach. B, p. 3
4	Remove allocated portion of Intangible Plant reserves associated with FERC Transmission Plant	\$ (5,797)		Met-Ed Exhibit RAD-48, Attach. B, p. 3
5	Remove allocated portion of General Plant reserves associated with FERC Transmission Plant	\$ (25,163)		Met-Ed Exhibit RAD-48, Attach. B, p. 3
	Normalization Adjustment		(216,345)	
	Plant in Service depreciation reserves at 12/31/2015, as adjusted		\$ 725,033	Met-Ed Exhibit RAD-48, Attach. B, p. 3

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 4  
 (\$000)

Adjustment of Cash Working Capital

To recognize cash working capital at year-end level. This adjustment is supported by Mr. J. L. Adams.

Line No.	Description	Cash Working Capital	
		(1)	(2)
1	Cash working capital per books at 12/31/2015		\$ -
	Normalizing adjustment:		
2	Cash working capital normalized to year-end (Exhibit JLA-1)	\$ 134,868	
3	Cash working capital per books		-
4	Normalization Adjustment		<u>134,868</u>
5	Cash working capital at 12/31/2015, as adjusted		<u>\$ 134,868</u>



METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 5  
 (\$000)

Adjustment of Material and Supplies Inventories

To recognize the Company's distribution portion of FE Service material and supplies ("M&S") inventory levels projected at 12/31/2015

Line No.	Description	M&S Inventories	
		(1)	(2)
1	M&S Inventory per books at 12/31/2015		\$ -
	Normalizing adjustment:		
2	Distribution component of projected FE Service M&S Inventory allocated to Met-Ed at 12/31/2015 (Met-Ed Exhibit RAD-13)	\$ 13,314	
3	M&S Inventory per books at 12/31/2015		-
4	Normalization Adjustment		<u>13,314</u>
5	M&S inventory at 12/31/2015, as adjusted		<u>\$ 13,314</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 6  
 (\$000)

Adjustment to Include Legacy Meters

To include legacy meters in a regulatory asset as ordered in the Final Order on the Smart Meter Deployment Plan at Docket No. M-2013-2341990.

Line No.	Description	Legacy Meters	
		(1)	(2)
1	Net legacy meters in regulatory asset at 12/31/2015		\$ -
2	Legacy Meter Regulatory Asset	\$ 57,167	
3	Normalizing Adjustment (Line 2)		<u>57,167</u>
6	Net legacy meters in regulatory asset as adjusted at 12/31/2015		<u>\$ 57,167</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 7  
 (\$000)

Adjustment of Deferred Storm Damage Expenses

To include in rate base (1) the deferred extraordinary storm damage balances for Winter Storm Nika, approved at Docket No. P-2014-2412229, Hurricane Sandy, approved at Docket No. P-2013-2351260, and distribution non-capital storm expenses that exceeded 125% of storm costs included in base rates between the period of February 25, 2011 through September 30, 2012 as a result of the FirstEnergy and Allegheny Merger approved at Docket Nos. A-2010-2176520 and A-2010-2176732, including but not limited to Hurricane Irene, the October 2011 snowstorm, and Tropical Storm Lee; and (2) the balance of the Storm Reserve approved at Docket No. P-2014-2428745.

Line No.	Description	Storms	
		(1)	(2)
1	Unamortized storm deferral expense per books at 12/31/2015		\$ -
<u>Normalizing Adjustment:</u>			
2	Extraordinary and Merger Approval storm damage deferrals	\$ 57,569	
3	Storm Reserve Balance	<u>(3,650)</u>	
4	Normalization Adjustment (Line 1 + Line 2)		<u>53,919</u>
5	Storm damage expense deferrals at 12/31/2015, as adjusted		\$ <u>53,919</u>

METROPOLITAN EDISON COMPANY  
 Normalization Adjustment No. 8  
 (\$000)

Adjustment of Accumulated Deferred Income Taxes - Liberalized Depreciation

This adjustment adjusts the actual deferred tax balances for liberalized depreciation (excluding the impact of SFAS No. 109 deferrals) to (1) eliminate the deferred income taxes - liberalized depreciation balances associated with TMI-2, (2) eliminate deferred income taxes - liberalized depreciation associated with other generation, (3) eliminate other excludable items (capital leases), (4) eliminate deferred income taxes - liberalized depreciation associated with Mid-Atlantic Interstate Transmission ("MAIT") Ground Leases, and (5) eliminate remaining state deferred taxes - liberalized depreciation balances including the federal benefit of those taxes, and (6) eliminate an allocated portion of the remaining federal deferred income taxes - liberalized depreciation balance associated with FERC Transmission Plant.

Line No.	Description	Adjustments (1)	Accum Reserve for Deferred Taxes - Liberalized Depreciation (2)
1	Deferred taxes per books - liberalized depreciation at 12/31/2015		\$ 548,026
	Normalizing adjustments:		
2	Eliminate deferred income taxes - liberalized depreciation associated with TMI-2 (federal and state)	\$ 2,895	
3	Eliminate deferred income taxes - liberalized depreciation associated with other generation (federal and state)	(88)	
4	Eliminate other excludable items - capital leases (federal and state)	(34,499)	
5	Eliminate deferred taxes - liberalized depreciation for MAIT ground lease (federal)	-	
6	Eliminate remaining state deferred taxes - liberalized depreciation including the federal benefit of those taxes	(18,571)	
7	Eliminate an allocated portion of the remaining federal deferred income taxes - liberalized depreciation associated with FERC Transmission Plant	(101,444)	
8	Normalization Adjustment (Line 2 + Line 3 + Line 4 + Line 5 + Line 6 + Line 7)		(151,707)
9	Deferred taxes - liberalized depreciation at 12/31/2015, as adjusted		\$ 396,319

METROPOLITAN EDISON COMPANY

Normalization Adjustment No. 9  
(\$000)

Adjustment of Operating Reserves

To adjust operating reserves (net of accumulated deferred income taxes) to eliminate an allocated portion associated with FERC Transmission operations.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Operating reserves, net of taxes, per books at 12/31/2015	976
	Normalizing adjustment:	
2	Eliminate portion of operating reserves associated with FERC Transmission operations	<u>(199)</u>
3	Operating reserves, net of taxes at 12/31/2015, as adjusted	<u>\$ 777</u>

METROPOLITAN EDISON COMPANY

Rate of Return at December 31, 2015  
 (\$000)

<u>Line No.</u>	<u>Description</u>	<u>Exhibit JD-24 Capital Amounts (1)</u>	<u>Capital Ratios (2)</u>	<u>Cost Rate (3)</u>	<u>Weighted Cost Rate (4) = (2) X (3)</u>
1	Total long-term debt	\$ 849,316	48.83%	5.25%	2.56%
2	Total preferred stock	-	0.00%	0.00%	0.00%
3	Total Common Equity	<u>889,984</u>	<u>51.17%</u>	10.90%	<u>5.58%</u>
4	Total Capitalization	<u>\$ 1,739,300</u>	<u>100.00%</u>		<u>8.14%</u>



**Metropolitan Edison Company**  
**Statement of Operating Income, 12 Months Ended December 31, 2015, Normalized and Adjusted**  
**to Reflect Revenue Necessary to Achieve Allowable Return**  
 (\$000)

Line No.	Description	Per Books (1)	Normalizations & Adjustments (2)	Adj. No.	Per Books as Adjusted (3)=(1)+(2)	Distribution (4)	Smart Meters (5)	PaPUC Total Distributor (6)=(4)+(5)	Price to Compare (7)	Universal Service (8)	Energy Efficiency (9)	Default Service Support (10)	Solar (11)	NUG (12)
<b>Operating revenues</b>														
1	Retail sales	\$ 780,456	\$ 21,408	1	\$ 801,864	\$ 323,135	\$ 18,793	\$ 341,928	\$ 360,068	\$ 16,948	\$ 17,382	\$ 48,427	\$ 3,450	\$ 12,661
2	STAS revenue	(463)	463	2	-	-	-	-	-	-	-	-	-	-
3	DSIC revenue	-	-	3	17,282	-	-	18,107	16,850	-	432	-	-	-
4	Sales for resale	17,282	(52,505)	-	17,282	-	-	-	(468)	-	-	-	-	-
5	Other operating revenue	70,144	(52,505)	-	17,639	-	-	-	-	-	-	-	-	-
6	Total operating revenue	\$ 867,419	\$ (30,634)	4	\$ 836,785	\$ 341,242	\$ 18,793	\$ 360,035	\$ 376,450	\$ 16,948	\$ 17,814	\$ 48,427	\$ 3,450	\$ 12,661
<b>Operating expenses</b>														
7	Price to Compare	\$ 362,843	-	5	\$ 362,843	\$ -	\$ -	\$ 40,352	\$ 353,920	\$ -	\$ -	\$ 5,286	\$ 3,657	\$ -
8	Distribution	63,122	(8,951)	6	54,171	40,352	-	24,018	1,355	-	-	12,464	-	-
9	Customer accounts	30,405	1,666	7	31,971	24,018	-	15,109	-	19,300	-	7,953	-	-
10	Customer service & info	34,551	70	8	34,621	15,109	-	9,893	-	-	19,012	212	-	-
11	Admin & gen expense	49,373	(9,405)	9	39,968	9,893	11,073	17,956	-	-	-	-	-	-
12	Depreciation - accrual	67,713	9,389	10	77,082	7,976	3,404	11,382	604	(3,030)	(2,245)	18,972	(449)	11,905
13	Amortization & Accretion	39,484	4,115	11	43,599	16,014	(172)	15,842	21,413	1,027	1,847	2,918	168	756
14	Taxes other than income	53,751	412	11	54,163	25,655	1,169	26,804	21,413	1,027	1,847	2,918	168	756
15	Operating expense before tax	\$ 701,242	\$ (2,825)	11	\$ 698,417	\$ 206,748	\$ 15,414	\$ 222,162	\$ 377,232	\$ 17,297	\$ 17,814	\$ 47,785	\$ 3,406	\$ 12,661
16	Operating income before income tax	\$ 166,177	\$ (27,803)	12	\$ 138,368	\$ 134,494	\$ 3,379	\$ 137,873	\$ (842)	\$ (349)	\$ -	\$ 1,642	\$ 44	\$ -
<b>Income taxes</b>														
17	Federal income tax - current	\$ 14,912	\$ 14,094	12	\$ 29,006	\$ 30,462	\$ (1,611)	\$ 28,850	\$ (265)	\$ (110)	\$ -	\$ 517	\$ 14	\$ -
18	State income tax - current	9,133	6,108	12	15,241	15,703	(611)	15,122	(84)	(95)	-	164	4	-
19	Deferred income tax - federal	(22,942)	40,346	13	15,004	14,746	3,258	18,004	-	-	-	-	-	-
20	Deferred income tax - state	47,585	(47,585)	13	-	-	-	-	-	-	-	-	-	-
21	Investment tax credit	76	76	14	(296)	(296)	-	-	-	-	-	-	-	-
22	Total tax expense	\$ 48,916	\$ 13,039	14	\$ 61,955	\$ 60,614	\$ 1,136	\$ 61,750	\$ (349)	\$ (145)	\$ -	\$ 681	\$ 18	\$ -
23	Total operating expenses	\$ 750,158	\$ 10,215	14	\$ 760,373	\$ 267,362	\$ 16,550	\$ 283,912	\$ 376,943	\$ 17,152	\$ 17,814	\$ 48,466	\$ 3,424	\$ 12,661
24	Operating income	\$ 117,261	\$ (40,243)	14	\$ 76,412	\$ 73,890	\$ 2,243	\$ 76,123	\$ (493)	\$ (204)	\$ -	\$ 961	\$ 26	\$ -



**Metropolitan Edison Company**  
**Statement of Operating Income, 12 Months Ended December 31, 2015, Normalized and Adjusted**  
**to Reflect Revenue Necessary to Achieve Allowable Return**  
 (\$000)

Line No.	Description	PaPUC					Riders				
		Distribution (13)	Smart Meters (14)	Total Distribution (15) = (13) + (14)	Price to Compare (16)	Universal Service (17)	Energy Efficiency (18)	Default Service Support (19)	Solar (20)	NUC (21)	
<b>Operating revenues</b>											
1	Retail sales	\$ 64,551	\$ (751)	\$ 63,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	STAS revenue	-	-	-	-	-	-	-	-	-	
3	DSC revenue	-	-	-	-	-	-	-	-	-	
4	Sales for resale	-	-	-	-	-	-	-	-	-	
5	Other operating revenue	-	-	-	-	-	-	-	-	-	
6	Total operating revenue	\$ 64,551	\$ (751)	\$ 63,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Operating expenses</b>											
7	Price to Compare	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	Distribution	-	-	-	-	-	-	-	-	-	
9	Customer accounts	-	-	-	-	-	-	-	-	-	
10	Customer service & info	-	-	-	-	-	-	-	-	-	
11	Admin & gen expense	-	-	-	-	-	-	-	-	-	
12	Depreciation - accrual	-	-	-	-	-	-	-	-	-	
13	Amortization	-	-	-	-	-	-	-	-	-	
14	Taxes other than income	3,809	(44)	3,764	-	-	-	-	-	-	
15	Operating expense before tax	\$ 3,809	\$ (44)	\$ 3,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
16	Operating income before income tax	\$ 60,742	\$ (707)	\$ 60,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Income taxes</b>											
17	Federal income tax - current	\$ 19,136	\$ (223)	\$ 18,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18	State income tax - current	6,068	(71)	5,998	-	-	-	-	-	-	
19	Deferred income tax - federal	-	-	-	-	-	-	-	-	-	
20	Deferred income tax - state	-	-	-	-	-	-	-	-	-	
21	Investment tax credit	-	-	-	-	-	-	-	-	-	
22	Total tax expense	\$ 25,204	\$ (293)	\$ 24,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
23	Total operating expenses	\$ 29,013	\$ (338)	\$ 28,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
24	Operating income	\$ 35,538	\$ (414)	\$ 35,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**Metropolitan Edison Company**  
**Statement of Operating Income, 12 Months Ended December 31, 2015, Normalized and Adjusted**  
**to Reflect Revenue Necessary to Achieve Allowable Return**  
 (\$000)

Line No.	Description	Riders									
		Distribution	Smart Meters	PaPUC Total Distribution	Price to Compare	Universal Service	Energy Efficiency	Default Service Support	Solar	NUG	
		(22) = (4) + (13)	(23) = (5) + (14)	(24) = (6) + (15)	(25) = (7) + (16)	(26) = (8) + (17)	(27) = (9) + (18)	(28) = (10) + (19)	(29) = (11) + (20)	(30) = (12) + (21)	
	<b>Operating revenues</b>										
1	Retail sales	\$ 387,686	\$ 18,042	\$ 405,727	\$ 360,068	\$ 16,948	\$ 17,382	\$ 49,427	\$ 3,450	\$ 12,661	
2	STAS revenue	-	-	-	-	-	-	-	-	-	
3	DSIC revenue	-	-	-	-	-	-	-	-	-	
4	Sales for resale	-	-	-	16,850	-	432	-	-	-	
5	Other operating revenue	18,107	-	18,107	(468)	-	-	-	-	-	
6	Total operating revenue	\$ 405,793	\$ 18,042	\$ 423,834	\$ 376,450	\$ 16,948	\$ 17,814	\$ 49,427	\$ 3,450	\$ 12,661	
	<b>Operating expenses</b>										
7	Price to Compare	\$ -	\$ -	\$ -	\$ 353,920	\$ -	\$ -	\$ 5,266	\$ 3,657	\$ -	
8	Distribution	40,352	-	40,352	1,355	-	-	12,464	-	-	
9	Customer accounts	24,018	-	24,018	-	-	-	7,953	-	-	
10	Customer service & info	15,109	-	15,109	-	19,300	-	212	-	-	
11	Admin & gen expense	9,883	11,073	20,956	-	-	19,012	-	-	-	
12	Depreciation - accrual	73,678	3,404	77,082	-	-	-	-	-	-	
13	Amortization	18,014	(172)	17,842	604	(3,030)	(2,245)	18,972	(449)	11,905	
14	Taxes other than income	29,503	1,065	30,568	21,413	1,027	1,047	2,918	198	756	
15	Operating expense before tax	\$ 210,557	\$ 15,370	\$ 225,927	\$ 377,292	\$ 17,297	\$ 17,814	\$ 47,785	\$ 3,406	\$ 12,661	
16	Operating income before tax	\$ 195,236	\$ 2,672	\$ 197,908	\$ (842)	\$ (349)	\$ -	\$ 1,642	\$ 44	\$ -	
	<b>Income taxes</b>										
17	Federal income tax - current	49,598	(1,834)	47,764	(265)	(110)	-	517	14	-	
18	State income tax - current	21,771	(582)	21,189	(84)	(35)	-	164	4	-	
19	Deferred income tax - federal	14,746	3,258	18,004	-	-	-	-	-	-	
20	Deferred income tax - state	-	-	-	-	-	-	-	-	-	
21	Investment tax credit	(296)	-	(296)	-	-	-	-	-	-	
22	Total tax expense	\$ 85,818	\$ 843	\$ 86,660	\$ (349)	\$ (145)	\$ -	\$ 681	\$ 18	\$ -	
23	Total operating expenses	\$ 296,375	\$ 16,212	\$ 312,587	\$ 376,943	\$ 17,152	\$ 17,814	\$ 48,466	\$ 3,424	\$ 12,661	
24	<b>Operating income</b>	\$ 109,418	\$ 1,829	\$ 111,247	\$ (493)	\$ (204)	\$ -	\$ 961	\$ 26	\$ -	
24	<b>Rate Base</b>	\$ 1,344,052	\$ 22,470	\$ 1,366,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
25	<b>Rate of Return overall</b>	8.14%	8.14%	8.14%							
26	<b>Return on Equity</b>	10.90%	10.90%	10.90%							

**Metropolitan Edison Company  
 Summary of Revenue Requirements  
 Distribution  
 \$000**

<u>Line No.</u>	<u>Description</u>	<u>Per Books as Adjusted</u>	<u>Revenue Adjustment Required</u>	<u>Allowable Revenue</u>
		(1)	(2)	(3)
	<u>Operating revenues</u>			
1	Retail sales	\$ 323,135	\$ 64,551	\$ 387,686
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	<u>18,107</u>	<u>-</u>	<u>18,107</u>
6	Total operating revenue	341,242	64,551	405,793
	<u>Operating expenses</u>			
7	PTC	\$ -	\$ -	\$ -
8	Distribution	40,352	-	40,352
9	Customer accounts	24,018	-	24,018
10	Customer service & info	15,109	-	15,109
11	Admin & gen expense	9,883	-	9,883
12	Depreciation - accrual	73,678	-	73,678
13	Amortization	18,014	-	18,014
14	Taxes other than income	<u>25,695</u>	<u>3,809</u>	<u>29,503</u>
15	Operating expense before tax	\$ 206,748	\$ 3,809	\$ 210,557
16	Operating income before tax	\$ 134,494	\$ 60,742	\$ 195,236
	<u>Income taxes</u>			
17	Federal income tax - current	\$ 30,462	\$ 19,136	\$ 49,598
18	State income tax - current	15,703	6,068	21,771
19	Deferred income tax - federal	14,746	-	14,746
20	Deferred income tax - state	-	-	-
21	Investment tax credit	<u>(296)</u>	<u>-</u>	<u>(296)</u>
22	Total tax expense	\$ 60,614	\$ 25,204	\$ 85,818
23	Total operating expenses	\$ 267,362	\$ 29,013	\$ 296,375
24	<b>Operating Income</b>	\$ 73,880	\$ 35,538	\$ 109,418
25	<b>Rate Base</b>	\$ 1,344,052		\$ 1,344,052
26	<b>Rate of Return overall</b>	5.50%		8.14%
27	<b>Return on Equity</b>	5.73%		10.90%

**Metropolitan Edison Company**  
**Summary of Revenue Requirements**  
**Smart Meters**  
\$000

<u>Line No.</u>	<u>Description</u>	<u>Per Books as Adjusted</u>	<u>Revenue Adjustment Required</u>	<u>Allowable Revenue</u>
		(1)	(2)	(3)
	<u>Operating revenues</u>			
1	Retail sales	\$ 18,793	\$ (751)	\$ 18,042
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	-	-	-
6	Total operating revenue	<u>\$ 18,793</u>	<u>\$ (751)</u>	<u>\$ 18,042</u>
	<u>Operating expenses</u>			
7	PTC	\$ -	\$ -	\$ -
8	Distribution	-	-	-
9	Customer accounts	-	-	-
10	Customer service & info	-	-	-
11	Admin & gen expense	11,073	-	11,073
12	Depreciation - accrual	3,404	-	3,404
13	Amortization	(172)	-	(172)
14	Taxes other than income	1,109	(44)	1,065
15	Operating expense before tax	<u>\$ 15,414</u>	<u>\$ (44)</u>	<u>\$ 15,370</u>
16	Operating income before tax	\$ 3,379	\$ (707)	\$ 2,672
	<u>Income taxes</u>			
17	Federal income tax - current	\$ (1,611)	\$ (223)	\$ (1,834)
18	State income tax - current	(511)	(71)	(582)
19	Deferred income tax - federal	3,258	-	3,258
20	Deferred income tax - state	-	-	-
21	Investment tax credit	-	-	-
22	Total tax expense	<u>\$ 1,136</u>	<u>\$ (293)</u>	<u>\$ 843</u>
23	Total operating expenses	\$ 16,550	\$ (338)	\$ 16,212
24	<b>Operating income</b>	\$ 2,243	\$ (414)	\$ 1,829
25	<b>Rate Base</b>	\$ 22,470		\$ 22,470
26	<b>Rate of Return overall</b>	9.98%		8.14%
27	<b>Return on Equity</b>	14.50%		10.90%

**Metropolitan Edison Company**  
**Summary of Revenue Requirements**  
**Total Distribution**  
 \$000

<u>Line No.</u>	<u>Description</u>	<u>Per Books as Adjusted</u> (1)	<u>Revenue Adjustment Required</u> (2)	<u>Allowable Revenue</u> (3)
<u>Operating revenues</u>				
1	Retail sales	\$ 341,928	\$ 63,799	\$ 405,727
2	STAS revenue	-	-	-
3	DSIC revenue	-	-	-
4	Sales for resale	-	-	-
5	Other operating revenue	18,107	-	18,107
6	Total operating revenue	\$ 360,035	\$ 63,799	\$ 423,834
<u>Operating expenses</u>				
7	PTC	\$ -	\$ -	\$ -
8	Distribution	40,352	-	40,352
9	Customer accounts	24,018	-	24,018
10	Customer service & info	15,109	-	15,109
11	Admin & gen expense	20,956	-	20,956
12	Depreciation - accrual	77,082	-	77,082
13	Amortization	17,842	-	17,842
14	Taxes other than income	26,804	3,764	30,568
15	Operating expense before tax	\$ 222,162	\$ 3,764	\$ 225,927
16	Operating income before tax	\$ 137,873	\$ 60,035	\$ 197,908
<u>Income taxes</u>				
17	Federal income tax - current	\$ 28,850	\$ 18,913	\$ 47,764
18	State income tax - current	15,192	5,998	21,189
19	Deferred income tax - federal	18,004	-	18,004
20	Deferred income tax - state	-	-	-
21	Investment tax credit	(296)	-	(296)
22	Total tax expense	\$ 61,750	\$ 24,911	\$ 86,660
23	Total operating expenses	\$ 283,912	\$ 28,675	\$ 312,587
24	<b>Operating income</b>	\$ 76,123	\$ 35,125	\$ 111,247
25	<b>Rate Base</b>	\$ 1,366,522		\$ 1,366,522
26	<b>Rate of Return overall</b>	5.57%		8.14%
27	<b>Return on Equity</b>	5.88%		10.90%

Metropolitan Edison Company  
 Normalization Adjustment No. 1  
 \$000

Adjustment of Base Operating Revenues

To adjust base operating revenues (1) for changes in number of customers, (2) to roll in State Tax Adjustment Surcharge ("STAS") revenues into base rates, (3) to roll in Distribution System Improvement Charge ("DSIC") revenue into base rates, (4) for Energy Efficiency and Behind the Meter generation, (5) for other revenue, and (6) to eliminate unbilled revenues. Adjustments (1) through (5) are supported by Mr. K. M. Siedt. The adjustment for unbilled revenues is supported by Mr. R. A. D'Angelo.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Base revenues per books for the 12 months ended 12/31/2015		\$ 780,456
	Normalizing adjustments:		
2	Customers - increase to yr end level	2,323	
	<u>Specific adjustments</u>		
3	Roll-in of STAS	(463)	
4	Roll-in of DSIC	-	
5	Adjust for Energy Efficiency and Behind the Meter Generation	(21,901)	
6	Eliminate Smart Meter Rider Revenues	-	
7	Adjust for Other Revenues	(19)	
8	Annualization of rate increase effective May 2015	41,250	
9	Eliminate unbilled revenues	<u>218</u>	
10	Total (Line 3 + Line 4 + Line 5 + Line 6 + Line 7 + Line 8 + Line 9)	\$ 19,085	
10	Normalizing adjustment (Line 2+ Line 10)		<u>21,408</u>
11	Base revenues per books for the 12 months ended 12/31/2015, as adjusted		<u>\$ 801,864</u>

Metropolitan Edison Company  
Normalization Adjustment No. 2  
\$000

Adjustment of State Tax Adjustment Surcharge Revenues

To remove state tax adjustment surcharge ("STAS") revenues. Normalized STAS revenues are being rolled into base rates.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	STAS revenue per books for the 12 months ended 12/31/2015	\$ (463)
2	Eliminate per books STAS	<u>463</u>
3	STAS revenue per books for the 12 months ended 12/31/2015, as adjusted	<u>\$ -</u>

Metropolitan Edison Company  
Normalization Adjustment No. 3  
\$000

Adjustment of Distribution System Improvement Charge Revenues

To remove Distribution System Improvement Charge ("DSIC") revenues.  
Normalized DSIC revenues are being rolled into base rates.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	DSIC revenue per books for the 12 months ended 12/31/2015	\$ -
2	Eliminate per books DSIC revenues	<u>-</u>
3	DSIC revenue per books for the 12 months ended 12/31/2015, as adjusted	<u>\$ -</u>



Metropolitan Edison Company  
Normalization Adjustment No. 4  
\$000

Adjustment of Other Operating Revenues

To adjust other operating revenue to eliminate non-jurisdictional transmission revenues.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
		(1)
1	Other operating revenue per books for the 12 months ended 12/31/2015	\$ 70,144
2	Eliminate non-jurisdictional transmission revenues	<u>(52,505)</u>
3	Other operating revenue per books for the 12 months ended 12/31/2015, as adjusted	<u>\$ 17,639</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 5  
 \$000

Adjustment of Distribution Expense

To adjust distribution expense (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to eliminate non-jurisdictional transmission expense (4) to include the jurisdictional portion of the amortization of gains or losses on reacquired debt, and (5) to include an increase for contractor safety requests. Mr. T. J. Dolezal supports the jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		<u>(1)</u>	<u>(2)</u>
1	Distribution expense per books for the 12 months ended 12/31/2015		\$ 63,122
2	Distribution payroll expense adjustment to reflect year end employee levels, and ongoing wage and salary rates (Supporting Schedule No. 1, Line 18, Column 2)	\$ 345	
3	Service Company Distribution payroll expense adjustment allocated to Met-Ed to reflect year end employee levels, and ongoing wage and salary rates (Supporting Schedule No. 1, Line 31, Column 2)	\$ 93	
4	Eliminate non-jurisdictional transmission expense	\$ (9,638)	
5	Amortization of (gain) or loss on reacquired debt	\$ 103	
6	Allocation ratio based on distribution plant	<u>79.62%</u>	
7	Distribution portion of (gain) or loss	\$ 82	
8	Increase in distribution expenses for contractor safety requests	\$ 167	
9	Total normalizing adjustment (Line 2 + Line 3 + Line 4 + Line 7 + Line 8)		<u>(8,951)</u>
10	Distribution expense per books for the 12 months ended 12/31/2015, as adjusted		<u>\$ 54,171</u>

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 5  
 (\$000)

Adjustment to Payroll Expense to Reflect Year End Employee Levels and Wage Rates

To determine the additional payroll expense associated with (1) year end bargaining and non-bargaining wage rates and employee levels, and (2) Service Company year end wage rates and employee levels; and to allocate the additional payroll expense to individual components. Mr. T. J. Dolezal supports the Company labor allocation factors.

Line No.	Description	Amount	
		(1)	(2)
1	Total Company payroll per books for the 12 months ended 12/31/2015 (Exhibit RAD-27)		\$ 64,682
	<u>Bargaining</u>		
2	Bargaining straight time payroll per books, 12 months ended 12/31/2015 (Exhibit RAD-27)	\$ 33,941	
3	Bargaining straight time payroll per books for the 4 months ended 4/30/2015	10,978	
4	Annualization adjustment for Bargaining 2.5% increase effective 5/01/2015 (Line 3 X 2.5%)	\$ 274	
5	Bargaining straight time payroll for 12 months ended 12/31/2015, as adjusted (Line 2 + Line 4)	\$ 34,215	
6	Annualization adjustment for Bargaining 2.5% increase effective 5/01/2016 (Line 5 X 2.5%)	\$ 855	
	<u>Non-Bargaining</u>		
7	Non-Bargaining straight time payroll per books for the 12 months ended 12/31/2015 (Exhibit RAD-27)	\$ 14,588	
8	Non-Bargaining straight time payroll for the 2 months ended 2/28/2015	2,383	
9	Annualization adjustment for Non-Bargaining 3.0% increase effective 3/01/2015 (Line 8 X 3.0%)	\$ 71	
10	Non-Bargaining straight time payroll for 12 months ended 12/31/2015, as adjusted (Line 7 + Line 9)	\$ 14,659	
11	Annualization adjustment for Non-Bargaining straight time 2.5% increase effective 3/01/2016 (Line 10 X 3.0%)	\$ 440	
12	Total company payroll adjustments (Line 4 + Line 6 + Line 9 + Line 11)		1,640
13	O&M allocation %		37.46%
14	Company O&M payroll adjustment (Line 12 X Line 13)	\$ 614	
15	Total Company payroll, as adjusted (Line 1 + Line 12)		\$ 66,322
	<u>Allocation of Bargaining and Non-Bargaining payroll adjustment:</u>		
16	Price to Compare	0.00%	\$ -
17	Transmission	5.74%	35
18	Distribution	56.16%	345
19	Customer accounts	23.43%	144
20	Customer service	11.39%	70
21	Administrative and general	3.27%	20
22	Total	100%	\$ 614
	<u>Service Company</u>		
23	Service Company straight time payroll per books for the 12 months ended 12/31/2015	\$ 16,462	
24	Jurisdictional Service Company straight time payroll for the 2 months ended 2/28/2015	\$ 2,736	
25	Annualization adjustment for Service Company 3.0% increase effective 3/01/2015 (Line 24 X 3.0%)	82	
26	Service Company straight time payroll for 12 months ended 12/31/2015, as adjusted (Line 23 + Line 25)	\$ 16,544	
27	Annualization adjustment for Service Company straight time 3.0% increase effective 3/01/2016 (Line 26 X 3.0%)	\$ 496	
28	Total Service Company payroll adjustments (Line 25 + Line 27)	\$ 578	
	<u>Allocation of Service Company payroll adjustments:</u>		
29	Price to Compare	0.00%	\$ -
30	Transmission	7.95%	46
31	Distribution	16.11%	93
32	Customer Accounting and Information	25.15%	145
33	Administrative and general	50.79%	294
34	Total	100%	\$ 578

Metropolitan Edison Company  
 Normalization Adjustment No. 6  
 \$000

Adjustment of Customer Accounts Expense

To adjust customer account expense (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to include increased O&M costs associated with serving new customers, and (4) to include interest on customer deposits.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		<u>(1)</u>	<u>(2)</u>
1	Customer Account expense per books for the 12 months ended 12/31/2015		\$ 30,405
2	Customer Account payroll expense adjustment to reflect year end employee levels and ongoing wage & salary rates (Normalizing Adjustment No. 5, Supporting Schedule No. 1, Line 19, Column 2)	\$ 144	
3	Service Company customer account payroll expense adjustment allocated to Met-Ed to reflect year end employee levels and ongoing wage & salary rates (Normalizing Adjustment No. 5, Supporting Schedule No. 1, Line 32, Column 2)	145	
4	Increased O&M costs associated with increased number of customers in normalized revenue levels (Supporting Schedule 1, Line 10)	30	
5	Interest on customer deposits (Supporting Schedule 2, Column 3, Line 3)	<u>1,247</u>	
6	Total normalizing adjustment (Line 2 + Line 3 + Line 4 + Line 5)		<u>1,566</u>
7	Customer Account expense per books for the 12 months ended 12/31/2015, as adjusted		<u>\$ 31,971</u>

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 6  
 (\$000)

Adjustment of Other O&M Costs Associated with Serving New Customers

To determine the cost associated with serving the additional customers reflected in Normalization Adjustment No. 1. The ratio of non-payroll customer account expense to total revenue is applied to the additional revenue from increased customers to estimate this cost. The Commission previously recognized and approved this adjustment. The adjustment to base operating revenue for changes in number of customers is supported by Mr. K. M. Siedt.

Line No.	Description	Amount
		(1)
	<u>Customer Account Expense Excluding Labor and Uncollectible</u>	
1	Customer Account expense per books for the 12 months ended 12/31/2015	\$ 30,405
2	Less: uncollectible expense	(17,817)
3	Less: Labor expense	<u>(8,463)</u>
4	Customer Account expense excluding labor and uncollectible expense	<u>\$ 4,125</u>
	<u>Total Base Revenue</u>	
5	Distribution revenues per books	\$ 316,252
6	Late payment charges per books	<u>3,740</u>
7	Total	<u>\$ 319,992</u>
8	Ratio of customer account expense to distribution revenue (Line 4 / Line 7)	1.29%
9	Revenue from added customers (Adjustment No. 1, Line 2)	\$ 2,323
10	Additional expense from added customers (Line 8 X Line 9)	<u>\$ 30</u>

Metropolitan Edison Company  
 Supporting Schedule No. 2 to Normalizing Adjustment No. 6  
 (\$000)

Adjustment of Customer Account Expense to Allow for Interest Expense on Customer Deposits

To determine the interest paid on customer deposits. Since customer deposits are funds supplied to the Company by customers they are included in rate base as a deduction. The Commission previously recognized this adjustment to include the corresponding interest paid to customers on these deposits as an expense.

<u>Line No.</u>	<u>Description</u>	<u>Residential</u> (1)	<u>Non-Residential</u> (2)	<u>Total</u> (3)
1	Customer deposits included in rate base (Exhibit RAD-5 Column 1, Line 14)	\$ 9,417	\$ 16,059	\$ 25,476
2	Interest rate on deposits	3.00%	6.00%	
3	Interest expense on customer deposits (Lines 1 X 2)	<u>\$ 283</u>	<u>\$ 964</u>	<u>\$ 1,247</u>

Metropolitan Edison Company  
Normalization Adjustment No. 7  
\$000

Adjustment of Customer Service and Information Expense

To adjust customer service and information expense to reflect year end wage and employee levels.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Customer Service expense per books for the 12 months ended 12/31/2015		\$ 34,551
2	Customer Service payroll expense adjustment to reflect year end employee levels and ongoing wage & salary rates, (Normalization Adjustment No. 5, Supporting Schedule No. 1, Line 20, Column 2)	\$ 70	
3	Total normalizing adjustment		<u>70</u>
4	Customer Service expense per books for the 12 months ended 12/31/2015, as adjusted		<u>\$ 34,621</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 8  
 \$000

Adjustment of Administrative and General Expense

To adjust administrative and general expenses (1) to reflect year end wage rates and employee levels, (2) to reflect Service Company year end wage rates and employee levels, (3) to reflect OPEB expense at service cost level, (4) to reflect pension expense at the ten year cash level, (5) to reflect employee benefits expense at year end wage rates and employee levels, (6) to include amortization of rate case expenses, and (7) to eliminate non-jurisdictional administrative and general expenses. Mr. T. J. Dolezal supports the non-jurisdictional expense allocation factor.

Line No.	Description	Amount	
		(1)	(2)
1	Administrative & general expense per books for the 12 months ended 12/31/2015		\$ 49,373
2	Administrative & general expenses related to EE&C	\$ (19,012)	
3	Administrative & general expenses related to Smart Meters	<u>(11,073)</u>	
4	Adjustments to administrative & general expenses (Line 2 + Line 3)	(30,085)	
5	Net administrative & general expenses related to distribution (Line 1 + Line 4)	19,288	
6	Administrative & general payroll expense adjustment to reflect year-end employee levels and ongoing wage & salary rates (Normalization Adjustment No. 5, Support Schedule No. 1, Line 21, Column 2)	\$ 20	
7	Service Company administrative & general payroll expense adjustment allocated to Met-Ed to reflect year end employee levels and ongoing wage & salary rates (Normalization Adjustment No. 5, Supporting Schedule No. 1, Line 33, Column 2)	294	
8	Adjust OPEB expense to service cost level (Normalization Adjustment No. 8, Supporting Schedule No. 1, Line 12, Column 1)	3,270	
9	Adjust pension expense to ten year cash level (Normalization Adjustment No. 8, Supporting Schedule No. 2, Line 14, Column. 3)	(11,091)	
10	Adjust employee benefit costs (Normalization Adjustment No. 8, Supporting Schedule No. 3, Line 8, Column 3)	287	
11	Subtotal of adjustments (Line 6 + Line 7 + Line 8 + Line 9 + Line 10)	<u>(7,220)</u>	
12	Administrative and general expense, adjusted (Line 5 + Line 11)	\$ 12,068	
13	Non-jurisdictional expense allocation factor	20.38%	
14	Non-jurisdictional administrative and general expense	<u>(2,460)</u>	
15	Rate case expenses to be incurred during current rate proceeding (Exhibit RAD-23)	\$ 548	
16	Recovery period - years	<u>2</u>	
17	Annual Amount (Line 15 / Line 16)	\$ 274	
18	Eliminate other non-jurisdictional expense	-	
19	Total normalizing adjustments (Lines 11 + Line 14 + Line 17+ Line 18)	<u>(9,405)</u>	
20	Administrative and general expense per books for the 12 months ended 12/31/2015, as adjusted (Line 1 + Line 19)	\$	<u>39,968</u>



Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalizing Adjustment No. 8  
 \$000

Adjustment of OPEB Expense

To adjust OPEB expense to the test year service cost. The service cost represents the actuarial present value of benefit liabilities accrued under the plan benefit formula for services rendered during the test year. Inclusion of the service cost in rates provides for recovery of the current cost of benefits earned by plan participants. Any excess or shortfall related to the expected return on plan assets are not included because their inclusion would artificially reduce or increase total costs and result in the recovery of more or less than the actual normal cost of service. The adjustment for OPEB expense to the current service cost amount was adopted by the Commission at Docket Numbers R-00061366 and R-00061367, and included at Docket Nos. R-2014-2428745; R-2014-2428743; R-2014-2428744 and R-2014-2428742.

<u>Line No.</u>	<u>Description</u>	<u>O&amp;M</u> (1)	<u>Capital</u> (2)	<u>Total</u> (3)
1	O&M - Capital allocation ratios	37.46%	62.54%	100.00%
2	Company OPEB expense included on books (Exhibit RAD-27)	\$ (2,833)	\$ (4,731)	\$ (7,564)
3	FirstEnergy Service Corp. OPEB expense	\$ (7,560)	\$ (12,622)	\$ (20,182)
4	Allocation ratio	<u>5.35%</u>	<u>5.35%</u>	<u>5.35%</u>
5	Allocated FirstEnergy Service Corp. OPEB expense included on books (Line 3 X Line 4)	\$ (405)	\$ (675)	\$ (1,080)
6	Total OPEB expense included on books (Line 2 + Line 5)	\$ (3,238)	\$ (5,406)	\$ (8,644)
7	Service cost for company OPEB expense	\$ 23	\$ 39	\$ 62
8	Service cost for FirstEnergy Service Corp. OPEB expense	\$ 163	\$ 273	\$ 436
9	Allocation ratio	<u>5.35%</u>	<u>5.35%</u>	<u>5.35%</u>
10	Allocated FirstEnergy Service Corp. service cost (Line 8 X Line 9)	\$ 9	\$ 14	\$ 23
11	Total OPEB service cost (Lines 7 + 10)	\$ 32	\$ 53	\$ 85
12	Adjustment to set OPEB expense at ongoing service cost level (Line 11 - Line 6)	\$ 3,270	\$ 5,459	\$ 8,729

Metropolitan Edison Company  
 Supporting Schedule No. 2 to Normalizing Adjustment No. 8  
 \$000

Adjustment of Pension Expense

To adjust pension expense to a ten year historical average level of actual cash contributions under the methodology that was adopted by the Commission at Docket Numbers R-00061366 and R-0061367, and included at Docket Nos. R-2014-2428745; R-2014-2428743; R-2014-2428744 and R-2014-2428742.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>		
		(1) Total	(2) O&M %	(3) O&M
<u>Company Cash Contributions</u>				
1	2007 Cash Pension Contribution	\$ 11,012	55.42%	\$ 6,103
2	2009 Cash Pension Contribution	123,521	50.49%	62,366
3	2011 Cash Pension Contribution	35,000	45.09%	15,782
4	2015 Cash Pension Contribution	23,000	37.46%	8,616
5	Total Company Cash Pension Contributions	\$ 192,533		\$ 92,866
<u>FirstEnergy Service Company Cash Contributions</u>				
6	2007 Pension Contribution	\$ 27,468		
7	2007 Company Allocation Factor	<u>11.29%</u>		
8	2007 Service Company Pension Contribution allocated to the Company	\$ 3,101	55.42%	\$ 1,719
9	Total FirstEnergy Service Company Cash Pension Contributions allocated to the Company ( Line 8)	\$ 3,101		\$ 1,719
10	Total Pension cash contributions (Line 5 + Line 9)	\$ 195,634		\$ 94,585
11	Average	<u>10</u>		<u>10</u>
12	Pension expense cash contribution, averaged over 10 years	\$ 19,563		\$ 9,458
13	O&M Pension Expense included on books			<u>20,549</u>
14	Adjustment to Pension Expense (Line 12 - Line 13)			<u>\$ (11,091)</u>

Metropolitan Edison Company  
 Supporting Schedule No. 3 to Normalizing Adjustment No. 8  
 \$000

Adjustment to Employee Benefit Expense to Reflect Year End Employee Levels and Ongoing Wage Rates

To determine the normalized costs associated with providing additional employee benefits related to the increased O&M payroll expense reflected in Normalization Adjustment No. 5, Supporting Schedule No. 1.

Employee benefits applicable to operating expenses:

Line No.		Effective Rate (a)	Payroll Adjustment (2)	Benefit Adjustment (3) = (1) X (2)
1	Workers compensation	0.652%	\$ 614 (b)	\$ 4
2	Pension costs	29.766%	\$ 614 (b)	183
3	OPEB costs	0.096%	\$ 614 (b)	1
4	Life insurance	0.057%	\$ 614 (b)	-
5	Medical insurance	10.176%	\$ 614 (b)	63
6	Savings Plan	3.001%	\$ 614 (b)	18
7	Other	2.849%	\$ 614 (b)	18
8	Total increase due to payroll adjustment			<u>\$ 287</u>

(a) Summary of effective employee benefit rates based on total payroll for the 12 months ended 12/31/2015

	Total Amount	Total Payroll	Effective Rate
Workers compensation (Exhibit RAD-27)	\$ 422	\$ 64,682	0.652%
Pension costs - normalized basis	19,253	64,682	29.766%
OPEB costs - service cost	62	64,682	0.096%
Life insurance (Exhibit RAD-27)	37	64,682	0.057%
Medical insurance (Exhibit RAD-27)	6,582	64,682	10.176%
Savings Plan (Exhibit RAD-27)	1,941	64,682	3.001%
Other (Exhibit RAD-27)	1,843	64,682	2.849%

(b) Adjustment No. 5, Supporting Schedule No. 1, Line 14, Column 2

Metropolitan Edison Company  
 Normalization Adjustment No. 9  
 \$000

Adjustment of Depreciation Expense

To adjust depreciation expense (1) to reflect equal life group ("ELG") rates on adjusted rate base, (2) to adjust cost of removal / salvage expense to a five-year average per Commission practice, (3) to eliminate non-jurisdictional cost of removal / salvage expense, and (4) to eliminate legacy meter cost of removal from the five-year average. Mr. T. J. Dolezal supports the jurisdictional expense allocation factor. Mr. J. J. Spanos supports the ELG depreciation rates.

Line No.	Description	Amount			
		(1)	(2)	(3)	(4)
1	Depreciation expense per books for the 12 months ended 12/31/2015				\$ 67,713
2	Cost of removal/salvage expense per books for the 12 months ended 12/31/2015 (Exhibit RAD-30)		\$ 18,385		
3	Depreciation accrual per books (Line 1 - Line 2)		\$ 49,328		
4	Jurisdictional depreciation expense accrual on adjusted rate base at equal life group rates (Exhibit RAD-53, page 6)		62,662		
5	Adjustment for equal life group rates applied to jurisdictional plant (Line 4 - Line 3)			\$ 13,334	
6	Cost of removal/salvage expense per books for the 12 months ended 12/31/2015 (Exhibit RAD-30)			\$ 18,385	
<u>Cost of removal and salvage</u>					
		Per Exhibit RAD-30	Jurisdictional Allocator	Jurisdictional Amount (Col. 1 x Col. 2)	
7	01/01/2011 - 12/31/2011	\$ 17,681	79.62%	\$ 14,078	
8	01/01/2012 - 12/31/2012	28,161	79.62%	22,422	
9	01/01/2013 - 12/31/2013	8,116	79.62%	6,462	
10	01/01/2014 - 12/31/2014	18,295	79.62%	14,566	
11	01/01/2015 - 12/31/2015	18,385	79.62%	14,638	
12	Totals	\$ 90,638		\$ 72,166	
13	Five-year average on jurisdictional basis (Line 12 / 5 years)			\$ 14,433	
14	Less five-year average for legacy meter cost of removal			(13)	
15	Jurisdictional cost of removal/salvage expense at a jurisdictional five-year average as adjusted (Line 13 + Line 14)			14,420	
16	Adjustment of jurisdictional cost of removal/salvage expense to a jurisdictional five-year average (Line 15 - Line 6)			(3,965)	
17	Total normalizing adjustments (Line 5 + Line 16)				9,369
18	Depreciation expense per books for the 12 months ended 12/31/2015, as adjusted (Line 1 + Line 17)				\$ 77,082

Metropolitan Edison Company  
 Normalization Adjustment No. 10  
 \$000

Adjustment of Amortization Expense

To adjust amortization expense (1) to exclude the deferral of transmission vegetation management, (2) to exclude smart meter amortization per books, (3) to update the amortization of legacy meters costs over 39 months from the original amortization period as supported in Exhibit RAD-64, and (4) to exclude accretion expense.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		<u>(1)</u>	<u>(2)</u>
1	Amortization expense per books for the 12 months ended 12/31/2015		\$ 39,484
2	Eliminate transmission vegetation management amortization per books	\$ 1,017	
3	Eliminate smart meter amortization per books	(643)	
4	Eliminate legacy meters cost of removal per books	63	
5	Adjustment to reflect additional annual amortization of legacy meters (Normalization Adjustment No. 10, Supporting Schedule No.1)	3,245	
6	Remove accretion expense	<u>433</u>	
7	Normalization adjustment (Line 2 + Line 3 + Line 4 + Line 5 + Line 6)		<u>4,115</u>
8	Amortization expense per books for the 12 months ended 12/31/2015, as adjusted (Line 1 + Line 7)		<u>\$ 43,599</u>

Metropolitan Edison Company  
Supporting Schedule No. 1 to Normalizing Adjustment No. 10  
\$000

Adjustment for Amortization Expense of Legacy Meters

To determine additional legacy meters amortization to fully recover all legacy meter costs over 39 months of the original amortization period.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
1	Total Legacy Meters and Cost of Removal to be recovered (Exhibit RAD-64)	\$ 64,340
2	Less Legacy Meters and Cost of Removal being recovered in current Base Rates (Exhibit RAD-64)	<u>53,794</u>
3	Unrecovered Legacy Meters (Line 1 - Line 2)	<u>\$ 10,546</u>
4	Additional annual amount of unrecovered legacy meter (Line 3 / 39 months X 12 months)	<u>\$ 3,245</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 11  
 \$000

Adjustment of Taxes Other Than Income

To adjust taxes other than income (1) to eliminate non-jurisdictional tax expense, (2) to eliminate Capital Stock Tax, (3) to reflect normalized sales revenues in gross receipts tax expense, and (4) to reflect year end wage rates and employee levels in payroll tax expenses. The non-jurisdictional allocation factor is supported by Mr. T. J. Dolezal.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>		
		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
1	Taxes Other Than Income per books for the 12 months ended 12/31/2015			\$ 53,751
2	Federal and State payroll taxes per books	\$ 4,979		
3	Non-jurisdictional percent	<u>5.93%</u>		
4	Eliminate non-jurisdictional payroll taxes		\$ (295)	
5	Eliminate Capital Stock Tax per books		699	
6	PURTA tax per books	2,132		
7	Real Estate tax per books	<u>525</u>		
8	Total Other taxes	\$ 2,657		
9	Non-jurisdictional percent	<u>20.38%</u>		
10	Eliminate non-jurisdictional taxes		(541)	
	Gross Receipts Tax			
11	Normalized sales revenues (Exhibit RAD-6, Page 1, Column 3)	\$ 801,864		
12	Gross receipts tax @ 5.9%	47,310		
13	Gross receipts per books	<u>46,808</u>		
14	Adjustment for gross receipts tax at normalized revenue level (Line 12 - Line 13)		502	
15	Adjustment for payroll taxes on normalized payroll (Supporting Schedule No. 1, Line 8)		<u>47</u>	
16	Total normalizing adjustment (Line 4 + Line 5 + Line 10 + Line 14 + Line 15)			<u>412</u>
17	Taxes other than income per books for the 12 months ended 12/31/2015, as adjusted			<u>\$ 54,163</u>

Metropolitan Edison Company  
 Supporting Schedule No.1 to Normalizing Adjustment No. 11  
 \$000

Adjustment to Taxes Other Than Income to reflect changes in payroll taxes.

To determine the additional payroll tax expense associated with the increased O&M payroll expense reflected in Normalization Adjustment No. 5, Supporting Schedule No. 1.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u> (1)
1	Total payroll per books for the 12 months ended 12/31/2015 (Normalization Adjustment No. 5, Schedule 1, Line 1, Col 2)	\$ 64,682
2	Total payroll tax per books	<u>4,979</u>
3	Effective payroll tax rate (Line 2 / Line 1)	<u>7.698%</u>
4	Total payroll as adjusted (Normalization Adjustment No. 5, Supporting Schedule No. 1, Line 15, Column 2)	\$ <u>66,322</u>
5	Payroll tax on normalized payroll (Line 3 x Line 4)	\$ 5,105
6	Total Company payroll tax adjustment (Line 5 - Line 2)	\$ 126
7	O&M Allocation percentage	37.46%
8	Adjustment for payroll tax (Line 6 x Line 7)	\$ <u>47</u>



Metropolitan Edison Company  
 Normalization  
 Adjustment No. 12  
 \$000

Adjustment of Federal & State Income Taxes

To adjust federal and state income taxes to reflect the revenue and expense levels shown on Exhibit RAD-6, Page 1, Col. 3 - Per Books as Adjusted.

Line No.	Description	Total Company Calculated Taxes (1)	Distribution Calculated Taxes (2)	Smart Meters Calculated Taxes (3)	Total Distribution Calculated Taxes (4) = (2) + (3)	PTC Calculated Taxes (5)	Universal Service Calculated Taxes (6)	Energy Efficiency Calculated Taxes (7)	DSS Calculated Taxes (8)	Solar Calculated Taxes (9)	NUG Charge Calculated Taxes (10)
1	Total operating revenue	\$ 635,785	\$ 341,242	\$ 18,793	\$ 360,035	\$ 376,450	\$ 16,948	\$ 17,814	\$ 49,427	\$ 3,450	\$ 12,661
2	Less: Total O&M Expense	523,574	89,362	11,073	100,435	355,275	19,300	19,012	25,695	3,657	-
3	Depreciation - accrual	62,662	59,258	3,404	62,662	-	-	-	-	-	-
4	Average net salvage	14,420	14,420	-	14,420	-	-	-	-	-	-
5	Amortization	43,599	13,014	(172)	17,842	604	(3,030)	(2,245)	18,972	(449)	11,905
6	Taxes other than income tax:	54,163	23,695	1,109	26,804	21,413	1,027	1,047	2,918	-	756
7	Total deductions	696,417	205,748	15,414	222,162	377,292	17,297	17,814	47,785	3,406	12,661
8	Net operating income before income taxes	\$ 139,368	\$ 134,494	\$ 3,379	\$ 137,873	\$ (842)	\$ (349)	\$ -	\$ 1,642	\$ 44	\$ -
9	Less: Interest Charges (A)	35,029	34,453	576	35,029	-	-	-	-	-	-
10	Net income before income taxes	\$ 103,338	\$ 100,040	\$ 2,803	\$ 102,843	\$ (842)	\$ (349)	\$ -	\$ 1,642	\$ 44	\$ -
Adjustments to taxable income:											
11	Book Average net salvage	14,420	14,420	-	14,420	-	-	-	-	-	-
12	Adj. of book depreciation to tax basis (B)	(13,746)	(5,521)	(7,917)	(13,746)	-	-	-	-	-	-
13	Adj. to Amortization of Legacy Meters	(6,904)	(8,808)	-	(8,808)	-	-	-	-	-	-
14	Tax cost of removal/salvage	(1,091)	(11,091)	-	(11,091)	-	-	-	-	-	-
15	Adjust cash pension	(3,222)	2,685	(7,917)	(5,222)	-	-	-	-	-	-
16	Net adjustments	\$ 98,117	\$ 102,736	\$ (5,114)	\$ 97,622	\$ (842)	\$ (349)	\$ -	\$ 1,642	\$ 44	\$ -
17	Income subject to state income tax (Line 10 + Line 16)	\$ 66,243	\$ 66,243	\$ -	\$ 66,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to state taxable income:											
18	Plus: Federal Bonus Depreciation	(11,794)	(11,794)	-	(11,794)	-	-	-	-	-	-
19	Less: Additional State Depreciation	54,449	54,449	-	54,449	-	-	-	-	-	-
20	Net adjustment to state taxable income	\$ 152,556	\$ 157,185	\$ (5,114)	\$ 152,071	\$ (842)	\$ (349)	\$ -	\$ 1,642	\$ 44	\$ -
21	Income subject to state income tax (Lines 17 + 20)	\$ 15,241	\$ 15,703	\$ (511)	\$ 15,192	\$ (84)	\$ (35)	\$ -	\$ 164	\$ 4	\$ -
22	State income tax @ 6.95%	5,133	9,133	-	9,133	-	-	-	-	-	-
23	Taxes per books	6,108	6,570	(511)	6,059	(84)	(35)	-	164	4	-
24	Adjustment to state income tax (Line 22 - Line 23)	\$ 82,875	\$ 87,093	\$ (4,603)	\$ 82,430	\$ (758)	\$ (314)	\$ -	\$ 1,478	\$ 40	\$ -
25	Income subject to federal income tax (Line 17 - Line 24)	\$ 28,006	\$ 30,462	\$ (1,611)	\$ 28,850	\$ (265)	\$ (110)	\$ -	\$ 517	\$ 14	\$ -
26	Federal income tax @ 3.5%	14,912	14,912	-	14,912	-	-	-	-	-	-
27	Taxes per books	14,094	15,550	(1,611)	13,958	(265)	(110)	-	517	14	-
28	Adjustment to federal income tax (Line 25 - Line 26)	\$ 1,366,522	\$ 1,344,052	\$ 22,470	\$ 1,366,522	\$ 48,833	\$ 48,833	\$ 48,833	\$ 48,833	\$ 48,833	\$ 48,833
(A) Computation of Interest charges											
	Total rate base	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%	48.83%
	Debt ratio	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
	Cost of debt	35.029%	34.453%	576	35.029%	34.453%	576	35.029%	34.453%	576	35.029%
	Interest expense	76,410	65,089	11,321	76,410	65,089	11,321	76,410	65,089	11,321	76,410
	Adjustment of book depreciation to tax basis:	62,662	59,258	3,404	62,662	59,258	3,404	62,662	59,258	3,404	62,662
	Book depreciation	13,748	5,831	7,917	13,748	5,831	7,917	13,748	5,831	7,917	13,748
	Depreciation adjustment	-	-	-	-	-	-	-	-	-	-

(B) Adjustment of book depreciation to tax basis:

Book depreciation	62,662
Tax depreciation	59,258
Depreciation adjustment	3,404

Metropolitan Edison Company  
 Supporting Schedule No. 1 to Normalization Adjustment No. 12  
 \$000

Computation of Federal & State Income Taxes - Normalized

To adjust tax depreciation (1) to eliminate the cost of removal component and (2) to eliminate non-jurisdictional tax depreciation. Mr. T. J. Dolezal supports the non-jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>		
		(1)	(2)	(3)
1	Tax depreciation expense per books	\$ 104,132		
2	Cost of removal / salvage in tax depreciation	11,062	79.62%	\$ 8,808
3	Smart meter tax depreciation	<u>11,321</u>	100.00%	11,321
4	Distribution tax depreciation (Line 1 - Line 2 - Line 3)	\$ 81,749	79.62%	<u>65,089</u>
5	Total tax depreciation (Line 3 + Line 4)			<u>\$ 76,410</u>

Metropolitan Edison Company  
 Normalization Adjustment No. 13  
 \$000

Adjustment of Provision for Deferred Income Taxes

To adjust the provision for deferred income taxes (1) to reflect year-end plant balances for federal deferred income taxes, (2) to eliminate miscellaneous federal deferred taxes not associated with liberalized depreciation, and (3) to eliminate all state deferred income taxes associated with liberalized depreciation.

<u>Line No.</u>	<u>Description</u>	<u>Provision for Deferred Taxes - Net</u>	
		<u>Federal</u>	<u>State</u>
		<u>(1)</u>	<u>(2)</u>
1	Deferred taxes per books, 12 months ended 12/31/2015	\$ (22,342)	\$ 47,585
2	Deferred taxes - liberalized depreciation (Exhibit RAD-41, page 19)	21,778	-
3	Less: Smart Meter deferred taxes	<u>(3,258)</u>	-
4	Distribution deferred taxes (Line 2 + Line 3)	18,520	-
5	Jurisdictional allocation factor	<u>79.62%</u>	<u>79.62%</u>
6	Jurisdictional deferred taxes - liberalized depreciation (Line 4 x Line 5)	14,746	-
7	Plus: Smart Meter deferred taxes	<u>3,258</u>	-
8	Total Deferred Taxes (Line 6 + Line 7)	18,004	-
5	Adjustment to deferred tax expense (Line 8 - Line 1)	<u>40,346</u>	<u>(47,585)</u>
6	Deferred tax expense per books for the 12 months ended 12/31/2015, as adjusted	<u>\$ 18,004</u>	<u>\$ -</u>

Metropolitan Edison Company  
Normalization Adjustment No. 14  
\$000

Adjustment of Investment Tax Credit

To adjust investment tax credit to eliminate non-jurisdictional investment tax credit. Mr. T. J. Dolezal supports the non-jurisdictional allocation factor.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	
		(1)	(2)
1	Investment tax credit adjustments per books, 12 months ended 12/31/2015	\$	(372)
2	Non-jurisdictional allocation factor	<u>20.38%</u>	
3	Less: Adjustment to investment tax credit (Lines 1 X Line 2)		<u>76</u>
4	Investment tax credit expense per books for the 12 months ended 12/31/2015, as adjusted	\$	<u>(296)</u>



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT I-B-3:

“Provide an overall system map, including and labeling all generating plants, transmission substations—indicate voltage, transmission system lines—indicate voltage, and all interconnection points with other electric utilities, power pools, and other like systems.”

RESPONSE:

See Met-Ed Exhibit RAD-7 HIGHLY CONFIDENTIAL Attachment A.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-A-1:

“Provide a schedule showing the test year rate base and rates of return at original cost less accrued depreciation under present rates and under proposed rates. Claims made on this schedule should be cross-referenced to appropriate supporting schedules.”

RESPONSE:

See Met-Ed Exhibit RAD-1 for the Fully Projected Future Test Year.

See Met-Ed Exhibit RAD-3 for the Future Test Year.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-A-2:

“If the schedule provided in response to item 1, is based upon a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.”

RESPONSE:

See Met-Ed Exhibit RAD-5 for the Historical Test Year.



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-A-3:

“When a utility files a tariff stating a new rate based in whole or in part on the cost of construction, as defined in 66 Pa.C.S. § 1308(f) (relating to voluntary changes in rates), of an electric generating unit, the utility shall identify:

- (a) The total cost of the generating unit
- (b) The following costs:
  - (1) The cost and quantity of each category of major equipment, such as switchgear, pumps or diesel generators and the like.
  - (2) The cost and quantity of each category of bulk materials, such as concrete, cable and structural steel and the like. .
  - (3) Manual labor. .
  - (4) Direct and indirect costs of architect/engineering services. .
  - (5) Direct and indirect costs of subcontracts or other contracts involving major components or systems such as turbines, generators, nuclear steam supply systems, major structures and the like.
  - (6) Distributed costs.
- (c) A cost increase of \$5 million or more, including AFUDC, over the original utility estimates provided under 66 Pa.C.S. § 515(a) (relating to construction cost of electric generating units) and its causes.
- (d) Compliance with subsections (a) and (b) will be identical in format and substance as that provided under 52 Pa. Code § 57.103 (relating to estimate of construction costs) for original cost estimates submitted under 66 Pa.C.S. § 515(a).”

RESPONSE:

Not applicable.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-B-1:

“If a claim is made for plant held for future use, supply the following:

- a. A description of the plant or land site and its cost and any accumulated depreciation.
- b. The expected date of use for each item claimed.
- c. An explanation as to why it is necessary to acquire each item in advance of its date of use.
- d. The date when each item was acquired.
- e. The date when each item was placed in plant held for future use.”

RESPONSE:

There is no rate base claim being made in this proceeding for plant held for future use.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-B-2:

“If a claim is made for construction work in progress, provide a supporting schedule which sets forth separately, revenue-producing and nonrevenue producing amounts, and include, for each category a summary of all work orders, amounts expended at the end of the test year and anticipated in service dates. Indicate if the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project.”

RESPONSE:

Met-Ed is not making any rate base claim for construction work in progress.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-B-3:

“If a claim is made for materials and supplies or fuel inventory provide a supporting schedule for each claim showing the latest actual 13 monthly balances and showing in the case of fuel inventory claims, the type of fuel, and location, as in station, and the quantity and price claimed.”

RESPONSE:

METROPOLITAN EDISON COMPANY

13 Month Book Balance of Materials and Supplies

Line No.	Month	Amount
1	January 31, 2015	\$ 14,778,851
2	February 28, 2015	\$ 14,067,827
3	March 31, 2015	\$ 15,786,645
4	April 30, 2015	\$ 15,537,262
5	May 31, 2015	\$ 15,888,946
6	June 30, 2015	\$ 15,472,273
7	July 31, 2015	\$ 15,547,928
8	August 31, 2015	\$ 14,545,168
9	September 30, 2015	\$ 14,047,761
10	October 31, 2015	\$ 13,610,178
11	November 30, 2015	\$ 13,654,552
12	December 31, 2015	\$ 13,314,532
13	January 31, 2016	\$ 13,445,130
14	13 Period Average	\$ 14,592,081

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-B-4:

“If a claim is made for cash working capital provide a supporting schedule setting forth the method and all detailed data utilized to determine the cash working capital requirement. If not provided in the support data provide a lead-lag study of working capital, completed no more than 6 months prior to the rate increase filing.”

RESPONSE:

See the direct testimony of Jeffrey L. Adams, Met-Ed Statement No. 5.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-B-6:

“Explain in detail by statement or exhibit the appropriateness of additional claims or the use of a method not previously mentioned, in the claimed rate base.”

RESPONSE:

The supporting schedules included in Met-Ed Exhibit RAD-1 explain the appropriateness of various items claimed in the rate base. Items not explained in supporting schedules to Met-Ed Exhibit RAD-1, or not mentioned in other responses to filing requirements are explained below:

1. Customer Deposits

Customer deposits are deducted from the rate base as they represent a source of non-investor supplied capital. Appropriate interest on such deposits has been included as a normalizing adjustment to the income statement.

2. Operating Reserves

The Company has adopted a partial self-insurance concept for general and automotive liability insurance, property insurance and a long-term disability plan. The Company has also established an operating reserve for the purpose of providing a pension fund in addition to the normal funded plan. These operating reserves, net of applicable deferred taxes, reduce the Company's total rate base claim.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-C-1:

“Prepare a Statement of Income including:

- (a) The book, or budgeted, statement for the test year.
- (b) Adjustments to annualize and normalize under present rates, including an elimination of the effects on income of the energy cost rate and state tax adjustment surcharge.
- (c) The income statement under present rates after adjustment.
- (d) The adjustment for the revenue requested.
- (e) The income statement under requested rates after adjustment.
- (f) Each adjustment, including those relating to adjustment clauses, shall contain an explanation in sufficient clarifying detail to allow a reasonably informed person to understand the method and rationale of the adjustment.”

RESPONSE:

Fully Projected Future Test Year

(a – f): See Met-Ed Exhibit RAD-2. Regarding part (b) pertaining to the annualization and normalization of revenues including applicable surcharges and tariff riders, these adjustments are supported in the Direct Testimony of Met-Ed Witness Kevin M. Siedt, Met-Ed Statement No. 3 and Met-Ed Exhibit KMS-1 Attachment A which accompanies his Direct Testimony.

Future Test Year

(a – f): See Met-Ed Exhibit RAD-4. Regarding part (b) pertaining to the annualization and normalization of revenues including applicable surcharges and tariff riders, these adjustments are supported in the Direct Testimony of Met-Ed Witness Kevin M. Siedt, Met-Ed Statement No. 3 and Met-Ed Exhibit KMS-1, Attachment B which accompanies his Direct Testimony.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-C-2:

“If the schedule provided in Filing Requirement II-C-1 is based upon budgeted data for a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.”

FILING REQUIREMENT II-C-1:

“Prepare a Statement of Income including:

- (a) The book, or budgeted, statement for the test year.
- (b) Adjustments to annualize and normalize under present rates, including an elimination of the effects on income of the energy cost rate and state tax adjustment surcharge.
- (c) The income statement under present rates after adjustment.
- (d) The adjustment for the revenue requested.
- (e) The income statement under requested rates after adjustment.
- (f) Each adjustment, including those relating to adjustment clauses, shall contain an explanation in sufficient clarifying detail to allow a reasonably informed person to understand the method and rationale of the adjustment.”

RESPONSE:

Historical Test Year

(a – f): See Met-Ed Exhibit RAD-6. Regarding part (b) pertaining to the annualization and normalization of revenues including applicable surcharges and tariff riders, these adjustments are supported in the Direct Testimony of Met-Ed Witness Kevin M. Siedt, Met-Ed Statement No. 3 and Met-Ed Exhibit KMS-1, Attachment C which accompanies his Direct Testimony.





METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-1

“Provide a schedule showing all revenues and expenses for the test year and for the 12-month period immediately prior to the test year, together with an explanation for major variances between test year revenues and expenses and those for the previous 12-month period. Revenues and expenses shall be summarized by the major account categories listed below. If budgeted data for a future test year is not readily available by these categories, an analysis of the data for the 12-month period immediately prior to the future test year or for the most recent available calendar year may serve as the basis for ratably allocating the budgeted data into the account categories as follows:

**OPERATING REVENUES**

	Electric Revenues:
	Residential Sales
	Commercial Sales
400	Industrial Sales
	Public Street & Highway
	Lighting Sales
	Sales for Resale
	Total Other Electric Revenues
	Other Electric Revenues:
	Late Payment Charges
	Miscellaneous Service Revenues
	Rent from Electric Property
	Other Electric Revenues
	Total Other Electric Revenues
	Total Operating Revenues

**OPERATING EXPENSES**

	Operation and Maintenance Expenses
	Power Production Expenses:
401-2	Fuel
	Net Interchange
	Deferred Energy Costs
	Other
	Transmission Expenses
	Distribution Expenses
	Customer Service & Informational Expense
	Sales Expenses
	Administrative and General Expenses

Total Operation & Maintenance Expenses

403 Depreciation Expenses  
Amortization of Net Salvage  
Nuclear Decommissioning Expense  
407 Amortization of Property Losses  
Taxes Other Than Income Taxes  
408 Total Operating Expenses Prior To  
Federal & State Income Taxes

**OPERATING EXPENSES**

Operating Income Prior To Federal and State Income Taxes

**FEDERAL AND STATE INCOME TAXES**

409 Federal Income Taxes  
State Income Taxes  
409 Deferred Federal Income Taxes  
Deferred State Income Taxes  
Investment Tax Credit Adjustments  
411 Deferrals  
Amortization—Credit  
Other Income Tax Credits & Charges  
Total Federal and State Income Taxes  
Operating Income After Federal and State Income Taxes

**OTHER INCOME AND DEDUCTIONS**

**OTHER INCOME**

415-18 Non-utility Operating Income  
419 Interest and Dividend Income  
419 Allowance for Other Funds Used During Construction  
421 Gain on Disposition of Property  
421 Other Miscellaneous Non-operating Income  
Total Other Income

**OTHER INCOME DEDUCTIONS**

421 Loss on Disposition of Property  
425 Miscellaneous Amortization  
426 Miscellaneous  
Total Other Income Deductions

**TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS**

408 Taxes Other Than Income Taxes  
409 Federal Income Tax  
409 State Income Tax

Total Taxes Applicable to Other Income and Deductions  
Income Before Interest Charges

### ***INTEREST CHARGES***

427	Interest on Long-Term Debt
428	Amortization of Debt Discount and Expense
429	Amortization of Premium on Debt
431	Other Interest Expense
432	Allowance for Borrowed Funds Used During Construction—Credit
	Net Interest Charges
	Income Before Extraordinary Items
	Extraordinary Items After Taxes
	Net Income "

### **RESPONSE:**

See Met-Ed Exhibit RAD-18 Attachment A which provides the requested comparative operating statements. Set forth below are explanations of the causes of major variances.

### **OPERATING REVENUES (Variances in \$000)**

#### **Residential Sales (\$19,114)**

The variance is due primarily to decreases in Default Service Support (“DSS”) revenues of \$9.1 million, Price to Compare revenues of \$8.5 million, and base distribution revenues of \$5.1 million, partially offset by an increase in Smart Meter revenues of \$3.2 million.

#### **Commercial Sales (\$5,990)**

The variance is due primarily to a decrease of \$5.3 million in DSS revenues.

#### **Industrial Sales (\$9,718)**

The variance is due primarily to decreases in DSS revenues of \$8.0 million and Non-Utility Generation (“NUG”) revenues \$1.8 million.

#### **Sales for Resale (\$5,340)**

The variance is due primarily to a \$3.8 million decrease to Pennsylvania Jersey Maryland (“PJM”) Spot market energy revenues.

#### **Rent from Electric Property (\$5,891)**

The variance is due primarily to a \$6.0 million decrease in lease rental revenues.

Other Electric Revenues (\$44,274)

The variance is due primarily to a \$42.4 million decrease in network transmission system revenues.

**OPERATING EXPENSES (Variances in \$000)**

Operation and Maintenance expense Account 401-2 (\$16,133)

The variance is primarily due to decreases of \$12.4 million in purchased power, and \$12.1 million in transmission expenses. These decreases were partially offset by an increase of \$7.8 million in distribution expenses.

Account 403 Depreciation expense (\$6,073)

The variance is due primarily to a \$3.4 million decrease in depreciation asset removal costs and a \$2.7 million decrease in depreciation on assets in service.

Account 404-5 Amortization and depletion of utility plant \$2,369

The variance is due primarily to a \$2.4 million increase in amortization and depletion on assets.

Account 407.3 Regulatory debits (\$27,169)

This variance is due primarily to an \$18.0 million decrease in the 2006 PJM Transmission deferral, a \$4.6 million decrease in the DSS deferral and a \$4.4 million decrease in the NUG deferral.

Account 408.1 Taxes other than income taxes (\$2,055)

This variance is due primarily to a decrease of \$1.4 million in the Pennsylvania gross receipts tax.

**Metropolitan Edison Company  
Comparative Income Statements**

FERC Account	Twelve Months Ending		Increase/ (Decrease)	
	Dec 31, 2017	Dec 31, 2016		
<i>(In thousands)</i>				
<b>Operating Revenues</b>				
<b>Electric Service Revenues</b>				
440	Residential sales	\$ 561,736	\$ 580,850	\$ (19,114)
442	Commercial sales	135,684	141,673	(5,990)
442	Industrial sales	48,396	58,114	(9,718)
444	Public street and highway lighting	5,769	5,885	(116)
445	Other sales to public authorities	-	-	-
447	Sale for resale	249	5,589	(5,340)
	Total electric service revenues	<u>\$ 751,833</u>	<u>\$ 792,112</u>	<u>\$ (40,278)</u>
<b>Other Electric Revenue</b>				
450	Forfeited discounts	\$ 3,229	\$ 3,537	\$ (308)
451	Miscellaneous service revenues	1,903	2,022	(120)
454	Rent from electric property	13,399	19,290	(5,891)
456	Other electric revenues	2,793	47,067	(44,274)
	Total other electric revenues	<u>\$ 21,323</u>	<u>\$ 71,917</u>	<u>\$ (50,594)</u>
	Total operating revenues	<u>\$ 773,157</u>	<u>\$ 864,029</u>	<u>\$ (90,872)</u>
<b>Operating Expenses</b>				
401-2	Operation and maintenance expense			
	Power production expenses	\$ 328,115	\$ 340,519	\$ (12,405)
	Transmission expenses	17,592	29,643	(12,051)
	Regional market expenses	-	-	-
	Distribution expenses	45,331	37,565	7,765
	Customer accounts expense	33,118	30,941	2,178
	Customer service & information expense	42,665	40,400	2,265
	Sales expenses	93	92	1
	Administrative & general expenses	42,416	46,303	(3,887)
	Subtotal	<u>\$ 509,329</u>	<u>\$ 525,463</u>	<u>\$ (16,133)</u>
403	Depreciation expense	\$ 55,272	\$ 61,345	\$ (6,073)
404-5	Amortization and depletion of utility plant	9,334	6,964	2,369
406	Amortization and utility plant acq. adjustment	-	-	-
407	Amortization of property losses	-	-	-
407.3	Regulatory debits	27,324	54,493	(27,169)
407.4	Regulatory credits	(16,784)	(17,651)	867
408.1	Taxes other than income taxes	48,502	50,557	(2,055)
411.1	Accretion expense	-	-	-
411.8	Gains from disposition allowance	-	-	-
	Total operating expenses before federal and state income taxes	<u>\$ 632,976</u>	<u>\$ 681,171</u>	<u>\$ (48,195)</u>
	Net operating income before income taxes	<u>\$ 140,181</u>	<u>\$ 182,857</u>	<u>\$ (42,677)</u>
<b>Income taxes</b>				
409.1	Income taxes-federal	\$ 11,672	\$ 21,850	\$ (10,178)
409.1	Income taxes-state	4,455	8,539	(4,084)
410.1	Provision for deferred income taxes-federal	17,969	22,344	(4,375)
410.1	Provision for deferred income taxes-state	4,932	5,462	(530)
411.1	Income taxes deferred in prior years-cr.	-	-	-
411.4	Investment tax credit adjustments-net	(372)	(372)	-
	Total income taxes	<u>\$ 38,656</u>	<u>\$ 57,823</u>	<u>\$ (19,167)</u>
	Net operating income	<u>\$ 101,525</u>	<u>\$ 125,034</u>	<u>\$ (23,510)</u>

**Metropolitan Edison Company  
 Comparative Income Statements**

FERC Account	Twelve Months Ending		Increase/ (Decrease)	
	Dec 31, 2017	Dec 31, 2016		
		(In thousands)		
<b>Other income</b>				
415-16	Revenues from merchandising, jobbing and contract work	\$ 2,496	\$ 3,482	\$ (986)
417	Revenues from non-utility operations			-
417.1	Expenses from non-utility operations			-
418	Nonoperating rental income	(18)	(18)	-
418.1	Equity in earnings of subsidiary companies	18,694		18,694
419	Interest and dividend income	2,271	2,271	(0)
419.1	Allowance for funds used during construction	162	235	(73)
421	Miscellaneous non-operating income	1,740	2,708	(968)
421.1	Gain on disposition of property	-	-	-
	Total other income	\$ 25,346	\$ 8,679	\$ 16,667
	Gross income	\$ 126,871	\$ 133,714	\$ (6,843)
<b>Other Income Deductions</b>				
421.2	Loss on disposition of property	\$ -	\$ -	\$ -
425	Miscellaneous amortization	-	-	-
426	Other income deductions	104	109	(5)
	Total other income deductions	\$ 104	\$ 109	\$ (5)
<b>Taxes Applicable to Other Income and Deductions</b>				
408.2	Taxes other than income taxes	\$ -	\$ -	\$ -
409.2	Income taxes - federal	-	-	-
409.2	Income taxes - state	-	-	-
410.2	Provision for deferred income taxes	-	-	-
411.2	Provision for deferred income taxes-cr.	-	-	-
	Total taxes on other income and deductions	\$ -	\$ -	\$ -
<b>Interest Charges</b>				
427	Interest on long term debt	\$ 43,630	\$ 43,628	\$ 1
428	Amortization of debt discount and expense	792	792	-
428.1	Amortization of loss on reacquired debt	227	227	-
429	Amortization of premium on debt credit	-	-	-
429.1	Amortization of gain on reacquired debt	(144)	(144)	-
430	Interest on debt to associated companies	3,059	1,770	1,289
431	Other interest expense	5,928	5,826	102
432	Allowance for borrowed funds used during construction - credit	(226)	(328)	102
	Total interest charges	\$ 53,267	\$ 51,771	\$ 1,495
	Income before extraordinary items	\$ 73,500	\$ 81,833	\$ (8,333)
<b>Extraordinary Items &amp; Related Taxes</b>				
434	Extraordinary income	\$ -	\$ -	\$ -
435	Extraordinary deductions	-	-	-
409.3	Income taxes - Federal & other	-	-	-
	Extraordinary items after taxes	\$ -	\$ -	\$ -
	Net income	\$ 73,500	\$ 81,833	\$ (8,333)

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-2:

“Provide a summary of test year adjustments which sets forth the effect of the adjustment upon the following: operating revenues, operating expenses, taxes other than income taxes, operating income before income taxes, State income tax, Federal income tax and income available for return. In addition, test year adjustments shall be presented on the basis of the major account categories set out at II-D-1.”

RESPONSE:

See Met-Ed Exhibit RAD-19 Attachment A.



Metropolitan Edison Company

Line No.	Adj. No.	Support Schedule No.	Description	Operating Revenues (1)	Operating Expenses (2)	Taxes Other Than Income Taxes (3)	Operating Income Before Income Taxes (4)	State Income Tax (5)	Federal Income Tax (6)	Income Available for Return (7)=(4)-(5)-(6)
1			As budgeted (Exhibit RAD-2, Page 1, col. 1)	\$ 773,157	\$ 584,475	\$ 48,502	\$ 140,180	\$ 9,387	\$ 29,269	\$ 101,524
			<b>Normalizations and Adjustments</b>							
			<b>Operating Revenues</b>							
2	1		Base Operating Revenues	(9,432)			(9,432)	(942)	(2,971)	(5,518)
3	2		State Tax Surcharge Revenues	-			-	-	-	-
4	3		Eliminate Distribution System Improvement Charge Revenue	(2,431)			(2,431)	(243)	(766)	(1,422)
			<b>Other Operating Revenues</b>							
5	4		Eliminate MAIT Ground Lease -Assoc Co revenues	(2,698)			(2,698)	(270)	(850)	(1,579)
			<b>Operating Expenses</b>							
			<b>Distribution</b>							
6	5	1	Distribution payroll adjustment to reflect year end employee levels and ongoing wage and salary rates		524		(524)	(52)	(165)	(307)
7	5	1	Service company distribution payroll adjustment to reflect year end employee levels and ongoing wage and salary rates		64		(64)	(6)	(20)	(37)
8	5		Eliminate non-jurisdictional transmission expense		(937)		937	94	295	548
9	5		Amortization of gain or loss on reacquired debt		83		(83)	(8)	(26)	(49)
10	5		Increase expense for contractor safety request		167		(167)	(17)	(53)	(98)
			<b>Customer Accounts</b>							
11	6		Customer account payroll adjustment to reflect year end employee levels and ongoing wage and salary rates		198		(198)	(20)	(62)	(116)
12	6		Service company customer account payroll adjustment to reflect year end employee levels and ongoing wage and salary rates		123		(123)	(12)	(39)	(72)
13	6	1	Increased O&M costs associated with increased number of customers in normalized revenue levels		7		(7)	(1)	(2)	(4)
14	6	2	Interest on customer deposits		1,247		(1,247)	(125)	(393)	(730)
			<b>Customer Service</b>							
15	7		Customer service payroll adjustment to reflect year end employee levels and ongoing wage and salary rates		96		(96)	(10)	(30)	(56)
			<b>Administrative &amp; General Expenses</b>							
16	8		A&G payroll adjustment to reflect year end employee levels and ongoing wage and salary rates		28		(28)	(3)	(9)	(16)
17	8		Service company A&G payroll adjustment to reflect year end employee levels and ongoing wage and salary rates		259		(259)	(26)	(82)	(152)
18	8	1	Adjust OPEB expense to service cost level		2,682		(2,682)	(268)	(845)	(1,569)
19	8	2	Adjust Pension Expense to ten year cash level		10,436		(10,436)	(1,043)	(3,288)	(6,106)
20	8	3	Adjust employee benefit costs		408		(408)	(41)	(129)	(239)
21	8		Rate Case expenses normalized over 2 years		274		(274)	(27)	(86)	(160)
22	8		Eliminate other non-jurisdictional expense		(667)		667	67	210	390
			<b>Depreciation Expense</b>							
23	9		Adjustment for equal life group accrual for jurisdictional plant		14,590		(14,590)	(1,458)	(4,596)	(8,536)
24	9		Adjustment of cost of removal/salvage expenses to a jurisdictional five year average		6,534		(6,534)	(653)	(2,058)	(3,823)
			<b>Amortization</b>							
25	10		Eliminate smart meter amortization per budget		6,511		(6,511)	(650)	(2,051)	(3,809)
26	10		Eliminate legacy meters cost of removal in budget		897		(897)	(90)	(283)	(525)
27	10		Adjustment to reflect additional annual amortization of legacy meters		3,245		(3,245)	(324)	(1,022)	(1,899)
			<b>Taxes Other than Income</b>							
28	11		Eliminate Capital Stock Tax			(48)	48	5	15	28
29	11		Eliminate other non-jurisdictional taxes			(437)	437	44	138	255
30	11		Adjustment for gross receipts tax at normalized revenue level			(687)	687	69	216	402
31	11	1	Adjustment for payroll taxes on normalized payroll	-	-	25	(25)	(3)	(8)	(15)
32			Total adjustments before tax (Exhibit RAD-2, Page 1, col. 2, line 16)	\$ (14,561)	\$ 46,769	\$ (1,146)	\$ (60,184)	\$ (6,079)	\$ (19,170)	\$ (34,935)
			<b>Federal &amp; State Income Taxes</b>							
33	12		Current federal & state income taxes				-	11,647	30,957	(42,604)
34	13		Deferred federal & state income taxes				-	(5,408)	(4,932)	10,340
35			Total adjustments (Exhibit RAD-2, Page 1, col. 2, line 24)	\$ (14,561)	\$ 46,769	\$ (1,146)	\$ (60,184)	\$ 181	\$ 6,855	\$ (67,199)
36			Budget as adjusted (Exhibit RAD-2, Page 1, col. 3)	\$ 758,596	\$ 631,244	\$ 47,356	\$ 79,996	\$ 9,548	\$ 36,124	\$ 34,325
37			PA Jurisdictional (Exhibit RAD-2, Page 1, col. 6)	\$ 353,556	\$ 239,954	\$ 23,472	\$ 80,130	\$ 10,560	\$ 39,316	\$ 40,253

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-3:

“List and explain all nonrecurring or extraordinary expenses incurred in the test year and all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years, for example, non-yearly maintenance programs, and the like.”

RESPONSE:

The test year ending 12/31/17 does not include any non-recurring or extraordinary expenses.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-4:

“As a separate item, list extraordinary property losses related to property previously included in cost of service when the gain or loss on this property has occurred or is likely to occur in the future test year. The proposed ratemaking treatment of extraordinary gains and losses must also be disclosed. Sufficient supporting data must be provided.”

RESPONSE:

There are no extraordinary property losses.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-5:

“Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued and amounts written off in each of the last 3 calendar years.”

RESPONSE:

The future estimate of uncollectible accounts is based on a historically determined average of net write-offs to sales for each utility company. For the Uncollectible Customer Reserve, the Company determines a 3-year rolling average of net write-offs to sales (36 months of net write-offs/36 months of sales). This percentage is then multiplied by the latest 6 months of sales to arrive at a reserve.

The 2013 Uncollectible Customer Reserve includes a reserve for the Purchase of Receivables program (“POR”). This was determined using a percentage of Non-POR Uncollectible Customer Reserve to Non-POR Customer Receivable Arrears (Uncollectible Customer Receivable Reserve/Non-Current Customer Receivable Arrears). This percentage was then multiplied by the POR Non-Current Customer Receivable Arrears to arrive at a reserve. Beginning in 2014, the POR Uncollectible Customer Reserve calculation methodology was changed to align with the 3-year rolling average as discussed above.

The Company may record additional uncollectible customer reserve amounts as deemed necessary to fairly value Accounts Receivable.

The accruals, net write-offs and balance in FERC Account No. 144.1 Accumulated Reserve for Uncollectible Accounts for the last three calendar years are as follows:

<b>Line</b>		
<b>No.</b>	<b>Description</b>	<b>Amount</b>
1	Balance, January 1, 2013	\$ (3,023,320)
2	Accruals	\$ (14,333,240)
3	Write-offs (Net)	<u>\$ 10,315,484</u>
4	Balance, December 31, 2013	\$ (7,041,076)
5	Accruals	\$ (14,788,313)
6	Write-offs (Net)	<u>\$ 13,982,873</u>
7	Balance, December 31, 2014	\$ (7,846,516)
8	Accruals	\$ (17,816,826)
9	Write-offs (Net)	<u>\$ 16,440,556</u>
10	Balance, December 31, 2015	<u>\$ (9,222,786)</u>

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-6:

“Supply detailed calculations to support the total claim for rate case expense, including supporting data for outside service rendered. Provide the items comprising the estimated rate case expense claim for the current rate case.”

RESPONSE:

The claim in the current rate case proceeding for rate case expenses, shown on Met-Ed Exhibit RAD-2 page 17, is based on the following total estimated expenses proposed to be normalized for ratemaking purposes over two years:

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>  (\$000)
1	Legal Fees	\$ 290
2	Expert Witnesses	44
3	Other	<u>214</u>
4	Total Current Filing	<u>\$ 548</u>

Other Includes but is not limited to:

Copying

Postage/Courier Services

Public Input Hearing Costs (facilities/travel/hotels/meals)

Customer Notifications including Newspaper notices and Bill Inserts

Transcripts

Travel/hotels/meals for evidentiary hearings in Harrisburg,

PA



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-7:

“Submit schedules for the test year and for the 12-month period immediately prior to the test year showing by major components, if included in claimed test year expenses, the expenses incurred in each of the following expense categories:

- (a) Miscellaneous general expenses, including account 930.
- (b) Outside service expenses.
- (c) Regulatory commission expenses.
- (d) Advertising expenses, including advertising engaged in by trade associations whenever the utility has claimed a contribution to the trade association as a ratemaking claim - provide explanation of types and purposes of such advertising.
- (e) Research and development expenses – provide a listing of major projects.
- (f) Charitable and civic contributions, by recipient and amount.
- (g) Explain major variances between the test year expenses and those expenses for the prior 12-month period.”

RESPONSE:

- (a – d): See Page 2 of 3.
- (e – f): See Page 3 of 3.



Line No.	Description	12 Months Ending 12/31		
		2017	2016	2015
		<i>(in thousands)</i>		
<b><u>Acct 913 - Advertising &amp; 930 - Miscellaneous General Expense</u></b>				
Institutional or Goodwill Advertising Expenses (913 & 930.1)				
1	Goodwill Advertising	\$ 10	\$ 10	\$ 18
2	Promotion / customer retention	25	25	28
3	Print Advertising	14	14	102
4	Radio Advertising	-	-	4
5	Agency Services	165	154	22
6	Total Institutional or Goodwill Advertising	<u>\$ 214</u>	<u>\$ 203</u>	<u>\$ 174</u>
Misc. General Expenses (930.2)				
7	Bank Fees	\$ 108	\$ 108	\$ 253
8	Misc Regulatory Expenses	295	286	249
9	Corporate Dues - Trade	133	133	129
10	Financing Admin Fees	111	123	70
11	Corporate Dues - Civic	39	39	-
12	Association Fees and Dues	3	3	41
13	FENOC - Benefits	5	4	27
14	FENOC - Tax	2	2	9
15	Other Miscellaneous Expenses		667	(0)
16	Total Miscellaneous General Expenses	<u>\$ 695</u>	<u>\$ 1,365</u>	<u>\$ 778</u>
17	Accounts 913 & 930	<u>\$ 909</u>	<u>\$ 1,568</u>	<u>\$ 952</u>
<b><u>Account 923 - Outside Services Employed</u></b>				
1	Outside Contractors	\$ 16,886	\$ 19,551	\$ 20,667
2	FE Service Co. Assessments	16,068	16,066	15,277
3	FENOC	53	51	167
4	Total Account 923	<u>\$ 33,007</u>	<u>\$ 35,668</u>	<u>\$ 36,111</u>
<b><u>Account 928 - Regulatory Commission Expenses</u></b>				
1	Regulatory Commission Expense	\$ 2,613	\$ 2,920	\$ 2,734
2	Total Acct 928	<u>\$ 2,613</u>	<u>\$ 2,920</u>	<u>\$ 2,734</u>

Line No.	Description	12 Months Ending 12/31		
		2017	2016	2015
		<i>(in thousands)</i>		
1	<b><u>Research and Development Expenditures</u></b>	\$ 234	\$ 225	\$ 415 (A)

(A) For the year ended December 31, 2015, R&D expenses represents actual amounts included in the income statement. Future amounts are projected expenditures which will settle to either capital or expense depending on the nature of the project.

**Account 426.1 - Donations**

1	Property Donations	\$ 117	\$ 117	\$ 117
2	Civic Donations	19	19	46
3	Total charitable and civic contributions	<u>\$ 136</u>	<u>\$ 136</u>	<u>\$ 163</u>



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-8:

“Provide an analysis by function of charges by affiliates, for the test year and the 12-month period immediately prior to the test year, for services rendered included in the operating expenses of the filing company. Explain the nature of the service and the basis on which charges or allocations are made, including a copy of an applicable contract. Also, explain major variances between the charges for the test year and the corresponding charges for the prior 12-month period.”

RESPONSE:

See Met-Ed Exhibit, RAD-25 Attachment A for a summary of charges budgeted to be billed to Metropolitan Edison Company by FirstEnergy Service Company (FE Service) for the twelve months ending December 31, 2017 and December 31, 2016.

Also included is a copy of the Service Agreement between the operating subsidiary Metropolitan Edison Company and FE Service outlining the services to be provided by FE Service and the basis on which charges are to be billed. See Met-Ed Exhibit, RAD-25 Attachment B.

Metropolitan Edison Company  
Charges by Affiliates  
(000's)

Line No.	Description	Twelve Months Ending December 31, 2017			Twelve Months Ending December 31, 2016			Twelve Months Ending December 31, 2015		
		Labor *	Other than Labor **	Total	Labor *	Other than Labor **	Total	Labor *	Other than Labor **	Total
1	Production	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Transmission	937	667	1,604	1,690	884	2,574	1,557	947	2,504
3	Distribution	2,021	1,534	3,555	3,842	2,179	6,021	3,156	2,234	5,390
4	Customer Accounting and Information	3,884	5,146	9,030	4,196	3,928	8,124	4,928	3,685	8,613
5	Administrative and General	8,170	9,701	17,871	6,150	11,876	18,026	9,955	7,715	17,670
6	Total	<u>\$ 15,012</u>	<u>\$ 17,048</u>	<u>\$ 32,060</u>	<u>\$ 15,878</u>	<u>\$ 18,867</u>	<u>\$ 34,745</u>	<u>\$ 19,596</u>	<u>\$ 14,581</u>	<u>\$ 34,177</u>

\* Labor is direct payroll only; excludes payroll overhead

\*\* OTL includes payroll overhead

Service Company Agreement-Utility [Execution Copy]

SERVICE AGREEMENT

This Service Agreement ("Agreement") is entered into as of the 25th day of February, 2011, by and between each of the associate companies listed on the signature page hereto (each a "Client Company"), and FirstEnergy Service Company, an Ohio corporation ("Service Company").

WHEREAS, Service Company is a direct wholly-owned subsidiary of FirstEnergy Corp., a holding company under the Public Utility Holding Company Act of 2005, as amended (the "Act");

WHEREAS, Service Company has been formed for the purpose of providing administrative, management and other services to FirstEnergy Corp. and its associate companies, including Client Company (together, the "Client Companies"); and

WHEREAS, Client Company believes that it is in its interest to enter into an arrangement whereby Client Company may agree to purchase such administrative, management and other services from Service Company as Client Company may choose at cost as determined in accordance with this Agreement and the Act;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DESCRIPTION OF SERVICES.

Service Company agrees to provide certain administrative, management or other services (the "Services") to Client Company similar to those supplied to other Client Companies of Service Company. Such services are and will be provided to Client Company only at the request of Client Company. Exhibit A hereto lists and describes all of the Services that are available from Service Company.

2. PERSONNEL.

In order to provide the Services, Service Company will employ executive officers, accountants, financial advisers, technical advisers, attorneys and other persons with the necessary qualifications. If necessary, Service Company may also arrange for the services of nonaffiliated experts, consultants and attorneys in connection with the performance of any of the Services provided under this Agreement.

3. COMPENSATION AND ALLOCATION.

As and to the extent required by law, Service Company provides and will provide such services at fully allocated cost, determined in accordance with the Act. Exhibit A hereof contains rules for determining and allocating such costs.

4. TERMINATION AND MODIFICATION.

Either party to this Agreement may terminate this Agreement by providing 60 days written notice of such termination to the other party. This Agreement is subject to termination or modification at any time to the extent its performance may conflict with the provisions of the Act or with any rule, regulation or order of the Federal Regulatory Energy Commission (the "Commission") adopted before or after the making of this Agreement. This Agreement shall be subject to the approval of any state commission or other state regulatory body whose approval is, by the laws of said state, a legal prerequisite to the execution and delivery or the performance of this Agreement.

5. SERVICE REQUESTS.

Client Company and Service Company will prepare a Service Request on or before September 30<sup>th</sup> of each year listing Services to be provided to Client Company by Service Company and any special arrangements related to the provision of such Services for the coming year, based on Services provided during the preceding year. Client Company and Service Company may supplement the Service Request during the year to reflect any additional or special Services that Client Company wishes to obtain from Service Company, and the arrangements relating thereto.

6. BILLING AND PAYMENT.

Unless otherwise set forth in a Service Request, payment for Services provided by Service Company shall be by making remittance of the amount billed or by making appropriate accounting entries on the books of Client Company and Service Company. Billing will be made on a monthly basis, with the bill to be rendered as soon as practicable after the close of the month, and remittance or accounting entries completed within 30 days of billing. Any amount remaining unpaid after 30 days following receipt of the bill shall bear interest thereon from the due date of the bill until payment at a rate equal to the prime rate on the due date.

7. NOTICE.

Where written notice is required by this Agreement, all notices, consents, certificates, or other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

To Client Company: c/o President  
76 South Main St.  
Akron, Ohio 44308

To Service Company: c/o Vice President and Controller  
76 South Main Street  
Akron, Ohio 44308

8. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to its conflict of laws provisions.

9. MODIFICATION.

No amendment, change or modification to this Agreement shall be valid, unless made in writing and signed by both parties hereto.

10. ENTIRE AGREEMENT.

This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent transactions thereunder have taken place prior to such effective date in which case such agreements will govern the terms of such transactions.

11. WAIVER.

No waiver by either party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

12. ASSIGNMENT.

This Agreement shall inure to the benefit and shall be binding upon the parties and their respective successors and assigns. No assignment of this Agreement or either party's rights, interests or obligations hereunder may be made without the other party's consent, which shall not be unreasonably withheld, delayed or conditioned.

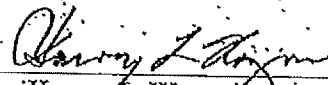


13: SEVERABILITY.

If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

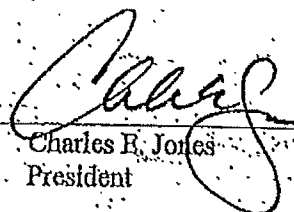
IN WITNESS WHEREOF, the parties have caused this Agreement to be  
duly executed effective as of the 25th day of February, 2011. This Agreement supercedes  
any previous agreement between the Service Company and the Client Companies.

FirstEnergy Service Company

By:   
Harvey L. Wagner  
Vice President & Controller

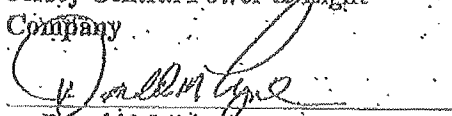
Client Companies:

- Ohio Edison Company
- The Cleveland Electric Illuminating  
Company
- The Toledo Edison Company
- Pennsylvania Power Company
- American Transmission Systems,  
Incorporated
- Pennsylvania Electric Company
- Waverly Electric Power & Light  
Company
- Metropolitan Edison Company
- Monongahela Power Company
- The Potomac Edison Company
- West Penn Power Company
- PATH - Allegheny Land Acquisition  
Company
- PATH Allegheny Maryland  
Transmission Company, LLC
- PATH Allegheny Transmission  
Company, LLC
- PATH Allegheny Virginia  
Transmission Corporation
- AYE Series, Potomac-Appalachian Transmission  
Highline, LLC
- Trans-Allegheny Interstate Line  
Company

By:   
Charles E. Jones  
President

Jersey Central Power & Light  
Company

By:



Donald M. Lynch  
President

EXHIBIT A  
DESCRIPTION OF SERVICES AND ALLOCATION METHODOLOGY

1. Description Of Services

Overview

This Exhibit provides a description of all services provided by Service Company departments and the cost allocation methodologies to be used in connection therewith. All products and services are subject to Service Level Standards as negotiated between the Service Company department and Client Company. Each Client Company is classified as either a "Utility Subsidiary" or a "Non-Utility Subsidiary".

2. Cost Allocation Methodology

Overview

The costs of services provided by Service Company will be directly assigned, distributed or allocated by activity, project, program, work order or other appropriate basis. The primary basis for charges to affiliates is the direct charge method. The methodologies listed below pertain to all other costs which are not directly assigned but which make up the fully allocated cost of providing the product or service. The costs of product and services provided by the ServeCo that cannot be charged directly to the Subsidiary receiving the product or service will be allocated among the associate companies by utilizing one of the methods described below that most accurately distributes the costs. The method of cost allocation varies based on the department rendering the service. The allocation methods used by Service Company are as follows:

a. "Multiple Factor - All" - For the Indirect Costs for products or services benefiting the entire FirstEnergy system, FirstEnergy and all Subsidiaries will bear a fair and equitable portion of such costs. FirstEnergy will bear 5% of these Indirect Costs. The remaining Indirect Costs will be allocated among the Utility Subsidiaries and the Non-Utility Subsidiaries benefiting from the services provided based on FirstEnergy's equity investment in the respective groups. A subsequent allocation step will then occur. Among the Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Utility" method. Among the Non-Utility Subsidiaries, allocations will be based upon the "Multiple Factor - Non-Utility" method.

b. "Multiple Factor - Utility" - For the Indirect Costs for a product or service solely benefiting one or more of the Utility Subsidiaries, each such Utility Subsidiary so benefiting will be charged a portion of the Indirect Costs based on the sum of the weighted averages of the following factors:

1. Gross transmission and/or distribution plant.
2. Operating and maintenance expense excluding purchase power and fuel costs.

3. Transmission and/or distribution revenues, excluding transactions with affiliates

These three (3) factors have been determined to be the most appropriate for the Utility Subsidiaries in the FirstEnergy system. Each factor will be weighted equally so that no one facet of the electric utility operations inordinately influences the distribution of Indirect Costs.

c. "Multiple Factor - Non-Utility" - For the Indirect Costs for products or services solely benefiting the Non-Utility Subsidiaries, each Non-Utility Subsidiary so benefiting receiving the product or service will be charged a proportion of the Indirect Costs based upon the total assets of each Non-Utility Subsidiary, including the generating assets under operating leases from the Utility Subsidiaries.

d. "Multiple Factor - Utility and Non-Utility" - For the Indirect Costs for a product or service benefiting one or more of the Utility and Non-Utility Subsidiaries, each such Subsidiary so benefiting is first assigned a distribution ratio that is in proportion to the Indirect Costs based on FirstEnergy's equity investment in such Subsidiaries. Following this distribution, a subsequent allocation step will then occur. Among the Utility Subsidiaries, allocations will be based upon the "Multiple Factor-Utility." Among the Non-Utility Subsidiaries, allocations will be based upon "Multiple Factor - Non-Utility".

e. "Direct Charge Ratio" - The ratio of direct charges for a particular product or service to an individual Subsidiary as a percentage of the total direct charges for a particular product or service to all Subsidiaries benefiting from such services. Indirect Costs are then allocated to each Subsidiary based on the calculated ratios.

f. "Number of Customers Ratio" - For costs of products and services driven by the number of Utility customers, the allocation method that will be used will be the number of Utility customers for the respective Utility Subsidiary receiving the product or service divided by the total number of utility customers.

g. "Number of Shopping Customers Ratio" - A "shopping customer" is defined as a Utility customer who has selected a competitive electric generation supplier. For costs of products and services driven by the number of shopping customers, the allocation method that will be used will be the number of shopping customers for the respective Utility Subsidiary receiving the product or service divided by the total number of shopping customers.

h. "Number of Participating Employees - General" - For costs of products and services driven by all participating employees within the FirstEnergy system, the allocation method that will be used will be the number of participating employees for the respective Subsidiary receiving the product or service divided by the total number of participating employees.

i. "Number of Participating Employees - Utility and Non-Utility" - For costs of products and services driven by participating employees who work for the Utility and Non-Utility Subsidiaries, the Subsidiaries receiving the product or service are first assigned a distribution ratio that is in proportion to the Indirect Costs based on FirstEnergy's equity investment in the respective groups. Costs are further allocated by using the number of participating employees for the respective Subsidiary divided by the total number of participating FirstEnergy employees.

j. "Gigabytes Used Ratio" - Number of gigabytes utilized by a Subsidiary receiving the product or service divided by the total number of gigabytes used by the FirstEnergy system companies applicable to that respective product or service.

k. "Number of Computer Workstations Ratio" - Number of computer workstations utilized by a Subsidiary receiving the product or service divided by the total number of computer workstations in use by the FirstEnergy system companies applicable to that respective product or service.

l. "Number of Billing Inserts Ratio" - Number of billing inserts performed for a Subsidiary receiving the product or service divided by the total number of billing inserts performed for the FirstEnergy system companies applicable to that respective product or service.

m. "Number of Invoices Ratio" - Number of invoices processed for a Subsidiary receiving the product or service divided by the total number of invoices processed for the FirstEnergy system companies applicable to that respective product or service.

n. "Number of Payments Ratio" - Number of monthly payments processed for a Subsidiary divided by the total monthly number of payments processed for the FirstEnergy system companies applicable to that respective product or service. This will not be utilized until some historical information is available out of our new automated system.

o. "Daily Print Volume" - Average daily print volume performed for a Subsidiary receiving the service divided by the total average daily print volume performed for the entire FirstEnergy system.

p. "Number of Intel Servers" - Number of Intel servers utilized by a Subsidiary receiving the product or service divided by the total number of Intel servers utilized by the FirstEnergy system.

q. "Application Development Ratio" - Number of application development hours budgeted for a Subsidiary receiving the service divided by the total number of budgeted application development hours for the year.

r. "Server Support Composite" - The average ratio of unix gigabytes, SAP gigabytes and Intel number of servers for a Subsidiary receiving the service.

3. Descriptions of Products and Services

**CALL CENTER**

Product or Service	Product / Service Description	Indirect Allocation Methods
Field All Inbound Regulated Calls	Field calls related to billing, credit, new service, service order completion, outages, and other miscellaneous activities.	Multiple Factor -- Utility and Non-Utility
Field All Inbound Unregulated Calls	Field calls related to billing, credit, new service, service order completion, outages, and other miscellaneous activities.	Multiple Factor -- Utility and Non-Utility

**CUSTOMER SERVICE**

Product or Service	Product / Service Description	Indirect Allocation Methods
Supplier Services	Provide customer services support to electric generation suppliers, administer and maintain Electronic Data Interface (EDI) functions and invoice suppliers.	Number of Shopping Customers Ratio
Regulatory Interface and Process Improvement: Supplier	Liaison to ensure Customer Choice requirements and develop and execute plans to improve supplier services processes.	Number of Shopping Customers Ratio
Market Support Generation (MSG) Administration	Administer and support MSG supplier functions.	Number of Shopping Customers Ratio
Regulatory Interface and Process Improvement: Regulatory	Respond to regulatory complaints from customers and develop and execute plans to improve regulatory compliance processes.	Number of Customers Ratio
Compliance	Work with regions to communicate and ensure regulatory requirements.	Multiple Factor -- Utility
Power Billing	Provide billing functions for large commercial/industrial contract customers.	Number of Customers Ratio
Revenue Reporting	Perform and manage revenue reporting functions.	Number of Customers Ratio
Billing Exception Processing	Process billing exceptions.	Number of Customers Ratio
Remittance Processing	Process customer payments and deposit funds.	Number of Payments Ratio
Human Services	Coordinate and administer the various social services programs.	Number of Customers Ratio



Arrears Management/ Outsourcing Services Incorporated (OSI) Administration	Coordinate and perform arrears, credit and bankruptcy functions. Manage outside collections agencies' performance and OSI credit activities.	Number of Customers Ratio
Revenue Protection Administration	Perform revenue reporting and compliance functions.	Number of Customers Ratio
Metrics and Budget/ Customer Satisfaction Measurement	Manage Customer Services and Call Center Departments' budgets and measure performance and customer satisfaction results.	Number of Customers Ratio
Policy/Procedures Development and Documentation	Develop, document and communicate Customer Services policies and procedures.	Number of Customers Ratio
Bill Administration/ Forms Administration	Design standardized customer bills, envelopes, and forms.	Number of Customers Ratio
Meter Reading Support	Coordinate Meter Reading schedules and routing activities.	Number of Customers Ratio
Customer Information System (CIS) Control	Operate and maintain CIS.	Number of Customers Ratio

**ECONOMIC DEVELOPMENT**

Product or Service	Product / Service Description	Indirect Allocation Methods
Economic Development Services	Foster economic development to encourage capital investment in FirstEnergy's service areas.	Multiple Factor – Utility

**TRANSMISSION & DISTRIBUTION TECHNICAL SERVICES**

Product or Service	Product / Service Description	Indirect Allocation Methods
Forestry	Provide forestry services.	Multiple Factor – Utility
Distribution Reliability and Asset Records	Services include Joint User contracts, public works coordination, reliability reporting to regions and Public Utility Commissions, mutual assistance coordination, PowerOn support, cable locate ticket screening and tariff support.	Multiple Factor – Utility

Design Standards	Services include line material and construction standards, distribution line and underground maintenance practices and support, new business process support, and service practices.	Multiple Factor – Utility
Substation Services Support	Services include Substation maintenance plan coordination, practices and support, mobile substation administration and planning, and environmental compliance support.	Multiple Factor – Utility
Equipment Repair/Testing Services	Services include the maintenance, installation, maintenance, testing and repair of utility equipment.	Multiple Factor – Utility
Fleet Services	Develop fleet strategy, and perform fleet maintenance practices and support.	Multiple Factor – Utility
Financial Services	Identify revenue enhancements and cost reductions.	Multiple Factor – Utility
Substation Design and Transmission-Line Maintenance Support	Perform substation and transmission line design and project management and transmission line and substation design and material standards, right-of-way and survey services, transmission line maintenance plan coordination, practices and support, FAA activity coordination.	Multiple Factor – Utility
Planning and Protection	Perform planning and protection support for subtransmission system and overall radial system capacity planning overview, and interconnection coordination for distributed technology applications on distribution system.	Multiple Factor – Utility
Capital Budget and Equipment Support	Capital budget development and support, and major equipment specifications and procurement/repair activities for major equipment.	Multiple Factor – Utility

**WORKFORCE DEVELOPMENT**

Product or Service	Product / Service Description	Indirect Allocation Methods
Transmission and Distribution Skills Training	Develop and facilitate technical and safety training for workers associated with distribution activities, including line, substation, meter, fleet, warehouse, field engineering, and dispatch. Provide support through equipment evaluation, training analyses, job assessments, and project coordination.	Number of Participating Employees – General
Customer Service Skills Training	Develop and facilitate skills training for customer service groups.	Multiple Factor – Utility
External Learning Opportunities Through the Power Systems Institute	Develop educational partnerships with colleges to offer two-year degrees in electric utility technology.	Multiple Factor – Utility

**ADMINISTRATIVE SERVICES**

Product or Service	Product / Service Description	Indirect Allocation Methods
Provide Administrative Support Services	Provides services in production printing, document imaging, graphic services, food services, corporate mailroom and corporate courier.	Multiple Factor – Utility and Non-Utility or Multiple Factor Utility*
Provide Records Management Services	Provides services in records storage, records retrieval, records retention, records planning and engineering records.	Multiple Factor – Utility and Non-Utility or Multiple Factor Utility*
Provide Business Services	Provides services in convenience copiers, fax machines, pagers, printers, and business information center.	Multiple Factor – Utility and Non-Utility or Multiple Factor Utility*

\* For services rendered only to the utilities.

**EXECUTIVE**

Product or Service	Product / Service Description	Indirect Allocation Methods
Executive Management	Consultation and services in management and administration of all aspects of the business.	Multiple Factor -- All

**COMMUNICATIONS**

Product or Service	Product / Service Description	Indirect Allocation Methods
Public Relations	Provides services in media relations, financial communications, annual reports, executive presentation, public relations counsel, corporate writing, internet support and special projects.	Multiple Factor -- All
Employee Communications	Provides services with update, retirees, satellite broadcast, human resource-related communications and special projects.	Number of Participating Employees -- Utility and Non-Utility
Production	Provides services related to display, photography, Corporate ID, video and employee merchandise.	Multiple Factor -- All
Sponsorship	Provides services related to sports marketing, university support and special projects.	Multiple Factor -- All
Non-Utility Advertising	Provides services related to broadcast/print, collateral, direct mail, internet/intranet, display/merchandise, yellow/white pages, production/agency support and special projects.	Multiple Factor -- Non-Utility
Utility Advertising	Provides services related to TV, radio, print, outdoors, Internet/Intranet, special projects, production, agency support and creative media placement.	Multiple Factor -- Utility
Utility Bill Inserts	Provides services developing regulated bill service to Ohio, Pennsylvania and New Jersey.	Multiple Factor -- Utility
Utility : Yellow / White Pages	Provides services with regulated yellow/white pages.	Multiple Factor -- Utility
Utility: Research	Provides research services.	Multiple Factor -- Utility
Ohio Consumer Education	Provides services related to Ohio Consumer Education statewide and locally.	Multiple Factor -- Utility
Ohio Deregulation Education	Provides service related to Deregulation Education.	Multiple Factor -- Utility

**CORPORATE AFFAIRS AND COMMUNITY INVOLVEMENT**

Product or Service	Product / Service Description	Indirect Allocation Methods
Corporate Affairs Activities	Provide administrative support through oversight of the business practices and planning and implementation of staff, senior management and related meetings. Serves as community liaison.	Multiple Factor – Utility
Direct Community Involvement Initiatives	Provides direction in employee volunteerism, supports viable community partnerships and educational initiatives.	Multiple Factor – Utility
Energy Efficiency Programs	Directing and coordinating Ohio Weatherization and Energy Efficiency Programs for Low Income Customers.	Multiple Factor – Utility
Community Initiatives Consulting Services	Consults to regional operations and other business units and client managers for the various community programs.	Multiple Factor – Utility
Contributions Management	Directs, coordinates, monitors, and manages contributions.	Multiple Factor – Utility

**CORPORATE**

Product or Service	Product / Service Description	Indirect Allocation Methods
Investor Services	Stock administration, perform recordkeeping, transfer agent, registrar, paying agent, reinvestment plan administration and other services for shareholders.	None (All Direct Charge to Holding Co.)
Board of Directors Support	Support and administration of Board of Directors meetings and director compensation.	None (All Direct Charge to Holding Co.)
Annual Meeting Coordination	Coordinate the Annual Meeting of Shareholders, including the preparation and mailing of proxy materials and annual reports and the tabulation of proxies.	None (All Direct Charge to Holding Co.)
Indenture Compliance	Administer the company's indentures	Multiple Factor – Utility

**HUMAN RESOURCES**

Product or Service	Product / Service Description	Indirect Allocation Methods
Manage Employee Executive Compensation and Benefits	Provide management and supervision for employee and executive compensation and benefits.	Number of Participating Employees – General
Manage Workers Compensation and Disability Management	Provide management and supervision for workers compensation and disability programs.	Number of Participating Employees – General
Provide and Coordinate Human Resources Training	Design, prepare and conduct training.	Number of Participating Employees – General
Provide Employment Services	Provide staffing, relocation and employment expertise.	Number of Participating Employees – General
Provide HRIS Services	Provide and maintain Human Resources information.	Number of Participating Employees – General
Provide Diversity Management Services	Manage Affirmative Action programs, provide EEO/AA consulting services, and respond to charges.	Number of Participating Employees – General
Manage/ Administer Medical Services and Wellness Programs	Establish compliance, develop, implement, and administer medical and wellness programs.	Number of Participating Employees – General

**INDUSTRIAL RELATIONS**

Product or Service	Product / Service Description	Indirect Allocation Methods
Provide Labor Contract Negotiations	Provide contract negotiation services for all labor agreements.	Number of Participating Employees – General
Provide Labor Consulting Services	Provide labor consulting services.	Number of Participating Employees – General
Manage/Administer Safety Programs	Develop, implement and administer occupational safety programs.	Number of Participating Employees – General

**REAL ESTATE**

Product or Service	Product / Service Description	Indirect Allocation Methods
Facilities Management	Management and maintenance of office facilities.	Multiple Factor – All or Multiple Factor Utility*
Facilities Planning and Project Management	Manage office design services, furniture, project management and other capital improvements.	Multiple Factor – All or Multiple Factor Utility*
Management of Real Estate Assets	Support internal and external inquiries regarding the acquisition, divestiture and management of real estate assets	Multiple Factor – All or Multiple Factor Utility*
Manage/Administer Security Programs	Administer physical security, special investigations, security audits, security consultation and contract guard services.	Multiple Factor – All or Multiple Factor Utility*

\* For services rendered only to the utilities.

**FIRSTENERGY TECHNOLOGIES**

Product or Service	Product / Service Description	Indirect Allocation Methods
Strategic Technologies	Develop, support and implement BPRI programs, industry initiatives, research and development programs, collaboratives and activities with universities, labs and the Department of Energy.	Multiple Factor – Utility
New Technology Assessment	Perform assessment activities for strategic technology pilots, technology assessments, marketing tests, customer pilots and due diligence reviews.	Multiple Factor – Utility and Non-Utility
Technical Application and Product Innovation	Develop, analyze and support strategic alliances, joint ventures, strategic startups, direct investments and Portfolio initiatives.	Multiple Factor – Utility and Non-Utility
New Technology and Product Market Deployment	Develop, support and implement the following initiatives: tailored solutions with existing products, commercial packages, operational efficiencies and business area solutions.	Multiple Factor – Utility and Non-Utility
Demand Response Initiatives	Provide support for corporate demand response initiatives.	Multiple Factor – Utility and Non-Utility
Renewable Energy Program and Strategy	Provide support for various corporate and regulatory initiatives to develop and implement renewable energy programs and products.	Multiple Factor – Utility

Regulated Programs and Services	Develop, support and implement programs and strategies to meet corporate initiatives and regulatory mandates and commitments related to Comprehensive Resource Assessment(CRA), customer end-use, technology, distributed generation and load management.	Multiple Factor – Utility
Project Implementation Management Services	Develop and implement end-use and distributed generation technology-based products and services:	Multiple Factor – Utility and Non-Utility

**TECHNOLOGY & SUPPORT SERVICES**

Product or Service	Product/ Service Description	Indirect Allocation Methods:
Provide Network Services	Provide Internal Network Services.	Multiple Factor – Utility and Non-Utility
Maintain wireless cell sites and fiber optics network	Maintain internal wireless cell sites and fiber optic network; provide engineering, procurement, and installation services.	Multiple Factor – Utility and Non-Utility

**INFORMATION TECHNOLOGY**

Product or Service	Product / Service Description	Indirect Allocation Methods
Application Development	Create new or enhance existing applications; including analysis design coding, testing; system integration, and implementation, as well as any required technical writing or project manual development.	Directly Billed
Development Supervision and Tool Support	Supervision of application development employees and the support of development software tools.	Application Development Ratio
Server Support (Unix, SAP)	Create and support the network and server infrastructure to accommodate unix and SAP client server applications.	Gigabytes Used Ratio
Client Server Storage Support	Support of storage requirements for all server applications.	Server Support Composite Ratio
Server Support (Intel)	Create and support the network and server infrastructure to accommodate windows and NT client server applications.	Number of Intel Servers Ratio
Mainframe Processing and Storage Support	Execute mainframe applications, including an appropriate portion of support, started-tasks, mainframe backups and microfiche services.	Gigabytes Used Ratio



Desktop Support	Help desk email and end-user tools, remote access, repair services, and general workstation support.	Number of Computer Workstations Ratio
Network Services	Includes voice, data, EMS and radio access.	Direct Charge Ratio
Inserting Services	Provide document bursting, inserting and mailing.	Number of Billing Inserts Ratio
Printing Services	Provide mainframe and client server printing services at the data center.	Daily Print Volume Ratio
Technical Consulting	Provide consulting support to departments and end-users to enable them to leverage their IT capabilities. Provide advice and consultation regarding desktop setups and configurations.	Directly Billed
Training	Provide IT training.	Multiple Factor -- Utility and Non-Utility
Business Application Support	Support business application related software licenses and / or hardware maintenance provided by an outside vendor.	Directly Billed
Data Security	Disaster recovery and data security services.	Multiple Factor -- Utility and Non-Utility
Project Management Office	Oversee technology projects through benefit.	Multiple Factor -- Utility and Non-Utility
Provide Telecommunication Services	Provide telecommunication services and equipment.	Direct Charge Ratio
Portal Support	Support the infrastructure to accommodate internet and intranet application access.	Multiple Factor -- Utility and Non-Utility

**PERFORMANCE PLANNING**

Product or Service	Product / Service Description	Indirect Allocation Methods
Performance Planning Services	Develop, support and execute performance planning services.	Multiple Factor -- All

**SUPPLY CHAIN**

Product or Service	Product / Service Description	Indirect Allocation Methods
Strategic Planning, Demand management and Procurement Projects	Provide assistance in materials and services planning (demand management) and performs special procurement projects.	Multiple Factor -- Utility and Non-Utility
Goods and services procurement	Procure material, equipment and contractor services; Establish, manage and administer programs, which allow internal customers to obtain goods without having to process the need through Procurement. Develop specifications, construction standards, schedules, and bills of materials.	Multiple Factor -- Utility and Non-Utility
Materials Management Support	Maintain the computerized purchasing and materials management systems, and material related modules; maintain and/or modify select management reports. Analyze Supply Chain processes and measure performance. Monitor and forecast demand to ensure a continuous supply of materials.	Multiple Factor -- Utility and Non-Utility
Investment Recovery Projects	Develop and implement plans for disposition of surplus assets.	Multiple Factor -- Utility and Non-Utility
Process, Refurbish and Sell Materials	Perform recovery processing, investment recovery processing, refurbishing and selling materials.	Multiple Factor -- Utility and Non-Utility
Provide Warehousing Services - Non-nuclear	Receive and place material into stock, insure quality requirements are met at receipt, maintain inventory counts, and update information systems. Fill customer requests for material from stock.	Multiple Factor -- Utility and Non-Utility
Provide Warehousing Services - Nuclear	Receive and place material into stock, insure quality requirements are met at receipt, maintain inventory counts, and update information systems. Fill customer requests for material from stock.	None (All direct charged)
Warehousing Space Charge	Provide warehousing space to internal customers.	Multiple Factor -- Utility and Non-Utility

**CONTROLLERS**

Product or Service	Product / Service Description	Indirect Allocation Methods
Accounting Research	Provide accounting research and consulting to ensure compliance with existing and proposed financial reporting, and regulatory accounting requirements.	Multiple Factor - All
Accounts Payable	Nonpayroll corporate disbursement services including account distribution to the general ledger. Resolve problems associated with invoice processing and maintain the accounts payable system.	Multiple Factor - All
Billing Services	Prepare non-retail electric billings.	Multiple Factor Utility
Infrastructure and Corporate Reporting, Accounting and Budgeting	Prepare Corporate Sustaining reports, subsidiary accounting and corporate budgeting, which includes reporting and support of the ledger, property records and SAP system.	Multiple Factor - All
Due Diligence	Assist value centers to determine whether proposed business acquisitions/combinations and similar transactions are desirable from a financial perspective; extensive review/analysis following preliminary review and firm intent to proceed with transaction through commitment and closing phases.	None (All direct charged)
Value Center Accounting and Budgeting	Maintain the property accounting system and provide value center accounting such as management reporting.	Multiple Factor -- Utility and Non-Utility
Property Record Maintenance	Maintain corporate continuing property records.	Multiple Factor -- Utility and Non-Utility or Multiple Factor Utility*
Tax Consulting and Research	Conduct tax research and tax consulting to assure compliance with statutes, while evaluating alternative tax strategies within the constraints of regulations that provide additional shareholder value to the company. In addition, provide tax-consulting advice to the value centers on tax compliance and reporting issues, which includes business "start-up" support to organizations requiring assistance.	Multiple Factor -- All

\* For services rendered only to the utilities.

Tax Compliance	Prepare and process all schedules and information associated with corporate and subsidiary tax returns, audits, and tax litigation, assuring compliance with tax regulations and statutes.	Multiple Factor – All or Multiple Factor Utility*
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\* For services rendered only to the utilities.

**CREDIT MANAGEMENT**

Product or Service	Product / Service Description	Indirect Allocation Methods
Credit Analysis and Supporting Functions	Provide detailed written credit analysis issuing recommendations on counterparty creditworthiness and assigning credit limits.	Multiple Factor – Utility and Non-Utility
Credit Policies and Procedures	Develop and support credit policies and procedures for managing credit risk. Implement and support standardized credit approval processes.	Multiple Factor – Utility and Non-Utility
Credit Management Information System	Develop and support credit management reports and calculate credit exposure on a corporate wide basis.	Multiple Factor – All

**ENTERPRISE RISK MANAGEMENT**

Product or Service	Product / Service Description	Indirect Allocation Methods
General Risk Management	Develop and maintain an enterprise risk management system.	Multiple Factor – All

**INSURANCE SERVICES**

Product or Service	Product / Service Description	Indirect Allocation Methods
Insurance Policies	Manage and support insurance policies for all the business units.	Multiple Factor – Utility and Non-Utility
Loss Control Services	Manage and support property inspections to prevent losses.	Multiple Factor – Utility and Non-Utility
Surety Bonds	Manage and support Surety Bonds.	Multiple Factor – Utility and Non-Utility
Risk Transfer and Risk Mitigation Services	Manage and support risk transfer and risk mitigation services.	Multiple Factor – Utility and Non-Utility
Ancillary Coverages	Manage and support ancillary coverages.	None (All direct charged)

**INTERNAL AUDIT**

Product or Service	Product / Service Description	Indirect Allocation Methods
Audit Services	Perform the following internal audit services based on risk levels and / or requests: financial, performance analysis, safeguarding of assets, computer-related and fraud investigations.	Multiple Factor -- All or Multiple Factor -- Utility*

**INVESTMENT MANAGEMENT**

Product or Service	Product / Service Description	Indirect Allocation Methods
Qualified and Non-qualified Pension and Savings Plan	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Number of Participating Employees -- Utility and Non-Utility
FirstEnergy Foundation	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Multiple Factor - All
Voluntary Employee Benefit Association (VEBA) Trust	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Number of Participating Employees -- Utility and Non-Utility
Nuclear Decommissioning	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	None (All direct charged)
Non-Utility Generator Trust	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Multiple Factor -- Non-Utility
Spent Nuclear Fuel	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	None (All direct charged)
Low-Income Housing Tax Credit Partnership	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Multiple Factor - All

**INVESTOR RELATIONS**

Product or Service	Product / Service Description	Indirect Allocation Methods
Investor Information	Compile and communicate information to investors.	Multiple Factor -- Utility* or Direct Charge to Holding Co.
Investor Education	Target and educate potential investors to promote FirstEnergy's valuation characteristics and business strategy.	None (All Direct Charge to Holding Co.)

\* For services rendered only to the utilities.

Regulations Compliance	Ensure compliance with SEC Fair Disclosure regulations.	Multiple Factor - All
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FirstEnergy Management Education	Provide education to management of business concerns and valuation issues of analyst/investors	Multiple Factor – All
FirstEnergy Employee Education	Actively promote understanding of financial and investor relations' issues.	Multiple Factor – All

**RATES AND REGULATORY AFFAIRS**

Product or Service	Product / Service Description	Indirect Allocation Methods
Regulatory Activities and Consulting	Manage regulatory activities and interfaces, including tariff development and interpretation. Monitor and participate in regulatory affairs at the local, state and federal levels.	Multiple Factor – Utility
Customer Pricing and Contracting	Develop pricing programs for regulated electric service for retail and wholesale customers; including "unbundled" costs and prices for generation, transmission and distribution service and support justification to regulators. Provide support in developing pricing for special-purpose customer programs and non-regulated energy services (e.g. prepayment, economic development, interruptible load, conjunctive-billing electric service programs).	Multiple Factor – Utility
Billing Support	Provide assistance calculating customer (external and internal) invoices and operate and maintain systems to render, collect and account for these invoices.	Multiple Factor – Utility
Sales and Load Forecasting	Develop short-term and long-term sales forecast, peak load projections and customer counts	Multiple Factor – Utility and Non-Utility

**TREASURY**

Product or Service	Product / Service Description	Indirect Allocation Methods
Capital Structure Management and Administration	Perform all activities related to acquiring capital and establish and administer funding, legal documentation, and record-keeping activities associated with finance programs	Multiple Factor – All
Corporate Funds Management	Plan, manage, and operate the corporate "cash-flow-cycle."	Multiple Factor – All
Corporate Forecasting	Provide regulatory support, strategy support, financial modeling and forecasting, financial and economic analysis and development of annual corporate KPI target.	Multiple Factor – All

Capital Project Evaluation and Support	Provide analytical support in the areas of financing, profitability, capital structure and cash flow.	Multiple Factor – Utility and Non-Utility
Investor Relations Activities	Provide institutional and retail security holder, buy and sell-side analysts, rating agencies, and other key members of the financial community with qualitative and quantitative information.	Multiple Factor – All

**BUSINESS DEVELOPMENT**

Product or Service	Product / Service Description	Indirect Allocation Methods
Mergers and Acquisitions Support	Support, evaluate and assist in the management of merger, asset acquisition and asset disposition activities.	None (All direct charged)
Internal Consulting	Perform strategic analysis/business fit, and economic analysis. Provide integration and transitional management services as needed.	None (All direct charged)

**GOVERNMENTAL AFFAIRS**

Product or Service	Product / Service Description	Indirect Allocation Methods
Federal Governmental Affairs Support	Activities associated with developing and maintaining relationships with federal government institutions; includes lobbying, and other support activities.	None (All direct charged)
State Governmental Affairs Support	Activities associated with developing and maintaining relationships with state government institutions; includes lobbying, and other support activities.	None (All direct charged)

**LEGAL**

Product or Service	Product / Service Description	Indirect Allocation Methods
Provide Governmental Affairs Support	Activities associated with developing and maintaining relationships with government institutions; includes lobbying, litigation, and other support activities.	None (All direct charged)
Nuclear Legal Consultation and Case Management	Provide legal advice for federal and state nuclear matters.	None (All direct charged)
Human Resources Legal Consultation & Case Management	Provide legal advice for human resource matters (including workers compensation, union negotiations, arbitrations, class action lawsuits, etc.).	Multiple Factor – Utility and Non-Utility

Product or Service	Product / Service Description	Indirect Allocation Methods
Employee Benefits Legal Consultation & Case Management	Provide legal advice for employee benefits matters (including health and welfare benefits, tax-qualified and non-tax qualified benefit plans and programs, pension administration, etc.).	Number of Participating Employees - Utility and Non-Utility
Tax Legal Consultation & Case Management	Provide legal advice for tax matters including federal, state & local tax matters (land tax, sales & use tax, IRS, etc.).	Multiple Factor - All
Bankruptcy Legal Consultation & Case Management	Provide legal advice for bankruptcy matters.	Multiple Factor - Utility and Non-Utility
International Legal Consultation & Case Management	Provide legal advice for international matters - contract negotiations, sale/lease agreements.	None (All direct charged)
Non-Utility Legal Consultation & Case Management	Provide legal advice on federal and state matters to Non-Utility Subsidiaries.	Multiple Factor - Non-Utilities
Regulatory Legal Consultation & Case Management	Provide legal advice for federal and state regulatory matters.	Multiple Factor - Utility
Environmental Legal Consultation & Case Management	Provide legal advice for environmental matters (other than PCB - related matters) - federal (BPA) and state (EPA), regulatory/legislative compliance issues.	None (All direct charged)
PCB Environmental Legal Consultation & Case Management	Provide legal advice for PCB-related matters - federal (EPA) and state (BPA), regulatory/legislative compliance issues.	Multiple Factor - Utility
Real Estate Legal Consultation & Case Management	Provide legal advice for real estate matters.	Multiple Factor - Utility and Non-Utility
Corporate Legal Consultation & Case Management	Provide legal advice for general corporate and transactional matters (including SEC filings, Board of Directors matters, PUHCA, Financings, Securities Matters, Intellectual Property, Technology, General Counsel matters, etc.).	Multiple Factor - All
Claims Legal Consultation & Case Management	Provide legal advice for Claims matters.	Multiple Factor - All

**CLAIMS:**

Product or Service	Product / Service Description	Indirect Allocation Methods
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Process Receivable Claims	Provide management, supervision, and performance of tasks associated with the resolution and chargeback of receivable claims.	Multiple Factor - All
Provide Corporate Support	Claims support in evaluating claims; and procuring appropriate external/internal legal resources.	Multiple Factor - All

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-9:

“Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for, the cost thereof, the accounting treatment and whether included in claimed test year expenses.”

RESPONSE:

Metropolitan Edison Company  
 Social and Service Organization Memberships Paid  
 (000's)

Line No.	Organization	12 Months Ending December 31,		
		2017 (1)	2016 (2)	2015 (3)
<b><u>Business Associations</u></b>				
<b><u>Account 930</u></b>				
1	Edison Electric Institute	\$ 132	\$ 132	\$ 108
2	Chamber of Commerce, Economic Development, & Local Community Organizations	40	40	18
3	Electric Power Research Institute (EPRI)			16
4	Georgia Tech Reserve Corp (NEETRAC Membership)			16
5	Cybertech Incorporated			5
6	Other Business / Trade Organizations	3	3	5
7	Southeastern Electric Exchange Inc.			2
8	Total Account 930	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 169</u>
<b><u>Account 923</u></b>				
9	Southeastern Electric Exchange Inc.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>
<b><u>Account 426</u></b>				
10	Edison Electric Institute	<u>\$ 31</u>	<u>\$ 31</u>	<u>\$ 18</u>
Total (line 8 + line 9 + line 10)		<u>\$ 206</u>	<u>\$ 206</u>	<u>\$ 190</u>

Account 426 is not included in claimed test year expenses.



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-10:

“Provide the following payroll and employee benefit data – regular and overtime – separately for the test year and for the 12-month period immediately prior to the test year:

- (a) The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with union personnel.
- (b) The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with nonunion personnel.
- (c) The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with managerial employees.
- (d) A summary of the wage rate, salary and employee benefit changes granted or to be granted during the year.
- (e) The claimed test year payroll expense and employee benefit expense.
- (f) The percentage of payroll expense and employee benefit expense applicable to operation and maintenance expenses and the basis thereof.”

RESPONSE:

(a – b): See Met-Ed Exhibit RAD-27 Attachment A to this response.

(c) Managerial employees shown below are also included in response a and b under “Full-Time Non Bargaining” employees.

Payroll and Employee Benefits - Management Employees (\$000)				
Line No.	Description	12 Months Ending	12 Months Ending	12 Months Ending
		12/31/2017	12/31/2016	12/31/2015
		Full-Time	Full-Time	Full-Time
		NonBargaining	NonBargaining	NonBargaining
Number of Management Employees				
1	Average	22	22	22
2	Year-End	22	22	23
3	Straight Time Payroll	\$ 2,943	\$ 2,858	\$ 2,923
4	Overtime Payroll	-	-	44
5	Incentive Compensation	329	322	322
6	Total Payroll	<u>\$ 3,272</u>	<u>\$ 3,180</u>	<u>\$ 3,289</u>
7	Total Employee Benefits	<u>\$ 642</u>	<u>\$ 624</u>	<u>\$ 645</u>

- (d) The following wage increase assumptions were incorporated in the Jan. 2017 – Dec. 2017 test period: Non-Bargaining 3.00% effective 3/1/17. Non-Union Physical 3.00% effective 3/1/17. Bargaining IBEW 777 2.50% effective 5/1/17.

The following assumptions were incorporated in the 2017 test period: Pension Discount Rate 4.5%, Pension Return on Assets 7.5%, OPEB discount rate 4.25%, OPEB Return on Assets 7.75%, effective January 1, 2017.

The following wage increase assumptions were incorporated in the Jan. 2016 – Dec. 2016 period: Non-Bargaining 3.00% effective 3/1/16. Non-Union Physical 3.00% effective 3/1/16. Bargaining IBEW 777 2.50% effective 5/1/16.

The following assumptions were incorporated in the 2016 test period: Pension Discount Rate 4.5%, Pension Return on Assets 7.5%, OPEB discount rate 4.25%, OPEB Return on Assets 7.75%, effective January 1, 2016.

- (e) The claimed test year payroll expense is detailed on Met-Ed Exhibit RAD-2, page 12. Total claimed employee benefits consist of the O&M portion of the test year expense listed on Met-Ed Exhibit RAD-2 Attachment A, lines 7 through 21, and the normalizing adjustment detailed on Met-Ed Exhibit RAD-2, page 20.

- (f) The percentage of forecast payroll expense directly charged to O&M expense for the Jan. 2017 – Dec. 2017 test period is 45.72%. The percentage of employee benefits directly charged to O&M expense for the Jan. 2017 – Dec. 2017 test period is 45.72%. The benefit percentage does not include pension or OPEB costs which are not charged to O&M expense as part of the benefit labor adder applied to payroll.

The percentage of forecast payroll expense directly charged to O&M expense for the Jan. 2016 – Dec. 2016 test period is 46.00%. The percentage of employee benefits directly charged to O&M expense for the Jan. 2016 – Dec. 2016 test period is 46.00%. The benefit percentage does not include pension or OPEB costs which are not charged to O&M expense as part of the benefit labor adder applied to payroll.





METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-11:

“Describe costs relative to leasing equipment, including computer rentals, and office space, including terms and conditions of the leases. State method for calculating monthly or annual payments.”

RESPONSE:

Line No	Name of Lessor	Basic Detail of Lease	12 Months Ending December 31, 2017 <i>(in thousands)</i>
1	GE Capital Commercial Inc. (successor-in-interest to BLC Corporation)	<p><b><u>Motor Vehicles &amp; Trailers</u></b> - Base Term 36-120 months with a Fixed Rate &amp; maximum expected residual of 25% with unguaranteed residual of 13%. At end of base term, option for renewal exists for up to 24 months at 474 BPS plus Federal 2 year Swap Rate. At end of renewal term, option to continue to rent for monthly fee equivalent to 1/12 of 1% of acquisition cost until unit is sold or returned to Lessor.</p> <p><b><u>Other Equipment</u></b> - Base Term 36-120 months with a Fixed Rate &amp; maximum expected residual of 20% with unguaranteed residual of 13%. At end of base term, option for renewal exists for up to 24 months at 474 BPS plus Federal 2 year Swap Rate. At end of renewal term, option to continue to rent for monthly fee equivalent to 1/12 of 1% of acquisition cost until unit is sold or returned to Lessor.</p>	\$825
2	Citizens Asset Finance, Inc. (f/k/a RBS Asset Finance, Inc.)	<p><b><u>Motor Vehicles &amp; Trailers</u></b> - Base Term 60 months for Light &amp; Medium Duty Vehicles, 96 months for Heavy Duty High Use Trouble Trucks and 120 months for all other Heavy Duty Vehicles &amp; Trailers with a \$1 buy out at end of term for all.</p> <p><b><u>Other Equipment</u></b> - Base Term 96 months for Miscellaneous Equipment like ATVs, Sweeper/Scrubbers, etc. and 120 months for Construction Equipment &amp; Forklifts with a \$1 buy out at end of term for all.</p> <p>Rates for both Motor Vehicles/Trailers &amp; Other Equipment Leases are Fixed based on 200 BPS plus Bloomberg Avg Life Swap Rate (2.5 yrs for 60 month term, 4 yrs for 96 month term &amp; 5.5 yrs for 120 month term)</p>	\$3,398
3	Bank of America NA DBA Banc of America Leasing & Capital LLC	<p><b><u>Motor Vehicles &amp; Trailers</u></b> - Base Term 60 months for Light &amp; Medium Duty Vehicles, 96 months for Heavy Duty Vehicles, Aerial Trouble Trucks and Crane Trucks, 120 months for All other Aerial Trucks, Digger Derricks &amp; Trailers. All terms have a 20% residual balance.</p> <p><b><u>Other Equipment</u></b> - Base Term 120 months for Construction &amp; Miscellaneous Equipment with no residual balance at the end of term instead FMV due. For all others at the end of the term, the options are to return the equipment, purchase at residual/FMV or enter into a renewal term for a minimum of 6 months but no longer than 24 months. At the end of the renewal term, we have the option to purchase at FMV or continue to rent monthly for a \$25 administrative fee until the unit(s) are sold.</p> <p>Lease Rate is margin 170 BPS for 60 &amp; 96 term &amp; 173 for 120 term plus Bloomberg Index Forward Swap Rate. Will use the 1st of each month to determine Swap Rate or next Business Day if 1st falls on bank holiday or weekend.</p>	\$559





METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-12:

“Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures, explain any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate cases, and list all internal and independent audit reports for the most recent 2 year period.”

RESPONSE:

There have been no major changes in accounting procedures adopted since the previous rate case.

A list of all internal audit reports performed by the Internal Auditing Department from January 2014 through December 2015 appears on pages 1 thru 3.

A list of all independent audits performed from January 2014 through December 2015 appears on page 3.

**Internal Audits Performed During – January through December 31, 2014**

**Compliance:**

1. Audit of FirstEnergy Utilities Waste Management Practices as of November 7, 2013
2. Audit of FirstEnergy's Compliance to the Clean Air Act – Sulfur Hexafluoride Mandatory Emissions Tracking and Reporting as of January 21, 2014
3. Audit of FirstEnergy's Compliance with the 2014 CIP Information Protection Program and CIP-003-3 Requirement 4 as of July 15, 2014
4. Compliance Review of FirstEnergy Corporate Security Policy Guide - Possession/Use Of Weapons By Corporate Security Personnel as of November 20, 2014

**Operational:**

1. Audit of the Smart Meter Deployment Process - Phase I as of July 18, 2014
2. Audit of the Smart Meter Deployment Process – Phase II as of December 5, 2014

**Consulting**

1. Audit of 2013 Occupational Safety & Health Administration (OSHA) Recordable Incident Rate as of January 10, 2014
2. FiT Assignment - Governance and Compliance Team
3. Vendor Payroll Tax Reconciliation Audit Review
4. Storm Back-Office Invoice Review Process Development
5. Smart Meter Implementation and Procurement (SMIP) Program Time Charging Guiding Principles
6. Cyber Security Risk Assessment – MTF

7. 2014 Purchase Order Audit Clause Revision Reviews

**IT Related:**

1. Audit of Qlikview as of March 14, 2014
2. Facilitation of the Control Design for the Office Productivity Transformation Project
3. Pre-Implementation Audit of the Financial Transformation Project Budget, Forecast, and Planning System as of May 23, 2014
4. Pre-Implementation Audit of the Financial Transformation Project New General Ledger Technology as of May 23, 2014
5. Pre-Implementation Audit of the Financial Transformation Project Business Objects Planning and Consolidation System as of May 23, 2014
6. Control Design Workshop for IT Operations
7. Audit of Customer Nightly Batch Automation Project as of May 21, 2014
8. Pre-Implementation Audit of PowerPlant 10.4 Upgrade Project as of October 31, 2014
9. Facilitation of the Control Setup and Test Plan Execution for the Office Productivity Transformation Project

**Financial:**

1. Revenue's Payment Recovery Audit for Accounts Payable – 2012
2. Sarbanes-Oxley Annual Progress Report as of December 31, 2013
3. Audit of Pennsylvania Storm Deferral Accounting as of January 14, 2014
4. Sarbanes-Oxley 404 Assessment of Internal Controls Over Financial Reporting as of December 31, 2013
5. Audit of Accounts Payable for Year-Ended December 31, 2013
6. First Quarter Sarbanes-Oxley Assessment of Internal Controls Over Financial Reporting as of March 31, 2014
7. Audit of the FirstEnergy Interconnection Meters and Billing Accuracy as of January 30, 2014
8. Second Quarter Sarbanes-Oxley Assessment of Internal Controls Over Financial Reporting as of June 30, 2014
9. Third Quarter Sarbanes-Oxley Assessment of Internal Controls Over Financial Reporting as of September 30, 2014
10. Audit of Capital and Operation and Maintenance Expenses – Transmission & Information Technology (IT) Expenditures as of December 15, 2014

**Internal Audits Performed During – January through December 31, 2015**

**Compliance:**

1. Audit of 2014 Occupational Safety & Health Administration (OSHA) Recordable Incident Rate as of January 8, 2015
2. Audit of FirstEnergy's Environmental Governance - Environmental Management System (EMS) as of May 12, 2015
3. NERC CIP Version 5 Implementation Project – IT Operations Team as of December 15, 2015

**Operational:**

1. Audit of Regulated Generation and Dispatch Processes as of February 27, 2015

2. Audit of SMIP - Interim Meter Reading Data Validation Process as of July 15, 2015
3. PA Rate Order Implementation as of September 15, 2015

**Consulting**

1. Audit of FirstEnergy's Compliance with the 2015 CIP Information Protection Program and CIP-003-3 Requirement 4 as of July 31, 2015
2. FEU Final Bill, Write Off, and Outside Collection Agency Process Review as of August 24, 2015
3. Related Party/Person Risk Assessment – MTF
4. Forefront Identity Manager - MTF

**IT Related:**

1. Audit of Managed Cloud Environment – IT Controls as of February 13, 2015.
2. Audit of the Information Technology Budget Process as of December 2, 2015
3. Cyber Security Overview - MTF

**Financial:**

1. Sarbanes-Oxley 404 Assessment of Internal Controls Over Financial Reporting as of December 31, 2014
2. Audit of Accounts Payable for Year-Ended December 31, 2014
3. 2014 SOX Annual Progress Report
4. Audit of UIPlanner Reports
5. Second Quarter Sarbanes-Oxley Assessment of Internal Controls Over Financial Reporting as of June 30, 2015
6. Third Quarter Sarbanes-Oxley Assessment of Internal Controls Over Financial Reporting
7. Revenue's Payment Recovery Audit for Accounts Payable – 2014
8. Balance Sheet Reconciliation Review
9. Audit of Capital and Operation and Maintenance Expenses - FEU as of December 8, 2015

Independent Audits Performed for the years ended December 31, 2014 and 2015

PricewaterhouseCoopers LLP – Independent Registered Public Accounting Firm.



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-13:

“Regardless of whether a claim for negative or positive net salvage is made, attach an exhibit showing gross salvage, cost of removal, third party reimbursements, if any, and net salvage for the test year and 4 previous years.”

RESPONSE:

The Company has not included third party reimbursements or any related costs of removal in the development of its claim allowance. The reasons for not including these amounts are as follows:

1. Depreciation rates are established with the expectation of normal remaining lives and charged capital principal costs to cost of service while an asset is in rate base.
2. When other than a normal circumstances causes equipment to retire, it is often due to third party involvement. When these occur, the Company acts to protect both investors' and customers' interests by seeking reimbursement from the third parties involved.
3. Third party reimbursements are typically for the following unpredictable and non-periodic events:
  - a. relocation/replacement of equipment for the convenience of the requesting party;
  - b. damage caused by equipment;
  - c. occasional sales of equipment for reasons other than normal of useful life.
4. The Company's handling of third party reimbursements is designed to minimize the need for any additional financing as follows:
  - a. a portion equal to the undepreciated amount of the item involved is credited to the reserve, bringing net plant to zero. There are no further depreciation or carrying charges (with book rate base and remaining life depreciation) relative to this item.
  - b. A portion equal to labor and other costs of expense is credited to these expenses – thus producing a net incurred expense of zero.

- c. Any remaining portion of such reimbursement is credited to related new constructions, thus reducing the cost of replacement plant.

The result of the Company procedure described above is to leave investors and ratepayers in equitable positions. The third party paid for the balance of the old asset (investors' funds outstanding), paid for the extra cost of work involved (no cost to investor or to ratepayer), and paid for some the cost of the replacement equipment (reducing plant rate base, consequently lowering related depreciation and carrying charges to customers). The partial payment of third parties of replacement items also avoids additional financing, with attendant benefits of avoiding increases in capital costs (to customers) and of avoiding possible common equity dilution (to present stockholders).

See Met-Ed Exhibit RAD-30 Attachment A.

**Metropolitan Edison Company (Met-Ed)**  
**Third Party Reimbursement, Cost of Removal and Salvage**  
**For test year 1/1/2017 thru 12/31/2017 and 6 previous years**

	Third Party Reimbursements (1)	Cost of Removal (2)	Salvage (3)	Net Salvage (4)= (2) + (3)
1/1/2011 thru 12/31/2011	(4,207,905)	18,150,246	(468,784)	17,681,462
1/1/2012 thru 12/31/2012	(5,306,228)	28,659,658	(498,217)	28,161,441
1/1/2013 thru 12/31/2013	(4,487,020)	8,583,468	(467,891)	8,115,577
1/1/2014 thru 12/31/2014	(4,326,589)	18,677,965	(383,298)	18,294,667
1/1/2015 thru 12/31/2015	(3,063,809)	19,070,948	(685,937)	18,385,011
1/1/2016 thru 12/31/2016	(1,281,539)	12,090,970	-	12,090,970
1/1/2017 thru 12/31/2017	(465,230)	7,885,643	-	7,885,643





METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-14:

“State the amount of debt interest utilized for test year income tax calculations, including the amount so utilized which has been allocated from the debt interest of an affiliate, and provide details of debt interest and allocation computations.”

RESPONSE:

Debt interest utilized in the normalized test year under present rates is \$36,038,000 as calculated in Met-Ed Exhibit RAD-2, Adjustment No. 12, page 26.



METROPOLTAN EDISON COMPANY

FILING REQUIREMENT II-D-15:

“Provide a schedule for the test year of Federal and Pennsylvania taxes other than income taxes, per books, pro forma at present rates, and pro forma at proposed rates, including the following tax categories:

- (a) Social Security.
- (b) Unemployment.
- (c) Capital stock.
- (d) Public utility
- (e) P.U.C. assessment.
- (f) Other property taxes.
- (g) Any other appropriate tax categories.”

RESPONSE:

See Met-Ed Exhibit RAD-32 Attachment A, to this response for a schedule of taxes other than income taxes showing per budget and pro forma at present rates for the fully projected future test year.

Metropolitan Edison Company  
 Summary of Taxes other than Income Taxes  
Twelve Months Ending December 31, 2017  
 (\$000)

Line No.	Description	Per Budget	Pro Forma Under Present Rates	
		Total Electric Operating (1)	Normalizing Adjustments (2)	As Adjusted (3) = (1) - (2)
	<u>Federal</u>			
1	Federal and State Payroll taxes	\$ 1,979	\$ (25)	\$ 2,004
2	Federal Excise tax	-	-	-
	<u>State</u>			
3	Capital Stock	48	48	-
4	Gross Receipts	44,331	687	43,644
5	Public Utility Realty	2,009	409	1,600
6	Highway Use	-	-	-
7	Use tax	2	-	2
	<u>Local</u>			
8	Real Estate & Other	<u>133</u>	<u>27</u>	<u>106</u>
9	TOTAL	<u>\$ 48,502</u>	<u>\$ 1,146</u>	<u>\$ 47,356</u>

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-16:

“Submit a schedule showing the adjustments from taxable net income per books to taxable net income pro forma under existing rates and pro forma under proposed rates, together with an explanation of all normalizing adjustments. Submit detailed calculations supporting taxable income before State and Federal income taxes where the income tax is subject to allocation due to operations in another state or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.”

RESPONSE:

See Met-Ed Exhibit RAD-33 Attachment A.



Line No.	Description	In Thousands		
		Fully Future Test Year	Pro-Forma Test	Pro-Forma Test
		Ending 12/31/17	Year Under	Year Under
		Per Budget	Existing Rates	Proposed Rates
		(1)	(2)	(3)
1	Balance after preferred stock dividends	\$ 73,500		
	Net utility operating income:			
2	Exhibit RAD-2, page 1, line 24, column 6		\$ 40,253	
3	Exhibit RAD-2, page 3, line 24, column 24			\$ 114,462
	Subtract			
4	Equity Earnings from Subsidiaries	(18,694)		
	Add:			
5	Income Taxes-Federal	11,672	27,127	67,086
6	Income Taxes-State	4,455	10,560	23,231
7	Provision for Deferred Income Taxes	22,901	12,561	12,561
8	Provision for Deferred Income Taxes-Credit	-	-	-
9	Investment Tax Credit	(372)	(372)	(372)
10	Book Income Subject to Tax	\$ 93,462	\$ 90,130	\$ 216,969
	Adjustments:			
11	Book Depreciation	\$ 58,097	\$ 85,730	\$ 85,730
12	Tax Depreciation	(76,196)	(76,196)	(76,196)
13	Interest expense per Ratemaking	-	(36,038)	(36,038)
14	Dividend Received Deduction	(0)	-	-
15	Business Meals	83	-	-
16	Life Insurance	(57)	-	-
17	NJ Min Tax	-	-	-
18	ESOP Dividend	(187)	-	-
19	Lobbying	31	-	-
20	FE Service Perm M Allocation	(120)	-	-
21	FE Service Temporary schedule M allocation	(5,506)	-	-
22	Capitalized Interest-Avoided Costs in Excess of AFC	-	-	-
23	FAS 123R - Restricted Stock Units	-	-	-
24	FAS 143	-	-	-
25	Price to Compare Rider	(2,796)	-	-
26	ESOP Compensation Expense	-	-	-
27	Storm Damage & Other Deferrals	22,285	-	-
28	Solar Votaic Req Charge Rider	(1,904)	-	-
29	OPEBs	(1,631)	-	-
30	Tax Capitalized Interest	834	-	-
31	Capitalized Vertical Tree Trimming	(7,500)	-	-
32	Reacquired Debt - Book Amortization of Loss	876	-	-
33	Casualty Loss	-	-	-
34	Section 263	-	-	-
35	T&D Repairs	(20,000)	-	-
36	AFUDC Equity	11	-	-
37	Depreciation Flow thru	670	-	-
38	Default Serv Support-Unbilled Def	(8,653)	-	-
39	Capitalized Interest-Book AFC	(226)	-	-
40	Energy Efficiency Deferral EEC-C	1,440	-	-
41	Pension Accrual	(3,510)	10,436	10,436



Line No.	Description	In Thousands		
		Fully Future Test Year Ending 12/31/17 Per Budget (1)	Pro-Forma Test Year Under Existing Rates (2)	Pro-Forma Test Year Under Proposed Rates (3)
42	Research & Development - 174	(415)	-	-
43	Asset Retirement Obligation	-	-	-
44	Capital Lease Vehicle - Book Expense	755	-	-
45	Universal Service Program (incl interest)	168	-	-
46	Other Reg Assets / Liabilities	-	14,004	14,004
47	CIAC - Post 86	-	-	-
48	State Taxable Income before Tax Preferences	\$ 50,009	\$ 88,066	\$ 214,905
49	State Tax Preference Items	7,514	17,641	17,641
50	State Taxable Income	\$ 57,522	\$ 105,707	\$ 232,546
51	State Income Tax: Current Year	4,455	10,560	23,231
52	Total State Tax	\$ 4,455	\$ 10,560	\$ 23,231
53	Less: State Tax Preference Items	7,514	17,641	17,641
54	Federal Taxable Income (Line 50 - Line 52 - Line 53)	\$ 45,553	\$ 77,506	\$ 191,674

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-17:

“Submit a schedule showing for the last 5 years the income tax refunds, plus interest - net of taxes, received from the Federal government due to prior years’ claims.”

RESPONSE:

See Met-Ed Exhibit RAD-34 Attachment A.

**Metropolitan Edison Company  
 Income Tax Refunds Prior Year Claims**

		0.414935			
		Tax Refunds	Interest Rec	Tax On Interest	
				Net Interest	
<b>Received 2011</b>					
Audit Settlement	2001 \$	(484,798.00)	\$ (155,231.00)	\$ 64,410.77	(90,820.23)
	2003	(3,223,577.00)	(810,659.00)	336,370.79	(474,288.21)
	2004	(1,281,749.00)	(724,754.00)	300,725.80	(424,028.20)
	2007	(1,628,952.00)	(97,283.00)	40,366.12	(56,916.88)
<b>Received 2012</b>					
None					
NOL Carryback Claim	2011	(3,485,470.00)			
<b>Received 2013</b>					
None					
<b>Received 2014</b>					
Audit Settlement	2010	(157,495.00)	(3,010.00)	1,248.95	(1,761.05)
<b>Received 2015</b>					
None					
<b>Total</b>					
		\$ (10,262,041.00)	\$ (1,790,937.00)	\$ 743,122.44	\$ (1,047,814.56)

( ) represents refunds

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-18:

“Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits, reserves and associated reversals on liberalized depreciation.”

RESPONSE:

See Met-Ed Exhibit RAD-35 Attachment A.



Metropolitan Edison Company  
Accumulated Deferred Taxes  
 (\$000)

Line No.		Balance at 12/31/17		Balance at 12/31/16		Balance at 12/31/15	
		(1)	(2)	(3)	(4)	(5)	(6)
<u>Account 190-Accumulated Deferred Income Taxes</u>							
1	Above Market NUG Liability	\$ 2,316		\$ 2,316		\$ 2,316	
2	Accelerated Depreciation	980		980		980	
3	Accrued Taxes: FICA on Vacation Accrual	136		136		136	
4	Accum Prov For Inj and Damage-Workers Comp	115		115		115	
5	AFUDC Debt	3		3		3	
6	AFUDC Equity	867		867		867	
7	Alternative Minimum Tax Carryforward	38		38		38	
8	Asset Retirement Obligation	77,581		77,581		77,581	
9	Bad Debt Reserve	3,827		3,827		3,827	
10	Charitable Contribution Carryforward	360		360		360	
11	Contribution in Aid of Construction	33,813		33,813		33,813	
12	Current Liab: Line Protection Dfd Revenue	15		15		15	
13	Decommissioning	182,134		182,134		182,134	
14	Default Serv Support-Unbilled	(4,854)		(1,263)		403	
15	Deferred Compensation Expense	342		342		342	
16	DOE Spent Nuc Fuel Disposal	13,480		13,480		13,480	
17	EDCP OCI Offset	102		102		102	
18	EEC-C Deferral	1,598		1,001		1,353	
19	Energy Efficiency Conservation Phase 2	2,513		2,513		2,513	
20	Environmental Liability	22		22		22	
21	FAS 112 - Medical Benefit Accrual	550		550		550	
22	FAS 123 R - APIC	304		304		304	
23	FAS 123R - Performance Shares	19		19		19	
24	FAS 123R - Restricted Stock Units	268		268		268	
25	FAS 158 Pension OCI Offset	180		180		180	
26	Federal NOL	13,201		17,719		22,542	
27	General Business Credit Carryforward	481		481		481	
28	Incentive Compensation	1,897		1,897		1,897	
29	Interest Accrued-Customer Deposits	5		5		5	
30	Inventory: Reserve for Obsolescence	295		295		295	
31	ITC FAS 109	3,479		3,479		3,479	
32	Merrill Creek Lease Imp	7		7		7	
33	NOL Deferred Tax Asset - PA	1,436		2,276		4,655	
34	NUG Unbilled Deferral	296		296		296	
35	Oth Reg Asset-PJM Transm Def & Int-Post	11,990		11,990		11,990	
36	Other Basis Differences	326		326		326	
37	Other Def Cr-Accrued Merrill Creek	10,380		10,380		10,380	
38	Other Reg Liab - Acctg For Income Taxes	26		26		26	
39	PA Consumer Education	10		10		10	
40	Pension EDCP-SERP Payments	(15,998)		(15,998)		440	
41	Pensions Expense	82,597		84,054		85,417	
42	PJM Margin Loss and Int	14,736		14,736		14,736	
43	Post Retirement Benefits SFAS 106 Accrual	34,030		34,030		34,030	
44	Price to Compare Rider	5,689		6,849		7,547	
45	Reverse Capital Gain	6		6		6	
46	Smart Meter - AMI	528		528		528	
47	Solar Photovoltaic Req-U	86		86		86	
48	Tax Interest Capitalized	13,052		12,706		12,147	
49	TMI2 Post Defueling Monitoring	6,777		6,777		6,777	
50	Unamortized Gain on Reacquired Debt	1,148		784		421	
51	Universal Service Fund	1,520		1,451		1,078	
52	USCR Unbilled Deferral	305		305		305	
53	Vacation Pay Accrual	1,593		1,593		1,593	
	Total Account 190		\$ 506,608		\$ 516,796		\$ 543,220

Metropolitan Edison Company  
Accumulated Deferred Taxes  
 (\$000)

Line No.	Balance at 12/31/17		Balance at 12/31/16		Balance at 12/31/15	
	(1)	(2)	(3)	(4)	(5)	(6)
	<u>Account 281-283 Accum. Deferred Income Taxes</u>					
54	\$ 4,347		\$ 4,347		\$ 4,347	
55	263A Mixed Service Cost	(467,406)	(538,048)		(519,558)	
56	Accelerated Tax Depreciation	(612)	(612)		(612)	
57	Accounts Receivable - Deferred Revenue	(98)	(98)		(98)	
58	Accrued Taxes: Tax Audit Reserves	(5,107)	(5,107)		(5,107)	
59	AFUDC Debt	(3,240)	(3,240)		(3,240)	
60	AFUDC Equity	(10,550)	(10,550)		(10,550)	
61	Capitalized Benefits	626	313		-	
62	Capital Leased Vehicle Expenses	(28,635)	(25,523)		(22,411)	
63	Capitalized Vertical Tree Trimming	(13,607)	(13,607)		(13,607)	
64	Casualty Loss	(10)	(10)		(10)	
65	Consumer Education Cost	(10,962)	(10,962)		(10,962)	
66	Contribution in Aid of Construction	(168)	(168)		(168)	
67	Current Liability: Lease Expense Merrill Creek	(122)	(122)		(122)	
68	Current State Income Tax Deductible	(26)	(26)		(26)	
69	Customer Advances for Construction Refundable	(249,260)	(249,260)		(249,260)	
70	Decommissioning	(78)	(78)		(78)	
71	Deferred Charge-EIB	74	74		74	
72	Deferred Gain	5	5		5	
73	FAS 123R - Performance Shares	104	104		104	
74	FAS 123R - Restricted Stock	(207)	(207)		(207)	
75	FAS 123R - Restricted Stock Units	(407)	(407)		(407)	
76	FAS 123R - Stock Options	(218)	(218)		(218)	
77	FAS 143 ARO Rec	(8,109)	(8,109)		(8,109)	
78	FAS 158 OPEB OCI Offset	(4,434)	(2,120)		(2,494)	
79	FE Service Timing Allocation	(64,812)	(64,812)		(64,812)	
80	G Overheads	(19,490)	(19,490)		(19,490)	
81	Incremental PJM Trans Cost	1,569	1,569		1,569	
82	Meters and Transformers	(4,212)	(4,212)		(4,212)	
83	MTM NUG Derivative	(14,736)	(14,736)		(14,736)	
84	Oth Reg Asset-PJM Txn Margin Loss + Int	(16)	(16)		(16)	
85	Oth Reg Asset-Solar Voltaic Req Start U	(13,140)	(13,140)		(13,140)	
86	Other Basis Differences	19,305	19,981		20,606	
87	Other Post Employment Benefits	17,794	17,794		7,877	
88	Pensions	(372)	(372)		(372)	
89	Plant Held For Fut Use	(16,426)	(16,426)		(16,426)	
90	Post Retirement Benefits SFAS 106 Payments	(344)	(172)		-	
91	Research & Development	(854)	(854)		(854)	
92	Reg Asset DSSR Deferral and Interest	39	39		39	
93	Sale of Property - Book Gain or (Loss)	(1,252)	(462)		(84)	
94	Solar Voltaic Req Charge	(962)	(962)		(962)	
95	State Income Tax Deductible	6,252	(2,995)		(22,373)	
96	Storm Damage and other Deferrals	(5,976)	(5,882)		(5,746)	
97	Tax Interest Capitalized	(102,875)	(94,577)		(86,278)	
98	Tax Repairs	(748)	(748)		(748)	
99	Unamortized Loss on Reacquired Debt	-	-		-	
	Vegetation Management	-	-		-	
	Total Account 281-283	\$ (999,354)	\$ (1,064,100)		\$ (1,062,869)	
	Total Deferred Taxes	\$ (492,747)	\$ (547,304)		\$ (519,650)	

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-19:

“Explain how the Federal corporate graduated tax rates have been reflected for rate case purposes. If the Pennsylvania jurisdictional utility is part of a multi-corporate system, explain how the tax savings are allocated to each member of the system.”

RESPONSE:

Met-Ed is not entitled to a Federal graduated tax rate. Met-Ed files as a member of a consolidated group and its taxable income exceeds where graduated rates apply. Therefore, the Company uses a flat 35% Federal income tax rate in this filing.

FirstEnergy Corp. (“FirstEnergy”) allocates its current federal consolidated income tax liability, pursuant to an agreement approved by the Securities and Exchange Commission, in accordance with the Energy Policy Act of 2005.

Members of the FirstEnergy consolidated group follow the allocation rules under the IRS Regulations under Code Section 1552. The consolidated group is treated as one taxpayer for federal income tax. Each member is required to compute its separate company taxable income. The members with positive taxable income (Paying Members) pay the consolidated tax liability based on an allocation of its separate company income. The aggregate of all amounts paid by Members of the consolidated group, as a result of the excess of each Members’ Separate Return Tax liability, (as determined under Section 1.1552-1(a)(2)(ii) of the IRS Regulations) over the amount allocated to such Member as its share of the Consolidated Tax Liability under Code Section 1552 (i.e., the Tax Benefit Amount) is paid by FirstEnergy to the other Members (the “Loss Members”) which had tax deductions, losses and credits to which such payments by the Paying Members are attributable. The apportionment of such payments among Loss Members is allocated among the group Members pursuant to IRS Regulations Section 1.1502-21(b).

However, the Tax Benefit Amount allocated to FirstEnergy and paid to FirstEnergy as a result of its being a Loss Member is limited to its Tax Benefit Amount determined by multiplying its total loss benefit amount by a fraction, the numerator of which is FirstEnergy’s interest deduction attributable to Acquisition Indebtedness, and the denominator of which is the sum of all of FirstEnergy’s deductions. The portion of FirstEnergy’s Tax Benefit Amount which cannot be allocated and paid to FirstEnergy due to the operation of this limitation is reallocated to Paying Members of the Consolidated Group other than FirstEnergy in



accordance with the method described in Sections 1.1502-33(d)(3) and 1.1552-1(a)(2) of the IRS Regulations.

The general effect of the method is to first allocate the consolidated tax liability among the Members of the Consolidated Group on the basis of the percentage of the total consolidated tax which the tax of such Member, if computed on a separate return basis would bear to the total amount of the taxes for all Members of the group so computed. Then the method allocates an additional amount (the "Tax Benefit Amount") to each Member up to, but not greater than, the excess, if any, of its Separate Return Tax liability, over the amount allocated to such Member in the previous sentence. The total of the Tax Benefit Amounts allocated to Members results in payments to the Members who had items of deduction, loss or credits to which such Tax Benefit Amount is attributable.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-20:

“Explain the treatment given to costs of removal in the income tax calculation and the basis for such treatment.”

RESPONSE:

On property acquired between 1971 and 1980, the Company utilizes the Assent Depreciation Range Tax Depreciation Method.

Under those regulations, when an asset is retired, the cost of dismantling, demolishing, or removing is deductible as a current year's expense.

In June, 1977, Metropolitan Edison Company filed with the Internal Revenue Service an application for a change in accounting for cost of removal on pre-1971 property to conform with treatment for book and regulatory purposes. The Internal Revenue Service's acceptance of this application was dated October 19, 1977.

On property acquired in 1981 and subsequent thereto, the company (in accordance with Accelerated Cost Recovery System and Modified Accelerated Cost Recovery System regulations) elected to use Cost of Removal in the calculation of gain or loss on retirements of 1981 and subsequent property.



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-21:

“Show income tax loss/gain carryovers from previous years. Show loss/gain carryovers by years of origin and amounts remaining by years at the beginning of the test year.”

RESPONSE:

See Met-Ed Exhibit RAD-38 Attachment A for the Net Operating Loss Carryforward schedule.

**Metropolitan Edison Company**  
**Net Operating Loss Carryforwards - Federal & State**  
**Cumulative Balance at 12-31-15**

	2011	2012	2013	2014	2015	Total
<b>Federal NOL</b>						
2014 Utilization	\$ 42,333,963	\$ 23,021,568	\$ -	\$ -	\$ -	\$ 65,355,531
	(950,503)	-	-	-	-	(950,503)
<b>Balance</b>	<b>\$ 41,383,460</b>	<b>\$ 23,021,568</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 64,405,028</b>
<b>PA NOL</b>						
2015 Utilization - Per Accrual	\$ 84,836,184	\$ -	\$ -	\$ -	\$ -	\$ 84,836,184
	(13,156,565)	-	-	-	-	(13,156,565)
<b>Balance</b>	<b>\$ 71,679,619</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,679,619</b>
<b>Federal Charitable Contributions</b>						
<b>Balance</b>	<b>\$ 352,148</b>	<b>\$ 184,861</b>	<b>\$ 177,502</b>	<b>\$ 180,957</b>	<b>\$ -</b>	<b>\$ 895,468</b>
	\$ 352,148	\$ 184,861	\$ 177,502	\$ 180,957	\$ -	\$ 895,468

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-22:

“State whether the company eliminates tax savings by the payment of actual interest on construction work in progress not in rate base claim. If response is affirmative:

- (a) Set forth amount of construction claimed in this tax savings reduction, and explain the basis for this amount
- (b) Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.
- (c) State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.
- (d) Provide details of calculation to determine tax savings reduction, and state whether State taxes are increased to reflect the construction interest elimination.”

RESPONSE:

One of the revisions made to the Internal Revenue Code (“IRC”) by the Tax Reform Act of 1996 was the elimination of the current deduction for construction period interest. The IRC now requires construction period interest to be capitalized for tax purposes using an avoided cost methodology. This methodology results in a similar required capitalized interest amount for tax purposes than the debt component of Allowance for Funds Used During Construction. Therefore, there are no current tax savings to eliminate.



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-23:

“Under section 1552 of the Internal Revenue Code (26 U.S.C.A. § 1552) and 26 CFR 1.1552-1 (1983), if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member’s tax liability to the Federal government (if this interrogatory is not applicable, so state):

- (a) State what option has been chosen by the group.
- (b) Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return for the test year and the most recent 3 years for which data is available.
- (c) Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
- (d) Provide the most recent annual income tax return for the group.
- (e) Provide details of the amount of the net operating losses of any member allocated to the income tax returns of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.
- (f) Provide details of the amount of net negative income taxes, after all tax credits are accounted for, of any member allocated to the income tax return of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.”

RESPONSE:

- (a) The option used is Reg. §1.1552-1(a)(2) – the tax liability of the group is allocated based on the percentage of total tax computed on a separate basis for each member over the total amount of tax for all members of the group so computed.



- (b) See HIGHLY CONFIDENTIAL Met-Ed Exhibit RAD-40 Attachment A – page 1 of 33 for the amount of the tax liability that has been allocated to each of the participating members in the Consolidated Federal income tax return for the most recent three years.
- (c) See HIGHLY CONFIDENTIAL Met-Ed Exhibit RAD-40 Attachment A – pages 2-28 for the payments and refunds made for the most recent filed returns for years 2012, 2013 and 2014 as computed on the basis of separate returns of members.
- (d) See HIGHLY CONFIDENTIAL Met-Ed Exhibit RAD-40 Attachment A – pages 29-33 --A copy of the U.S. Corporation Income Tax Return (Form 1120) as filed by FirstEnergy Corp. and its subsidiaries for the year 2014.
- (e) See HIGHLY CONFIDENTIAL Met-Ed Exhibit RAD-40 Attachment A – pages 1-28.
- (f) See HIGHLY CONFIDENTIAL Met-Ed Exhibit RAD-40 Attachment A – pages 1-28.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-24:

“Provide detailed computations by vintage year showing State and Federal deferred income taxes resulting from the use of accelerated tax depreciation associated with post-1969 public utility property, ADR rates, and accelerated tax depreciation associated with post-1980 public utility property under the Accelerated Cost Recovery System (ACRS).

- (a) Reconcile and explain any differences in the base used to calculate State and Federal deferred income taxes.
- (b) State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
- (c) Reconcile differences between the deferred tax balance, as shown as a reduction to rate base, and the deferred tax balance as shown on the balance sheet.”

RESPONSE:

- (a) See Met-Ed Exhibit RAD-41 Attachment A. The attachment was prepared as submitted in the past. Vintage schedules only show Federal deferred income taxes and Gain Loss is post vintage 1986. No basis difference, however, there is a timing difference due to Pennsylvania disallowance in year one of the 50% Federal Bonus Depreciation.
- (b) See Met-Ed Exhibit RAD-41 Attachment A. Tax depreciation for the fully projected future test year is based on all electric plant in service claimed as of 12/31/17 and the annual tax depreciation is based on the same plant.
- (c) See Met-Ed Exhibit RAD-41 Attachment B.



METROPOLITAN EDISON COMPANY  
 Summary of Deferred Income Taxes  
 Based upon Electric Plant in Service January, 2015 - December, 2015

Provision:	Vintage Year	Deferral of Taxes			Pro Forma Under Present Rates	
		State	Federal	Total	Normalizing Adjustments	Total
	1970	\$ -	\$ -	\$ -	\$ -	\$ -
	1971	-	-	-	-	-
	1972	-	-	-	-	-
	1973	-	1,206	1,206	-	1,206
	1974	-	0	0	-	0
	1975	-	142	142	-	142
	1976	-	220	220	-	220
	1977	-	146	146	-	146
	1978	-	2,989	2,989	-	2,989
	1979	-	605	605	-	605
	1980	-	523	523	-	523
	1981	-	3	3	-	3
	1982	-	51	51	-	51
	1983	-	(600)	(600)	-	(600)
	1984	-	(51)	(51)	-	(51)
	1985	-	6,673	6,673	-	6,673
	1986	-	3,550	3,550	-	3,550
	1987	-	12,467	12,467	-	12,467
	1988	-	1,011	1,011	-	1,011
	1989	-	4,242	4,242	-	4,242
	1990	-	1,813	1,813	-	1,813
	1991	-	(11,918)	(11,918)	-	(11,918)
	1992	-	581,209	581,209	-	581,209
	1993	-	(31,439)	(31,439)	-	(31,439)
	1994	-	(19,165)	(19,165)	-	(19,165)
	1995	-	194,215	194,215	-	194,215
	1996	-	375,358	375,358	-	375,358
	1997	-	418,835	418,835	-	418,835
	1998	-	595,230	595,230	-	595,230
	1999	-	297,617	297,617	-	297,617
	2000	-	432,134	432,134	-	432,134
	2001	-	373,568	373,568	-	373,568
	2001 30%	-	14,389	14,389	-	14,389
	2002	-	56,180	56,180	-	56,180
	2002 30%	-	109,030	109,030	-	109,030
	2003	-	(2,580)	(2,580)	-	(2,580)
	2003 30%	-	54,817	54,817	-	54,817
	2003 50%	-	6,158	6,158	-	6,158
	2004	-	(6,859)	(6,859)	-	(6,859)
	2004 30%	-	108,845	108,845	-	108,845
	2004 50%	-	31,345	31,345	-	31,345
	2005	-	397,591	397,591	-	397,591
	2006	-	712,472	712,472	-	712,472
	2007	-	872,161	872,161	-	872,161
	2008	-	233,967	233,967	-	233,967
	2008 50%	-	157,303	157,303	-	157,303
	2009	-	281,366	281,366	-	281,366
	2009 50%	-	294,824	294,824	-	294,824
	2010	-	47	47	-	47
	2010 100%	-	-	-	-	-
	2010 50%	-	160,191	160,191	-	160,191
	2011	-	(18,564)	(18,564)	-	(18,564)
	2011 100%	-	20	20	-	20
	2011 50%	-	16,951	16,951	-	16,951
	2012	-	(134,040)	(134,040)	-	(134,040)
	2012 50%	-	639,233	639,233	-	639,233
	2013	-	28,969	28,969	-	28,969
	2013 50%	-	666,235	666,235	-	666,235
	2014	-	(17,129)	(17,129)	-	(17,129)
	2014 50%	-	815,105	815,105	-	815,105
	2014 EXP	-	-	-	-	-
	2015	-	2,081,418	2,081,418	-	2,081,418
	2015 50%	-	24,010,913	24,010,913	-	24,010,913
	2015 EXP	-	2,456,579	2,456,579	-	2,456,579
Total Provision		\$ -	\$ 37,267,571	\$ 37,267,571	\$ -	\$ 37,267,571

METROPOLITAN EDISON COMPANY  
 Summary of Deferred Income Taxes  
 Based upon Electric Plant in Service January, 2015 - December, 2015

Reversal	Vintage Year	Deferral of Taxes			Pro Forma Under Present Rates	
		State	Federal	Total	Normalizing Adjustments	Total
	1970	\$ -	\$ (11,123)	\$ (11,123)	\$ -	\$ (11,123)
	1971	-	(30,248)	(30,248)	-	(30,248)
	1972	-	(28,001)	(28,001)	-	(28,001)
	1973	-	(31,809)	(31,809)	-	(31,809)
	1974	-	(31,025)	(31,025)	-	(31,025)
	1975	-	(15,124)	(15,124)	-	(15,124)
	1976	-	(84,854)	(84,854)	-	(84,854)
	1977	-	(27,965)	(27,965)	-	(27,965)
	1978	-	3,565	3,565	-	3,565
	1979	-	10,457	10,457	-	10,457
	1980	-	35,060	35,060	-	35,060
	1981	-	(97,519)	(97,519)	-	(97,519)
	1982	-	(104,179)	(104,179)	-	(104,179)
	1983	-	(174,806)	(174,806)	-	(174,806)
	1984	-	(174,891)	(174,891)	-	(174,891)
	1985	-	(282,537)	(282,537)	-	(282,537)
	1986	-	(318,490)	(318,490)	-	(318,490)
	1987	-	(330,650)	(330,650)	-	(330,650)
	1988	-	(368,613)	(368,613)	-	(368,613)
	1989	-	(437,149)	(437,149)	-	(437,149)
	1990	-	(491,617)	(491,617)	-	(491,617)
	1991	-	(442,516)	(442,516)	-	(442,516)
	1992	-	(454,302)	(454,302)	-	(454,302)
	1993	-	(423,297)	(423,297)	-	(423,297)
	1994	-	(403,158)	(403,158)	-	(403,158)
	1995	-	(272,093)	(272,093)	-	(272,093)
	1996	-	(315,971)	(315,971)	-	(315,971)
	1997	-	(375,806)	(375,806)	-	(375,806)
	1998	-	(454,189)	(454,189)	-	(454,189)
	1999	-	(310,546)	(310,546)	-	(310,546)
	2000	-	(392,979)	(392,979)	-	(392,979)
	2001	-	(380,809)	(380,809)	-	(380,809)
	2001 30%	-	(1,039)	(1,039)	-	(1,039)
	2002	-	(203,573)	(203,573)	-	(203,573)
	2002 30%	-	(34,467)	(34,467)	-	(34,467)
	2003	-	(170,894)	(170,894)	-	(170,894)
	2003 30%	-	19,815	19,815	-	19,815
	2003 50%	-	44,404	44,404	-	44,404
	2004	-	(273,191)	(273,191)	-	(273,191)
	2004 30%	-	(3,529)	(3,529)	-	(3,529)
	2004 50%	-	113,477	113,477	-	113,477
	2005	-	(125,665)	(125,665)	-	(125,665)
	2006	-	(551,676)	(551,676)	-	(551,676)
	2007	-	(479,397)	(479,397)	-	(479,397)
	2008	-	(274,255)	(274,255)	-	(274,255)
	2008 50%	-	(177,248)	(177,248)	-	(177,248)
	2009	-	(351,918)	(351,918)	-	(351,918)
	2009 50%	-	227,654	227,654	-	227,654
	2010	-	(106,296)	(106,296)	-	(106,296)
	2010 100%	-	(192,163)	(192,163)	-	(192,163)
	2010 50%	-	(40,518)	(40,518)	-	(40,518)
	2011	-	(1,469,149)	(1,469,149)	-	(1,469,149)
	2011 100%	-	(1,085,004)	(1,085,004)	-	(1,085,004)
	2011 50%	-	(531,007)	(531,007)	-	(531,007)
	2012	-	(513,532)	(513,532)	-	(513,532)
	2012 50%	-	(482,199)	(482,199)	-	(482,199)
	2013	-	(381,510)	(381,510)	-	(381,510)
	2013 50%	-	(114,662)	(114,662)	-	(114,662)
	2014	-	(1,147,411)	(1,147,411)	-	(1,147,411)
	2014 50%	-	(143,632)	(143,632)	-	(143,632)
	2014 EXP	-	26,179	26,179	-	26,179
	2015	-	(82,402)	(82,402)	-	(82,402)
	2015 50%	-	261,045	261,045	-	261,045
	2015 EXP	-	(28,477)	(28,477)	-	(28,477)
Total Reversal		\$ -	\$ (15,489,422)	\$ (15,489,422)	\$ -	\$ (15,489,422)
Net Provision		\$ -	\$ 21,778,149	\$ 21,778,149	\$ -	\$ 21,778,149

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - Non - TMI  
 Based upon Electric Plant in Service January, 2015 - December, 2015

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	Statutory/ Effective Rates		Deferral of Taxes		Total
		State	Federal	State	Federal	
Provision						
1970	\$ -	0%	35%	\$ -	\$ -	-
1971	-	0%	35%	-	-	-
1972	-	0%	35%	-	-	-
1973	3,447	0%	35%	-	1,206	1,206
1974	1	0%	35%	-	0	0
1975	405	0%	35%	-	142	142
1976	628	0%	35%	-	220	220
1977	418	0%	35%	-	146	146
1978	8,541	0%	35%	-	2,989	2,989
1979	1,729	0%	35%	-	605	605
1980	1,496	0%	35%	-	523	523
1981	(92)	0%	35%	-	(32)	(32)
1982	145	0%	35%	-	51	51
1983	(1,713)	0%	35%	-	(600)	(600)
1984	(145)	0%	35%	-	(51)	(51)
1985	19,064	0%	35%	-	6,673	6,673
1986	10,142	0%	35%	-	3,550	3,550
1987	35,620	0%	35%	-	12,467	12,467
1988	2,888	0%	35%	-	1,011	1,011
1989	12,121	0%	35%	-	4,242	4,242
1990	5,180	0%	35%	-	1,813	1,813
1991	(34,052)	0%	35%	-	(11,918)	(11,918)
1992	1,069,157	0%	35%	-	374,205	374,205
1993	(89,825)	0%	35%	-	(31,439)	(31,439)
1994	(54,758)	0%	35%	-	(19,165)	(19,165)
1995	547,066	0%	35%	-	191,473	191,473
1996	1,049,187	0%	35%	-	367,215	367,215
1997	1,178,426	0%	35%	-	412,449	412,449
1998	1,645,254	0%	35%	-	575,839	575,839
1999	828,796	0%	35%	-	290,079	290,079
2000	1,170,628	0%	35%	-	409,720	409,720
2001	1,039,082	0%	35%	-	363,679	363,679
2001 30%	39,452	0%	35%	-	13,808	13,808
2002	158,920	0%	35%	-	55,622	55,622
2002 30%	299,291	0%	35%	-	104,752	104,752
2003	(7,779)	0%	35%	-	(2,723)	(2,723)
2003 30%	146,494	0%	35%	-	51,273	51,273
2003 50%	12,704	0%	35%	-	4,446	4,446
2004	(19,634)	0%	35%	-	(6,872)	(6,872)
2004 30%	296,736	0%	35%	-	103,858	103,858
2004 50%	75,486	0%	35%	-	26,420	26,420
2005	954,611	0%	35%	-	334,114	334,114
2006	1,941,640	0%	35%	-	679,574	679,574
2007	2,248,230	0%	35%	-	786,880	786,880
2008	652,723	0%	35%	-	228,453	228,453
2008 50%	366,545	0%	35%	-	128,291	128,291
2009	787,307	0%	35%	-	275,557	275,557
2009 50%	719,330	0%	35%	-	251,766	251,766
2010	(2,368)	0%	35%	-	(829)	(829)
2010 100%	-	0%	35%	-	-	-
2010 50%	389,271	0%	35%	-	136,245	136,245
2011	(50,276)	0%	35%	-	(17,597)	(17,597)
2011 100%	56	0%	35%	-	20	20
2011 50%	43,318	0%	35%	-	15,161	15,161
2012	(328,811)	0%	35%	-	(115,084)	(115,084)
2012 50%	1,732,040	0%	35%	-	606,214	606,214
2013	73,214	0%	35%	-	25,625	25,625
2013 50%	1,728,322	0%	35%	-	604,913	604,913
2014	(98,565)	0%	35%	-	(34,498)	(34,498)
2014 50%	1,990,226	0%	35%	-	696,579	696,579
2014 EXP	-	0%	35%	-	-	-
2015	6,011,103	0%	35%	-	2,103,886	2,103,886
2015 50%	68,522,270	0%	35%	-	23,982,795	23,982,795
2015 EXP	7,018,797	0%	35%	-	2,456,579	2,456,579
	<u>\$ 104,149,489</u>			<u>\$ -</u>	<u>\$ 36,452,321</u>	<u>\$ 36,452,321</u>
Provision Gains/Losses Page ( 6 )				\$ -	\$ 815,215	\$ 815,215
Provision - Non - TMI				\$ -	\$ 37,267,536	\$ 37,267,536

METROPOLITAN EDISON COMPANY  
Computation of Deferred Income Taxes - Non - TMI  
Based upon Electric Plant in Service January, 2015 - December, 2015

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	Statutory/ Effective Rates		Deferral of Taxes		Total
		State	Federal	State	Federal	
Reversal						
1970	\$ (27,714)	0%	40%	\$ -	\$ (11,123)	\$ (11,123)
1971	(71,828)	0%	42%	-	(30,248)	(30,248)
1972	(67,793)	0%	41%	-	(28,001)	(28,001)
1973	(77,008)	0%	41%	-	(31,809)	(31,809)
1974	(74,382)	0%	42%	-	(31,025)	(31,025)
1975	(36,329)	0%	42%	-	(15,124)	(15,124)
1976	(181,284)	0%	47%	-	(84,854)	(84,854)
1977	(66,138)	0%	42%	-	(27,965)	(27,965)
1978	(54,717)	0%	39%	-	(21,231)	(21,231)
1979	(48,009)	0%	37%	-	(17,922)	(17,922)
1980	(60,045)	0%	40%	-	(23,875)	(23,875)
1981	(236,952)	0%	42%	-	(98,855)	(98,855)
1982	(260,168)	0%	40%	-	(104,423)	(104,423)
1983	(444,242)	0%	40%	-	(175,690)	(175,690)
1984	(453,465)	0%	39%	-	(175,312)	(175,312)
1985	(743,398)	0%	38%	-	(283,417)	(283,417)
1986	(868,612)	0%	37%	-	(318,806)	(318,806)
1987	(955,394)	0%	35%	-	(333,007)	(333,007)
1988	(1,063,586)	0%	35%	-	(368,612)	(368,612)
1989	(1,259,173)	0%	35%	-	(437,148)	(437,148)
1990	(1,416,910)	0%	35%	-	(491,266)	(491,266)
1991	(1,269,984)	0%	35%	-	(442,516)	(442,516)
1992	(1,297,056)	0%	35%	-	(454,302)	(454,302)
1993	(1,209,420)	0%	35%	-	(423,297)	(423,297)
1994	(1,151,881)	0%	35%	-	(403,158)	(403,158)
1995	(777,410)	0%	35%	-	(272,093)	(272,093)
1996	(902,774)	0%	35%	-	(315,971)	(315,971)
1997	(1,073,732)	0%	35%	-	(375,806)	(375,806)
1998	(1,297,681)	0%	35%	-	(454,189)	(454,189)
1999	(887,274)	0%	35%	-	(310,546)	(310,546)
2000	(1,122,797)	0%	35%	-	(392,979)	(392,979)
2001	(1,088,025)	0%	35%	-	(380,809)	(380,809)
2001 30%	(2,969)	0%	35%	-	(1,039)	(1,039)
2002	(581,637)	0%	35%	-	(203,573)	(203,573)
2002 30%	(98,476)	0%	35%	-	(34,467)	(34,467)
2003	(488,269)	0%	35%	-	(170,894)	(170,894)
2003 30%	56,616	0%	35%	-	19,815	19,815
2003 50%	126,868	0%	35%	-	44,404	44,404
2004	(780,545)	0%	35%	-	(273,191)	(273,191)
2004 30%	(10,082)	0%	35%	-	(3,529)	(3,529)
2004 50%	324,220	0%	35%	-	113,477	113,477
2005	(359,042)	0%	35%	-	(125,665)	(125,665)
2006	(1,576,216)	0%	35%	-	(551,676)	(551,676)
2007	(1,369,704)	0%	35%	-	(479,397)	(479,397)
2008	(783,586)	0%	35%	-	(274,255)	(274,255)
2008 50%	(506,424)	0%	35%	-	(177,248)	(177,248)
2009	(1,005,480)	0%	35%	-	(351,918)	(351,918)
2009 50%	650,440	0%	35%	-	227,654	227,654
2010	(303,702)	0%	35%	-	(106,296)	(106,296)
2010 100%	(549,037)	0%	35%	-	(192,163)	(192,163)
2010 50%	(115,765)	0%	35%	-	(40,518)	(40,518)
2011	(4,197,569)	0%	35%	-	(1,469,149)	(1,469,149)
2011 100%	(3,100,010)	0%	35%	-	(1,085,004)	(1,085,004)
2011 50%	(1,517,162)	0%	35%	-	(531,007)	(531,007)
2012	(1,467,234)	0%	35%	-	(513,532)	(513,532)
2012 50%	(1,377,713)	0%	35%	-	(482,199)	(482,199)
2013	(1,090,029)	0%	35%	-	(381,510)	(381,510)
2013 50%	(327,605)	0%	35%	-	(114,662)	(114,662)
2014	(3,278,317)	0%	35%	-	(1,147,411)	(1,147,411)
2014 50%	(410,378)	0%	35%	-	(143,632)	(143,632)
2014 EXP	74,797	0%	35%	-	26,179	26,179
2015	(235,435)	0%	35%	-	(82,402)	(82,402)
2015 50%	745,842	0%	35%	-	261,045	261,045
2015 EXP	(81,362)	0%	35%	-	(28,477)	(28,477)
Reversal Non-TMI	\$ (44,180,148)			\$ -	\$ (15,607,618)	\$ (15,607,618)
Total Net Provision - Non-TMI				\$ -	\$ 21,659,918	\$ 21,659,918

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - Non - TMI  
Based upon Electric Plant in Service January, 2015 - December, 2015  
Deferred Income Taxes Related to Gains/Losses

Vintage Year	Per Power Tax Report 52		(Gain)/Loss recognized	Statutory/ Effective Rates		Deferral of Taxes		
	Basis of Property	Accumulated Tax Depreciation		State	Federal	State	Federal	Total
	1	2	3	4	5	6 = 3 x 4	7 = 3 x 5	8 = 6+7
Provision - 1/15-12/15								
1987	\$ 171,944	\$ 171,944	\$ -	0%	35%	\$ -	\$ -	\$ -
1988	137,787	137,787	-	0%	35%	-	-	-
1989	124,892	124,892	-	0%	35%	-	-	-
1990	183,607	183,607	-	0%	35%	-	-	-
1991	131,084	131,084	-	0%	35%	-	-	-
1992	1,321,327	729,887	591,440	0%	35%	-	207,004	207,004
1993	133,372	133,372	-	0%	35%	-	-	-
1994	159,937	159,937	-	0%	35%	-	-	-
1995	704,690	696,856	7,834	0%	35%	-	2,742	2,742
1996	521,502	498,235	23,266	0%	35%	-	8,143	8,143
1997	261,814	243,570	18,245	0%	35%	-	6,386	6,386
1998	565,263	509,859	55,404	0%	35%	-	19,391	19,391
1999	144,067	122,529	21,538	0%	35%	-	7,538	7,538
2000	296,641	232,600	64,041	0%	35%	-	22,414	22,414
2001	107,292	79,036	28,256	0%	35%	-	9,890	9,890
2001 30%	6,194	4,536	1,658	0%	35%	-	580	580
2002	5,320	3,727	1,593	0%	35%	-	558	558
2002 30%	38,685	26,462	12,223	0%	35%	-	4,278	4,278
2003	1,145	736	409	0%	35%	-	143	143
2003 30%	28,998	18,873	10,125	0%	35%	-	3,544	3,544
2003 50%	13,148	8,257	4,891	0%	35%	-	1,712	1,712
2004	268	231	37	0%	35%	-	13	13
2004 30%	37,537	23,288	14,250	0%	35%	-	4,987	4,987
2004 50%	34,856	20,783	14,073	0%	35%	-	4,925	4,925
2005	382,601	201,237	181,365	0%	35%	-	63,478	63,478
2006	192,509	98,513	93,996	0%	35%	-	32,899	32,899
2007	455,753	212,096	243,658	0%	35%	-	85,280	85,280
2008	41,474	25,719	15,755	0%	35%	-	5,514	5,514
2008 50%	166,949	84,056	82,893	0%	35%	-	29,013	29,013
2009	107,557	90,961	16,596	0%	35%	-	5,809	5,809
2009 50%	203,239	80,216	123,024	0%	35%	-	43,058	43,058
2010	3,701	1,199	2,502	0%	35%	-	876	876
2010 100%	-	-	-	0%	35%	-	-	-
2010 50%	168,411	99,995	68,417	0%	35%	-	23,946	23,946
2011	(2,587)	176	(2,764)	0%	35%	-	(967)	(967)
2011 100%	-	-	-	0%	35%	-	-	-
2011 50%	30,737	25,623	5,114	0%	35%	-	1,790	1,790
2012	(68,406)	(14,245)	(54,161)	0%	35%	-	(18,956)	(18,956)
2012 50%	121,727	27,388	94,339	0%	35%	-	33,019	33,019
2013	11,333	1,780	9,553	0%	35%	-	3,344	3,344
2013 50%	277,125	101,919	175,205	0%	35%	-	61,322	61,322
2014	60,562	10,938	49,624	0%	35%	-	17,368	17,368
2014 50%	383,759	45,115	338,644	0%	35%	-	118,525	118,525
2015	(64,194)	0	(64,194)	0%	35%	-	(22,468)	(22,468)
2015 50%	80,338	0	80,338	0%	35%	-	28,118	28,118
Provision - Non-TMI (gains/losses)							<u>\$ 815,215</u>	<u>\$ 815,215</u>



METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - TMI #2  
Based upon Electric Plant in Service January, 2015 - December, 2015

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	State	Deferral of Taxes Federal	Total
Provision				
1978	\$ -	\$ -	\$ -	\$ -
1979	-	-	-	-
1980	-	-	-	-
1981	101	-	35	35
1982	-	-	-	-
1983	-	-	-	-
1984	-	-	-	-
1985	-	-	-	-
1986	-	-	-	-
1987	-	-	-	-
1988	-	-	-	-
1989	-	-	-	-
1992	-	-	-	-
	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 35</u>

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	State	Deferral of Taxes Federal	Total
Reversal				
1978	\$ 51,659	\$ -	\$ 24,796	\$ 24,796
1979	61,693	-	28,379	28,379
1980	128,120	-	58,935	58,935
1981	(0)	-	1,336	1,336
1982	-	-	244	244
1983	-	-	884	884
1984	-	-	421	421
1985	-	-	880	880
1986	-	-	316	316
1987	-	-	2,356	2,356
1988	-	-	(1)	(1)
1989	-	-	(1)	(1)
1992	\$ -	-	(350)	(350)
	<u>\$ 241,472</u>	<u>\$ -</u>	<u>\$ 118,196</u>	<u>\$ 118,196</u>

METROPOLITAN EDISON COMPANY  
 Summary of Deferred Income Taxes  
 Based upon Electric Plant in Service January, 2016 - December, 2016

Provision:	Vintage Year	Deferral of Taxes			Pro Forma Under Present Rates	
		State	Federal	Total	Normalizing Adjustments	Total
	1970	\$ -	\$ -	\$ -	\$ -	\$ -
	1971	-	-	-	-	-
	1972	-	-	-	-	-
	1973	-	1,206	1,206	-	1,206
	1974	-	-	-	-	-
	1975	-	0	0	-	0
	1976	-	162	162	-	162
	1977	-	143	143	-	143
	1978	-	2,989	2,989	-	2,989
	1979	-	603	603	-	603
	1980	-	523	523	-	523
	1981	-	644	644	-	644
	1982	-	797	797	-	797
	1983	-	542	542	-	542
	1984	-	13,579	13,579	-	13,579
	1985	-	85,857	85,857	-	85,857
	1986	-	77,643	77,643	-	77,643
	1987	-	11,363	11,363	-	11,363
	1988	-	34,174	34,174	-	34,174
	1989	-	16,997	16,997	-	16,997
	1990	-	26,395	26,395	-	26,395
	1991	-	94,371	94,371	-	94,371
	1992	-	58,921	58,921	-	58,921
	1993	-	24,822	24,822	-	24,822
	1994	-	(14,978)	(14,978)	-	(14,978)
	1995	-	19,577	19,577	-	19,577
	1996	-	92,373	92,373	-	92,373
	1997	-	507,514	507,514	-	507,514
	1998	-	589,601	589,601	-	589,601
	1999	-	373,368	373,368	-	373,368
	2000	-	582,925	582,925	-	582,925
	2001	-	595,148	595,148	-	595,148
	2001 30%	-	12,599	12,599	-	12,599
	2002	-	104,156	104,156	-	104,156
	2002 30%	-	177,286	177,286	-	177,286
	2003	-	(2,378)	(2,378)	-	(2,378)
	2003 30%	-	63,221	63,221	-	63,221
	2003 50%	-	48,908	48,908	-	48,908
	2004	-	(8,401)	(8,401)	-	(8,401)
	2004 30%	-	144,032	144,032	-	144,032
	2004 50%	-	28,756	28,756	-	28,756
	2005	-	202,032	202,032	-	202,032
	2006	-	624,088	624,088	-	624,088
	2007	-	509,078	509,078	-	509,078
	2008	-	212,010	212,010	-	212,010
	2008 50%	-	98,015	98,015	-	98,015
	2009	-	241,665	241,665	-	241,665
	2009 50%	-	311,933	311,933	-	311,933
	2010	-	8,016	8,016	-	8,016
	2010 100%	-	-	-	-	-
	2010 50%	-	124,759	124,759	-	124,759
	2011	-	(92,094)	(92,094)	-	(92,094)
	2011 100%	-	-	-	-	-
	2011 50%	-	7,633	7,633	-	7,633
	2012	-	(48,239)	(48,239)	-	(48,239)
	2012 50%	-	375,734	375,734	-	375,734
	2013	-	35,028	35,028	-	35,028
	2013 50%	-	269,659	269,659	-	269,659
	2014	-	(116,710)	(116,710)	-	(116,710)
	2014 50%	-	463,428	463,428	-	463,428
	2015	-	651,573	651,573	-	651,573
	2015 50%	-	309,461	309,461	-	309,461
	2015 EXP	-	(255,664)	(255,664)	-	(255,664)
	2016	-	(933,035)	(933,035)	-	(933,035)
	2016 50%	-	18,093,309	18,093,309	-	18,093,309
Total Provision		\$ -	\$ 24,857,119	\$ 24,857,119	\$ -	\$ 24,857,119

METROPOLITAN EDISON COMPANY  
 Summary of Deferred Income Taxes  
 Based upon Electric Plant in Service January, 2016 - December, 2016

Vintage Year	Deferral of Taxes			Pro Forma Under Present Rates	
	State	Federal	Total	Normalizing Adjustments	Total
Reversal 1970	\$ -	\$ (11,340)	\$ (11,340)	\$ -	\$ (11,340)
1971	-	(28,886)	(28,886)	-	(28,886)
1972	-	(29,699)	(29,699)	-	(29,699)
1973	-	(33,587)	(33,587)	-	(33,587)
1974	-	(34,288)	(34,288)	-	(34,288)
1975	-	(16,015)	(16,015)	-	(16,015)
1976	-	(82,365)	(82,365)	-	(82,365)
1977	-	(30,488)	(30,488)	-	(30,488)
1978	-	(1,504)	(1,504)	-	(1,504)
1979	-	6,338	6,338	-	6,338
1980	-	29,763	29,763	-	29,763
1981	-	(112,194)	(112,194)	-	(112,194)
1982	-	(130,530)	(130,530)	-	(130,530)
1983	-	(193,758)	(193,758)	-	(193,758)
1984	-	(143,058)	(143,058)	-	(143,058)
1985	-	(187,420)	(187,420)	-	(187,420)
1986	-	(217,808)	(217,808)	-	(217,808)
1987	-	(264,609)	(264,609)	-	(264,609)
1988	-	(219,234)	(219,234)	-	(219,234)
1989	-	(257,901)	(257,901)	-	(257,901)
1990	-	(334,284)	(334,284)	-	(334,284)
1991	-	(279,908)	(279,908)	-	(279,908)
1992	-	(243,945)	(243,945)	-	(243,945)
1993	-	(251,741)	(251,741)	-	(251,741)
1994	-	(283,088)	(283,088)	-	(283,088)
1995	-	(254,657)	(254,657)	-	(254,657)
1996	-	(190,956)	(190,956)	-	(190,956)
1997	-	(378,596)	(378,596)	-	(378,596)
1998	-	(498,049)	(498,049)	-	(498,049)
1999	-	(290,218)	(290,218)	-	(290,218)
2000	-	(362,750)	(362,750)	-	(362,750)
2001	-	(344,394)	(344,394)	-	(344,394)
2001 30%	-	(7,280)	(7,280)	-	(7,280)
2002	-	(190,904)	(190,904)	-	(190,904)
2002 30%	-	31,228	31,228	-	31,228
2003	-	(169,244)	(169,244)	-	(169,244)
2003 30%	-	(7,764)	(7,764)	-	(7,764)
2003 50%	-	23,778	23,778	-	23,778
2004	-	(271,071)	(271,071)	-	(271,071)
2004 30%	-	(12,304)	(12,304)	-	(12,304)
2004 50%	-	75,367	75,367	-	75,367
2005	-	(461,105)	(461,105)	-	(461,105)
2006	-	(567,700)	(567,700)	-	(567,700)
2007	-	(509,921)	(509,921)	-	(509,921)
2008	-	(235,324)	(235,324)	-	(235,324)
2008 50%	-	(344,443)	(344,443)	-	(344,443)
2009	-	(337,555)	(337,555)	-	(337,555)
2009 50%	-	85,626	85,626	-	85,626
2010	-	(65,824)	(65,824)	-	(65,824)
2010 100%	-	(209,854)	(209,854)	-	(209,854)
2010 50%	-	(135,691)	(135,691)	-	(135,691)
2011	-	(1,464,338)	(1,464,338)	-	(1,464,338)
2011 100%	-	(1,024,552)	(1,024,552)	-	(1,024,552)
2011 50%	-	(305,321)	(305,321)	-	(305,321)
2012	-	(555,514)	(555,514)	-	(555,514)
2012 50%	-	(433,314)	(433,314)	-	(433,314)
2013	-	(340,323)	(340,323)	-	(340,323)
2013 50%	-	(252,664)	(252,664)	-	(252,664)
2014	-	(1,187,037)	(1,187,037)	-	(1,187,037)
2014 50%	-	(306,851)	(306,851)	-	(306,851)
2014 EXP	-	26,778	26,778	-	26,778
2015	-	(156,962)	(156,962)	-	(156,962)
2015 50%	-	241,275	241,275	-	241,275
2015 EXP	-	(47,392)	(47,392)	-	(47,392)
2016	-	211,508	211,508	-	211,508
2016 50%	-	298,150	298,150	-	298,150
Total Reversal	\$ -	\$ (14,277,711)	\$ (14,277,711)	\$ -	\$ (14,277,711)
Net Provision	\$ -	\$ 10,579,408	\$ 10,579,408	\$ -	\$ 10,579,408

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - Non - TMI  
 Based upon Electric Plant in Service January, 2016 - December, 2016

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	Statutory/ Effective Rates		Deferral of Taxes		Total
		State	Federal	State	Federal	
Provision						
1970 \$	-	0%	35%	\$ -	\$ -	-
1971	-	0%	35%	-	-	-
1972	-	0%	35%	-	-	-
1973	3,447	0%	35%	-	1,206	1,206
1974	-	0%	35%	-	-	-
1975	1	0%	35%	-	0	0
1976	462	0%	35%	-	162	162
1977	410	0%	35%	-	143	143
1978	8,541	0%	35%	-	2,989	2,989
1979	1,723	0%	35%	-	603	603
1980	1,495	0%	35%	-	523	523
1981	1,840	0%	35%	-	644	644
1982	2,276	0%	35%	-	797	797
1983	1,549	0%	35%	-	542	542
1984	38,797	0%	35%	-	13,579	13,579
1985	245,306	0%	35%	-	85,857	85,857
1986	221,837	0%	35%	-	77,643	77,643
1987	31,826	0%	35%	-	11,139	11,139
1988	95,590	0%	35%	-	33,456	33,456
1989	45,721	0%	35%	-	16,002	16,002
1990	71,978	0%	35%	-	25,192	25,192
1991	242,865	0%	35%	-	85,003	85,003
1992	168,345	0%	35%	-	58,921	58,921
1993	51,163	0%	35%	-	17,907	17,907
1994	(61,468)	0%	35%	-	(21,514)	(21,514)
1995	55,935	0%	35%	-	19,577	19,577
1996	259,531	0%	35%	-	90,836	90,836
1997	1,424,301	0%	35%	-	498,505	498,505
1998	1,647,692	0%	35%	-	576,692	576,692
1999	1,006,658	0%	35%	-	352,330	352,330
2000	1,499,294	0%	35%	-	524,753	524,753
2001	1,515,897	0%	35%	-	530,564	530,564
2001 30%	35,997	0%	35%	-	12,599	12,599
2002	257,657	0%	35%	-	90,180	90,180
2002 30%	481,050	0%	35%	-	168,367	168,367
2003	(6,794)	0%	35%	-	(2,378)	(2,378)
2003 30%	180,631	0%	35%	-	63,221	63,221
2003 50%	139,737	0%	35%	-	48,908	48,908
2004	(24,003)	0%	35%	-	(8,401)	(8,401)
2004 30%	411,519	0%	35%	-	144,032	144,032
2004 50%	82,161	0%	35%	-	28,756	28,756
2005	577,235	0%	35%	-	202,032	202,032
2006	1,783,107	0%	35%	-	624,088	624,088
2007	1,454,510	0%	35%	-	509,078	509,078
2008	605,742	0%	35%	-	212,010	212,010
2008 50%	280,043	0%	35%	-	98,015	98,015
2009	690,473	0%	35%	-	241,665	241,665
2009 50%	891,238	0%	35%	-	311,933	311,933
2010	22,903	0%	35%	-	8,016	8,016
2010 100%	-	0%	35%	-	-	-
2010 50%	356,453	0%	35%	-	124,759	124,759
2011	(263,126)	0%	35%	-	(92,094)	(92,094)
2011 100%	-	0%	35%	-	-	-
2011 50%	21,810	0%	35%	-	7,633	7,633
2012	(137,826)	0%	35%	-	(48,239)	(48,239)
2012 50%	1,073,527	0%	35%	-	375,734	375,734
2013	100,079	0%	35%	-	35,028	35,028
2013 50%	770,455	0%	35%	-	269,659	269,659
2014	(333,456)	0%	35%	-	(116,710)	(116,710)
2014 50%	1,324,079	0%	35%	-	463,428	463,428
2014 EXP	-	0%	35%	-	-	-
2015	1,861,637	0%	35%	-	651,573	651,573
2015 50%	884,175	0%	35%	-	309,461	309,461
2015 EXP	(730,468)	0%	35%	-	(255,664)	(255,664)
2016	(2,665,814)	0%	35%	-	(933,035)	(933,035)
2016 50%	51,695,169	0%	35%	-	18,093,309	18,093,309
	\$ 70,402,908	0%	35%	\$ -	\$ 24,641,018	\$ 24,641,018
Provision Gains/Losses Page ( 12 )				\$ -	\$ 216,101	\$ 216,101
Provision - Non - TMI				\$ -	\$ 24,857,119	\$ 24,857,119

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - Non - TMI  
 Based upon Electric Plant in Service January, 2016 - December, 2016

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	Statutory/ Effective Rates		Deferral of Taxes		Total
		State	Federal	State	Federal	
Reversal						
1970	\$ (28,995)	0%	39%	\$ -	\$ (11,340)	(11,340)
1971	(69,775)	0%	41%	-	(28,886)	(28,886)
1972	(73,373)	0%	40%	-	(29,699)	(29,699)
1973	(82,522)	0%	41%	-	(33,587)	(33,587)
1974	(83,516)	0%	41%	-	(34,288)	(34,288)
1975	(39,031)	0%	41%	-	(16,015)	(16,015)
1976	(176,932)	0%	47%	-	(82,365)	(82,365)
1977	(73,080)	0%	42%	-	(30,488)	(30,488)
1978	(65,139)	0%	38%	-	(25,047)	(25,047)
1979	(55,564)	0%	37%	-	(20,607)	(20,607)
1980	(66,565)	0%	39%	-	(26,193)	(26,193)
1981	(273,778)	0%	41%	-	(113,463)	(113,463)
1982	(327,709)	0%	40%	-	(130,762)	(130,762)
1983	(493,057)	0%	39%	-	(194,597)	(194,597)
1984	(368,775)	0%	39%	-	(143,458)	(143,458)
1985	(487,757)	0%	39%	-	(188,255)	(188,255)
1986	(587,249)	0%	37%	-	(218,108)	(218,108)
1987	(763,979)	0%	35%	-	(266,846)	(266,846)
1988	(631,910)	0%	35%	-	(219,233)	(219,233)
1989	(742,227)	0%	35%	-	(257,901)	(257,901)
1990	(963,497)	0%	35%	-	(334,284)	(334,284)
1991	(803,476)	0%	35%	-	(279,908)	(279,908)
1992	(695,708)	0%	35%	-	(243,613)	(243,613)
1993	(719,261)	0%	35%	-	(251,741)	(251,741)
1994	(808,822)	0%	35%	-	(283,088)	(283,088)
1995	(727,590)	0%	35%	-	(254,657)	(254,657)
1996	(545,590)	0%	35%	-	(190,956)	(190,956)
1997	(1,081,704)	0%	35%	-	(378,596)	(378,596)
1998	(1,422,996)	0%	35%	-	(498,049)	(498,049)
1999	(829,194)	0%	35%	-	(290,218)	(290,218)
2000	(1,036,428)	0%	35%	-	(362,750)	(362,750)
2001	(983,982)	0%	35%	-	(344,394)	(344,394)
2001 30%	(20,801)	0%	35%	-	(7,280)	(7,280)
2002	(545,441)	0%	35%	-	(190,904)	(190,904)
2002 30%	89,224	0%	35%	-	31,228	31,228
2003	(483,554)	0%	35%	-	(169,244)	(169,244)
2003 30%	(22,183)	0%	35%	-	(7,764)	(7,764)
2003 50%	67,937	0%	35%	-	23,778	23,778
2004	(774,488)	0%	35%	-	(271,071)	(271,071)
2004 30%	(35,155)	0%	35%	-	(12,304)	(12,304)
2004 50%	215,334	0%	35%	-	75,367	75,367
2005	(1,317,442)	0%	35%	-	(461,105)	(461,105)
2006	(1,622,001)	0%	35%	-	(567,700)	(567,700)
2007	(1,456,917)	0%	35%	-	(509,921)	(509,921)
2008	(672,356)	0%	35%	-	(235,324)	(235,324)
2008 50%	(984,123)	0%	35%	-	(344,443)	(344,443)
2009	(964,444)	0%	35%	-	(337,555)	(337,555)
2009 50%	244,647	0%	35%	-	85,626	85,626
2010	(188,068)	0%	35%	-	(65,824)	(65,824)
2010 100%	(599,583)	0%	35%	-	(209,854)	(209,854)
2010 50%	(387,689)	0%	35%	-	(135,691)	(135,691)
2011	(4,183,822)	0%	35%	-	(1,464,338)	(1,464,338)
2011 100%	(2,927,293)	0%	35%	-	(1,024,552)	(1,024,552)
2011 50%	(872,345)	0%	35%	-	(305,321)	(305,321)
2012	(1,587,183)	0%	35%	-	(555,514)	(555,514)
2012 50%	(1,238,039)	0%	35%	-	(433,314)	(433,314)
2013	(972,352)	0%	35%	-	(340,323)	(340,323)
2013 50%	(721,898)	0%	35%	-	(252,664)	(252,664)
2014	(3,391,534)	0%	35%	-	(1,187,037)	(1,187,037)
2014 50%	(876,717)	0%	35%	-	(306,851)	(306,851)
2014 EXP	76,509	0%	35%	-	26,778	26,778
2015	(448,463)	0%	35%	-	(156,962)	(156,962)
2015 50%	689,358	0%	35%	-	241,275	241,275
2015 EXP	(135,406)	0%	35%	-	(47,392)	(47,392)
2016	604,309	0%	35%	-	211,508	211,508
2016 50%	851,857	0%	35%	-	298,150	298,150
Reversal Non-TMI	\$ (40,699,300)			\$ -	\$ (14,389,932)	(14,389,932)
Total Net Provision - Non-TMI				\$ -	\$ 10,467,187	10,467,187

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - Non - TMI  
Based upon Electric Plant in Service January, 2016 - December, 2016  
Deferred Income Taxes Related to Gains/Losses

Vintage Year	Per Power Tax Report 52		(Gain)/Loss recognized	Statutory/ Effective Rates		Deferral of Taxes		
	Basis of Property	Accumulated Tax Depreciation		State	Federal	State	Federal	Total
	1	2	3	4	5	6 = 3 x 4	7 = 3 x 5	8 = 6+7
Provision - 1/16-12/16								
1987	\$ 457,210	\$ 456,570	\$ 640	0%	35%	\$ -	\$ 224	\$ 224
1988	718,064	716,013	2,051	0%	35%	-	718	718
1989	659,359	656,517	2,841	0%	35%	-	994	994
1990	637,320	633,884	3,435	0%	35%	-	1,202	1,202
1991	964,337	937,571	26,766	0%	35%	-	9,368	9,368
1992	1,024,396	1,024,396	-	0%	35%	-	-	-
1993	841,852	822,094	19,758	0%	35%	-	6,915	6,915
1994	590,923	572,249	18,674	0%	35%	-	6,536	6,536
1995	792,112	792,112	-	0%	35%	-	-	-
1996	393,760	389,368	4,392	0%	35%	-	1,537	1,537
1997	576,933	551,193	25,740	0%	35%	-	9,009	9,009
1998	413,324	376,443	36,881	0%	35%	-	12,908	12,908
1999	449,017	388,908	60,109	0%	35%	-	21,038	21,038
2000	961,751	795,544	166,207	0%	35%	-	58,172	58,172
2001	827,177	642,653	184,524	0%	35%	-	64,583	64,583
2002	151,620	111,689	39,930	0%	35%	-	13,976	13,976
2002 30%	96,795	71,312	25,483	0%	35%	-	8,919	8,919
2003 30%	99,734	99,734	-	0%	35%	-	-	-
Provision - Non-TMI (gains/losses)							\$ 216,101	\$ 216,101

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - TMI #2  
Based upon Electric Plant in Service January, 2016 - December, 2016

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	State	Deferral of Taxes Federal	Total
Provision				
1978	\$ -	\$ -	\$ -	\$ -
1979	-	-	-	-
1980	-	-	-	-
1981	-	-	-	-
1982	-	-	-	-
1983	-	-	-	-
1984	-	-	-	-
1985	-	-	-	-
1986	-	-	-	-
1987	-	-	-	-
1988	-	-	-	-
1989	-	-	-	-
1992	-	-	-	-
	\$ -	\$ -	\$ -	\$ -

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	State	Deferral of Taxes Federal	Total
Reversal				
1978	\$ 49,048	\$ -	\$ 23,543	\$ 23,543
1979	58,575	-	26,944	26,944
1980	121,644	-	55,956	55,956
1981	-	-	1,269	1,269
1982	-	-	232	232
1983	-	-	839	839
1984	-	-	400	400
1985	-	-	835	835
1986	-	-	300	300
1987	-	-	2,237	2,237
1988	-	-	(1)	(1)
1989	-	-	(1)	(1)
1992	-	-	(333)	(333)
	\$ 229,266	\$ -	\$ 112,221	\$ 112,221

METROPOLITAN EDISON COMPANY  
 Summary of Deferred Income Taxes  
 Based upon Electric Plant in Service January, 2017 - December, 2017

Provision:	Vintage Year	Deferral of Taxes		Total
		State	Federal	
	1970	\$ -	\$ -	\$ -
	1971	-	-	-
	1972	-	-	-
	1973	-	-	-
	1974	-	-	-
	1975	-	-	-
	1976	-	97	97
	1977	-	138	138
	1978	-	2,989	2,989
	1979	-	594	594
	1980	-	523	523
	1981	-	842	842
	1982	-	1,041	1,041
	1983	-	855	855
	1984	-	1,365	1,365
	1985	-	793	793
	1986	-	1,813	1,813
	1987	-	2,487	2,487
	1988	-	1,777	1,777
	1989	-	1,088	1,088
	1990	-	(738)	(738)
	1991	-	(7,902)	(7,902)
	1992	-	(1,252)	(1,252)
	1993	-	(35,140)	(35,140)
	1994	-	(31,308)	(31,308)
	1995	-	(17,342)	(17,342)
	1996	-	(4,912)	(4,912)
	1997	-	60,508	60,508
	1998	-	518,469	518,469
	1999	-	288,120	288,120
	2000	-	314,634	314,634
	2001	-	345,756	345,756
	2001 30%	-	14,029	14,029
	2002	-	21,980	21,980
	2002 30%	-	125,835	125,835
	2003	-	(5,060)	(5,060)
	2003 30%	-	64,964	64,964
	2003 50%	-	59,397	59,397
	2004	-	(8,733)	(8,733)
	2004 30%	-	160,328	160,328
	2004 50%	-	24,880	24,880
	2005	-	295,099	295,099
	2006	-	573,142	573,142
	2007	-	670,398	670,398
	2008	-	54,071	54,071
	2008 50%	-	111,199	111,199
	2009	-	53,501	53,501
	2009 50%	-	212,501	212,501
	2010	-	13,058	13,058
	2010 100%	-	-	-
	2010 50%	-	101,787	101,787
	2011	-	(55,353)	(55,353)
	2011 100%	-	-	-
	2011 50%	-	3,104	3,104
	2012	-	(82,957)	(82,957)
	2012 50%	-	191,464	191,464
	2013	-	30,585	30,585
	2013 50%	-	153,950	153,950
	2014	-	(254,712)	(254,712)
	2014 50%	-	338,938	338,938
	2014 EXP	-	-	-
	2015	-	223,485	223,485
	2015 50%	-	118,559	118,559
	2015 EXP	-	(233,991)	(233,991)
	2016	-	764,726	764,726
	2016 50%	-	216,957	216,957
	2017	-	2,021,168	2,021,168
	2017 50%	-	17,800,271	17,800,271
Total Provision		\$ -	\$ 25,223,865	\$ 25,223,865



METROPOLITAN EDISON COMPANY  
 Summary of Deferred Income Taxes  
 Based upon Electric Plant in Service January, 2017 - December, 2017

Reversal	Vintage Year	Deferral of Taxes		Total
		State	Federal	
	1970	\$ -	\$ (10,040)	\$ (10,040)
	1971	-	(19,582)	(19,582)
	1972	-	(22,399)	(22,399)
	1973	-	(26,464)	(26,464)
	1974	-	(28,095)	(28,095)
	1975	-	(13,549)	(13,549)
	1976	-	(28,766)	(28,766)
	1977	-	(25,317)	(25,317)
	1978	-	307	307
	1979	-	6,995	6,995
	1980	-	29,201	29,201
	1981	-	(89,598)	(89,598)
	1982	-	(101,148)	(101,148)
	1983	-	(153,234)	(153,234)
	1984	-	(174,774)	(174,774)
	1985	-	(204,626)	(204,626)
	1986	-	(247,167)	(247,167)
	1987	-	(277,347)	(277,347)
	1988	-	(319,788)	(319,788)
	1989	-	(351,470)	(351,470)
	1990	-	(399,807)	(399,807)
	1991	-	(352,621)	(352,621)
	1992	-	(351,598)	(351,598)
	1993	-	(327,971)	(327,971)
	1994	-	(338,465)	(338,465)
	1995	-	(328,216)	(328,216)
	1996	-	(227,419)	(227,419)
	1997	-	(232,027)	(232,027)
	1998	-	(492,599)	(492,599)
	1999	-	(296,898)	(296,898)
	2000	-	(376,612)	(376,612)
	2001	-	(358,843)	(358,843)
	2001 30%	-	(3,172)	(3,172)
	2002	-	(180,478)	(180,478)
	2002 30%	-	28,447	28,447
	2003	-	(169,806)	(169,806)
	2003 30%	-	19,431	19,431
	2003 50%	-	28,865	28,865
	2004	-	(269,616)	(269,616)
	2004 30%	-	(7,949)	(7,949)
	2004 50%	-	106,377	106,377
	2005	-	(233,928)	(233,928)
	2006	-	(532,559)	(532,559)
	2007	-	(458,445)	(458,445)
	2008	-	(238,671)	(238,671)
	2008 50%	-	(159,349)	(159,349)
	2009	-	(401,322)	(401,322)
	2009 50%	-	65,044	65,044
	2010	-	(41,836)	(41,836)
	2010 100%	-	(162,654)	(162,654)
	2010 50%	-	6,982	6,982
	2011	-	(1,070,507)	(1,070,507)
	2011 100%	-	(739,305)	(739,305)
	2011 50%	-	(134,163)	(134,163)
	2012	-	(479,484)	(479,484)
	2012 50%	-	(286,780)	(286,780)
	2013	-	(304,097)	(304,097)
	2013 50%	-	(219,588)	(219,588)
	2014	-	(1,446,694)	(1,446,694)
	2014 50%	-	(206,787)	(206,787)
	2014 EXP	-	27,186	27,186
	2015	-	(147,336)	(147,336)
	2015 50%	-	269,852	269,852
	2015 EXP	-	(39,469)	(39,469)
	2016	-	399,807	399,807
	2016 50%	-	484,372	484,372
	2017	-	(1,829)	(1,829)
	2017 50%	-	(23,044)	(23,044)
Total Reversal		\$ -	\$ (12,662,444)	\$ (12,662,444)
Net Provision		\$ -	\$ 12,561,421	\$ 12,561,421

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - Non - TMI  
 Based upon Electric Plant in Service January, 2017 - December, 2017

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	Statutory/ Effective Rates		Deferral of Taxes		Total
		State	Federal	State	Federal	
Provision						
1970	\$ -	0%	35%	\$ -	\$ -	-
1971	-	0%	35%	-	-	-
1972	-	0%	35%	-	-	-
1973	-	0%	35%	-	-	-
1974	-	0%	35%	-	-	-
1975	-	0%	35%	-	-	-
1976	276	0%	35%	-	97	97
1977	393	0%	35%	-	138	138
1978	8,541	0%	35%	-	2,989	2,989
1979	1,698	0%	35%	-	594	594
1980	1,494	0%	35%	-	523	523
1981	2,407	0%	35%	-	842	842
1982	2,975	0%	35%	-	1,041	1,041
1983	2,442	0%	35%	-	855	855
1984	3,901	0%	35%	-	1,365	1,365
1985	2,265	0%	35%	-	793	793
1986	5,181	0%	35%	-	1,813	1,813
1987	7,103	0%	35%	-	2,486	2,486
1988	5,069	0%	35%	-	1,774	1,774
1989	3,099	0%	35%	-	1,085	1,085
1990	(2,123)	0%	35%	-	(743)	(743)
1991	(22,691)	0%	35%	-	(7,942)	(7,942)
1992	(3,589)	0%	35%	-	(1,256)	(1,256)
1993	(100,498)	0%	35%	-	(35,174)	(35,174)
1994	(89,545)	0%	35%	-	(31,341)	(31,341)
1995	(49,608)	0%	35%	-	(17,363)	(17,363)
1996	(14,061)	0%	35%	-	(4,921)	(4,921)
1997	171,363	0%	35%	-	59,977	59,977
1998	1,476,618	0%	35%	-	516,816	516,816
1999	812,139	0%	35%	-	284,249	284,249
2000	873,120	0%	35%	-	305,592	305,592
2001	957,463	0%	35%	-	335,112	335,112
2001 30%	39,381	0%	35%	-	13,783	13,783
2002	55,532	0%	35%	-	19,436	19,436
2002 30%	336,070	0%	35%	-	117,625	117,625
2003	(14,494)	0%	35%	-	(5,073)	(5,073)
2003 30%	157,376	0%	35%	-	55,081	55,081
2003 50%	166,556	0%	35%	-	58,295	58,295
2004	(24,971)	0%	35%	-	(8,740)	(8,740)
2004 30%	453,182	0%	35%	-	158,614	158,614
2004 50%	15,613	0%	35%	-	5,465	5,465
2005	562,821	0%	35%	-	196,987	196,987
2006	1,524,635	0%	35%	-	533,622	533,622
2007	1,709,272	0%	35%	-	598,245	598,245
2008	114,602	0%	35%	-	40,111	40,111
2008 50%	220,955	0%	35%	-	77,334	77,334
2009	140,792	0%	35%	-	49,277	49,277
2009 50%	514,538	0%	35%	-	180,088	180,088
2010	28,736	0%	35%	-	10,057	10,057
2010 100%	-	0%	35%	-	-	-
2010 50%	220,403	0%	35%	-	77,141	77,141
2011	(189,819)	0%	35%	-	(66,437)	(66,437)
2011 100%	-	0%	35%	-	-	-
2011 50%	(8,244)	0%	35%	-	(2,885)	(2,885)
2012	(153,518)	0%	35%	-	(53,731)	(53,731)
2012 50%	397,061	0%	35%	-	138,971	138,971
2013	85,680	0%	35%	-	29,988	29,988
2013 50%	332,939	0%	35%	-	116,528	116,528
2014	(725,255)	0%	35%	-	(253,839)	(253,839)
2014 50%	804,509	0%	35%	-	281,578	281,578
2014 EXP	-	0%	35%	-	-	-
2015	892,184	0%	35%	-	312,264	312,264
2015 50%	97,352	0%	35%	-	34,073	34,073
2015 EXP	(648,075)	0%	35%	-	(226,826)	(226,826)
2016	1,958,416	0%	35%	-	685,446	685,446
2016 50%	128,596	0%	35%	-	45,008	45,008
2017	5,774,767	0%	35%	-	2,021,168	2,021,168
2017 50%	50,857,918	0%	35%	-	17,800,271	17,800,271
	\$ 69,880,940			\$ -	\$ 24,458,329	\$ 24,458,329
<b>Provision Gains/Losses Page ( 18 )</b>				\$ -	\$ 765,536	\$ 765,536
<b>Provision - Non - TMI</b>				\$ -	\$ 25,223,865	\$ 25,223,865

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - Non - TMI  
 Based upon Electric Plant in Service January, 2017 - December, 2017

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	Statutory/ Effective Rates		Deferral of Taxes		Total
		State	Federal	State	Federal	
Reversal						
1970	\$ (25,601)	0%	39%	\$ -	\$ (10,040)	(10,040)
1971	(49,276)	0%	40%	-	(19,582)	(19,582)
1972	(56,908)	0%	39%	-	(22,399)	(22,399)
1973	(67,218)	0%	39%	-	(26,464)	(26,464)
1974	(69,083)	0%	41%	-	(28,095)	(28,095)
1975	(33,245)	0%	41%	-	(13,549)	(13,549)
1976	(64,626)	0%	45%	-	(28,766)	(28,766)
1977	(61,135)	0%	41%	-	(25,317)	(25,317)
1978	(56,427)	0%	38%	-	(21,639)	(21,639)
1979	(48,862)	0%	37%	-	(18,123)	(18,123)
1980	(58,399)	0%	39%	-	(22,961)	(22,961)
1981	(218,625)	0%	42%	-	(90,781)	(90,781)
1982	(253,982)	0%	40%	-	(101,364)	(101,364)
1983	(389,160)	0%	40%	-	(154,017)	(154,017)
1984	(453,805)	0%	39%	-	(175,146)	(175,146)
1985	(543,493)	0%	38%	-	(205,405)	(205,405)
1986	(680,305)	0%	36%	-	(247,447)	(247,447)
1987	(894,370)	0%	35%	-	(311,723)	(311,723)
1988	(922,427)	0%	35%	-	(319,787)	(319,787)
1989	(1,012,033)	0%	35%	-	(351,470)	(351,470)
1990	(1,151,554)	0%	35%	-	(399,807)	(399,807)
1991	(1,011,845)	0%	35%	-	(352,621)	(352,621)
1992	(973,724)	0%	35%	-	(340,854)	(340,854)
1993	(937,060)	0%	35%	-	(327,971)	(327,971)
1994	(967,044)	0%	35%	-	(338,465)	(338,465)
1995	(937,760)	0%	35%	-	(328,216)	(328,216)
1996	(649,769)	0%	35%	-	(227,419)	(227,419)
1997	(662,933)	0%	35%	-	(232,027)	(232,027)
1998	(1,407,427)	0%	35%	-	(492,599)	(492,599)
1999	(848,279)	0%	35%	-	(296,898)	(296,898)
2000	(1,076,033)	0%	35%	-	(376,612)	(376,612)
2001	(1,025,267)	0%	35%	-	(358,843)	(358,843)
2001 30%	(9,063)	0%	35%	-	(3,172)	(3,172)
2002	(515,652)	0%	35%	-	(180,478)	(180,478)
2002 30%	81,276	0%	35%	-	28,447	28,447
2003	(485,159)	0%	35%	-	(169,806)	(169,806)
2003 30%	55,517	0%	35%	-	19,431	19,431
2003 50%	82,470	0%	35%	-	28,865	28,865
2004	(770,330)	0%	35%	-	(269,616)	(269,616)
2004 30%	(22,711)	0%	35%	-	(7,949)	(7,949)
2004 50%	303,934	0%	35%	-	106,377	106,377
2005	(668,365)	0%	35%	-	(233,928)	(233,928)
2006	(1,521,597)	0%	35%	-	(532,559)	(532,559)
2007	(1,309,844)	0%	35%	-	(458,445)	(458,445)
2008	(681,916)	0%	35%	-	(238,671)	(238,671)
2008 50%	(455,284)	0%	35%	-	(159,349)	(159,349)
2009	(1,146,634)	0%	35%	-	(401,322)	(401,322)
2009 50%	185,840	0%	35%	-	65,044	65,044
2010	(119,532)	0%	35%	-	(41,836)	(41,836)
2010 100%	(464,726)	0%	35%	-	(162,654)	(162,654)
2010 50%	19,948	0%	35%	-	6,982	6,982
2011	(3,058,590)	0%	35%	-	(1,070,507)	(1,070,507)
2011 100%	(2,112,301)	0%	35%	-	(739,305)	(739,305)
2011 50%	(383,324)	0%	35%	-	(134,163)	(134,163)
2012	(1,369,954)	0%	35%	-	(479,484)	(479,484)
2012 50%	(819,371)	0%	35%	-	(286,780)	(286,780)
2013	(868,850)	0%	35%	-	(304,097)	(304,097)
2013 50%	(627,395)	0%	35%	-	(219,588)	(219,588)
2014	(4,133,411)	0%	35%	-	(1,446,694)	(1,446,694)
2014 50%	(590,821)	0%	35%	-	(206,787)	(206,787)
2014 EXP	77,674	0%	35%	-	27,186	27,186
2015	(420,961)	0%	35%	-	(147,336)	(147,336)
2015 50%	771,006	0%	35%	-	269,852	269,852
2015 EXP	(112,769)	0%	35%	-	(39,469)	(39,469)
2016	1,142,306	0%	35%	-	399,807	399,807
2016 50%	1,383,921	0%	35%	-	484,372	484,372
2017	(5,227)	0%	35%	-	(1,829)	(1,829)
2017 50%	(65,840)	0%	35%	-	(23,044)	(23,044)
Reversal Non-TMI	\$ (36,243,410)			\$ -	\$ (12,788,912)	(12,788,912)
Total Net Provison - Non-TMI				\$ -	\$ 12,434,953	12,434,953

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - Non - TMI  
 Based upon Electric Plant in Service January, 2017 - December, 2017  
Deferred Income Taxes Related to Gains/Losses

Vintage Year	Per Power Tax Report 52		(Gain)/Loss recognized	Statutory/ Effective Rates		Deferral of Taxes		Total
	Basis of Property	Accumulated Tax Depreciation		State	Federal	State	Federal	
	1	2	3	4	5	6 = 3 x 4	7 = 3 x 5	8 = 6 + 7
Provision - 1/17-12/17								
1987	\$ 117,980	\$ 117,978	\$ 2	0%	35%	\$ -	\$ 1	\$ 1
1988	149,251	149,244	7	0%	35%	-	2	2
1989	153,957	153,946	11	0%	35%	-	4	4
1990	150,931	150,917	14	0%	35%	-	5	5
1991	138,086	137,972	114	0%	35%	-	40	40
1992	141,615	141,604	11	0%	35%	-	4	4
1993	131,041	130,942	99	0%	35%	-	35	35
1994	150,229	150,136	93	0%	35%	-	33	33
1995	155,875	155,816	59	0%	35%	-	21	21
1996	112,026	111,999	27	0%	35%	-	9	9
1997	130,906	129,390	1,516	0%	35%	-	531	531
1998	104,895	100,174	4,722	0%	35%	-	1,653	1,653
1999	123,910	112,850	11,060	0%	35%	-	3,871	3,871
2000	195,113	169,277	25,836	0%	35%	-	9,042	9,042
2001	170,325	139,914	30,410	0%	35%	-	10,644	10,644
2001 30%	3,946	3,244	702	0%	35%	-	246	246
2002	32,701	25,434	7,267	0%	35%	-	2,543	2,543
2002 30%	105,487	82,027	23,460	0%	35%	-	8,211	8,211
2003	91	53	38	0%	35%	-	13	13
2003 30%	113,939	85,704	28,235	0%	35%	-	9,882	9,882
2003 50%	11,539	8,390	3,149	0%	35%	-	1,102	1,102
2004	42	24	18	0%	35%	-	6	6
2004 30%	16,061	11,163	4,898	0%	35%	-	1,714	1,714
2004 50%	177,711	122,238	55,473	0%	35%	-	19,415	19,415
2005	785,234	504,914	280,320	0%	35%	-	98,112	98,112
2006	281,600	168,686	112,914	0%	35%	-	39,520	39,520
2007	470,646	264,494	206,152	0%	35%	-	72,153	72,153
2008	81,801	41,916	39,885	0%	35%	-	13,960	13,960
2008 50%	197,462	100,707	96,756	0%	35%	-	33,864	33,864
2009	22,539	10,471	12,068	0%	35%	-	4,224	4,224
2009 50%	173,921	81,314	92,608	0%	35%	-	32,413	32,413
2010	15,638	7,064	8,574	0%	35%	-	3,001	3,001
2010 100%	-	-	-	0%	35%	-	-	-
2010 50%	123,666	53,248	70,418	0%	35%	-	24,646	24,646
2011	50,583	18,917	31,666	0%	35%	-	11,083	11,083
2011 100%	-	-	-	0%	35%	-	-	-
2011 50%	29,398	12,285	17,113	0%	35%	-	5,989	5,989
2012	(123,089)	(39,587)	(83,501)	0%	35%	-	(29,225)	(29,225)
2012 50%	221,196	71,217	149,979	0%	35%	-	52,493	52,493
2013	2,050	343	1,707	0%	35%	-	597	597
2013 50%	146,789	39,869	106,920	0%	35%	-	37,422	37,422
2014	(583)	1,911	(2,495)	0%	35%	-	(873)	(873)
2014 50%	206,756	42,870	163,886	0%	35%	-	57,360	57,360
2014 EXP	-	-	-	0%	35%	-	-	-
2015	(291,560)	(37,904)	(253,656)	0%	35%	-	(88,780)	(88,780)
2015 50%	281,691	40,303	241,388	0%	35%	-	84,486	84,486
2015 EXP	(23,889)	(3,418)	(20,471)	0%	35%	-	(7,165)	(7,165)
2016	250,054	23,539	226,515	0%	35%	-	79,280	79,280
2016 50%	530,310	39,028	491,281	0%	35%	-	171,949	171,949
Provision - Non-TMI (gains/losses)							\$ 765,536	\$ 765,536

METROPOLITAN EDISON COMPANY  
 Computation of Deferred Income Taxes - TMI #2  
Based upon Electric Plant in Service January, 2017 - December, 2017

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	Deferral of Taxes		
		State	Federal	Total
Provision				
1978	\$ -	\$ -	\$ -	\$ -
1979	-	-	-	-
1980	-	-	-	-
1981	-	-	-	-
1982	-	-	-	-
1983	-	-	-	-
1984	-	-	-	-
1985	-	-	-	-
1986	-	-	-	-
1987	-	-	-	-
1988	-	-	-	-
1989	-	-	-	-
1992	-	-	-	-
	\$ -	\$ -	\$ -	\$ -

Vintage Year	Accelerate Tax Depreciation less Straight Line Depreciation	Deferral of Taxes		
		State	Federal	Total
Reversal				
1978	\$ 45,722	\$ -	\$ 21,947	\$ 21,947
1979	54,604	-	25,118	25,118
1980	113,396	-	52,162	52,162
1981	-	-	1,183	1,183
1982	-	-	216	216
1983	-	-	782	782
1984	-	-	373	373
1985	-	-	779	779
1986	-	-	280	280
1987	-	-	34,376	34,376
1988	-	-	(1)	(1)
1989	-	-	(0)	(0)
1992	-	-	(10,745)	(10,745)
	\$ 213,722	\$ -	\$ 126,469	\$ 126,469

METROPOLITAN EDISON COMPANY  
 (\$000)

**POST 1969 VINTAGES**

	Per Power Tax	Pro Forma Under Present Rates Normalization Adjustment	Total
Liberalized Depreciation Deferred Taxes			
Balance per Actuals 12/31/15	\$ (523,174)		\$ (523,174)
Balance per Actuals 12/31/14	(502,620)		(502,620)
Liberalized Depreciation Activity - January, 2015 to December, 2015	<u>\$ (20,554)</u>		<u>\$ (20,554)</u>
Net Federal and State Provision	\$ 20,554.00		\$ 20,554.00
Less: Net State Provision (negative)	(1,883)		(1,883)
Net Federal Provision per Actuals	22,437		22,437
Add: Federal Benefit (increase) of State	(659)		(659)
Net Federal - January, 2015 to December, 2015 Provision for Rates	<u>\$ 21,778</u>		<u>\$ 21,778</u>

**POST 1969 VINTAGES**

	Per Power Tax	Pro Forma Under Present Rates Normalization Adjustment	Total
Liberalized Depreciation Deferred Taxes			
Balance per Budget 12/31/16	\$ (531,957)		\$ (531,957)
Balance per Actuals 12/31/15	(523,174)		(523,174)
Liberalized Depreciation Activity - January, 2016 to December, 2016	<u>\$ (8,783)</u>		<u>\$ (8,783)</u>
Net Federal and State Provision	\$ 8,783		\$ 8,783
Less: Net State Provision (negative)	(2,763)		(2,763)
Net Federal Provision per Budget	11,546		11,546
Add: Federal Benefit (increase) of State	(967)		(967)
Net Federal - January, 2015 to December, 2016 Provision for Rates	<u>\$ 10,579</u>		<u>\$ 10,579</u>

**POST 1969 VINTAGES**

	Per Power Tax	Pro Forma Under Present Rates Normalization Adjustment	Total
Liberalized Depreciation Deferred Taxes			
Balance per Budget 12/31/17 (EXCLUDES TRANSMISSION)	\$ (477,130)		\$ (477,130)
Balance per Budget 12/31/16 (EXCLUDES TRANSMISSION)	(464,674)		(464,674)
Liberalized Depreciation Activity - January, 2017 to December, 2017	<u>\$ (12,456)</u>		<u>\$ (12,456)</u>
Net Federal and State Provision	\$ 12,456		\$ 12,456
Less: Net State Provision (negative)	(162)		(162)
Net Federal Provision per Budget	12,618		12,618
Add: Federal Benefit (increase) of State	(57)		(57)
Net Federal - January, 2017 to December, 2017 Provision for Rates	<u>\$ 12,561</u>		<u>\$ 12,561</u>



**RECONCILIATION OF APB11 ADIT to BALANCE SHEET DEFERRED TAX BALANCES**

	<b>Met-Ed</b>
Balance Sheet (RAD-54) @ 12/31/14	\$ 634,009
Total APB11 Deferreds on Rollforward Schedule @ 12/31/14	<u>507,894</u>
Difference	\$ 126,115
<b>Reconciling Items:</b>	
FERC vs Rollforward APB11 Discrepancy	\$ -
Vegetation Management FERC Reclasses	(1,020)
FAS109 related to CWIP	1,193
FAS 109 Gross-Up	52,753
FAS 109 related to Plant in Service	<u>73,189</u>
Total Reconciling Items	\$ 126,115
<hr/>	
Balance Sheet (RAD-54) @ 12/31/15	\$ 648,837
Total APB11 Deferreds on Rollforward Schedule @ 12/31/15	<u>548,026</u>
Difference	\$ 100,811
<b>Reconciling Items:</b>	
CIAC is Booked to Account 190	\$ 22,850
Tax Interest Capitalized is Booked to Account 190	6,402
FAS 109 Gross-Up	-
FAS 109 related to Plant in Service	72,748
FAS109 related to CWIP	253
Vegetation Management FERC Reclasses	<u>(1,442)</u>
Total Reconciling Items	\$ 100,811
<hr/>	
Balance Sheet (RAD-54) @ 12/31/16	\$ 663,794
Total APB11 Deferreds on Rollforward Schedule @ 12/31/16	<u>562,984</u>
Difference	\$ 100,810
<b>Reconciling Items:</b>	
CIAC is Booked to Account 190	\$ 22,850
Tax Interest Capitalized is Booked to Account 190	6,401
Vegetation Management FERC Reclasses	(1,442)
FAS 109 Gross-Up	-
FAS109 related to CWIP	1,267
FAS 109 related to Plant in Service	<u>71,734</u>
Total Reconciling Items	\$ 100,810
<hr/>	
Balance Sheet (RAD-54) @ 12/31/17	\$ 599,704
Total APB11 Deferreds on Rollforward Schedule @ 12/31/17	<u>497,150</u>
Difference	\$ 102,554
<b>Reconciling Items:</b>	
CIAC is Booked to Account 190	\$ 22,850
Tax Interest Capitalized is Booked to Account 190	6,401
Vegetation Management FERC Reclasses	(1,442)
Deferred Tax Pro-Ration on Rollforward Schedule	1,744
FAS 109 Gross-Up	-
FAS109 related to MAIT Transfer	6,575
FAS109 related to CWIP	2,167
FAS 109 related to Plant in Service	<u>64,259</u>
Total Reconciling Items	<u>\$ 102,554</u>





METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-25:

“Submit a schedule showing a breakdown of accumulated and unamortized investment tax credits, by vintage year and percentage rate, together with calculations supporting the amortized amount claimed as a reduction to pro forma income taxes. Provide details of methods used to write-off the unamortized balances.”

RESPONSE:

Investment Tax Credit Balances, Provision and Amortization  
*(In Thousands)*

	<u>4% and 10%</u>
Balance 12/31/2014	\$ 5,278
Amortization 2015 Calendar Year	<u>(372)</u>
Balance 12/31/2015	\$ 4,906
Amortization 2016 Calendar Year	<u>(372)</u>
Balance 12/31/2016	\$ 4,534
Amortization 2017 Calendar Year	<u>(372)</u>
Balance 12/31/2017	\$ 4,162

Investment Tax Credit

Metropolitan Edison Company is amortizing the deferred credit previously created by a ratable flow-through to income over the useful life of the property. The Company has been examined by the Internal Revenue Service for the years in which this tax credit originated and is in compliance with paragraph (2) of Section 46(e) of the Internal Revenue Code of 1954, as amended, for allowance, with respect to public utility property, of the credit as allowed by Section 38 of the Code. Section 46(e) provides: (a) to reduce the cost of service for ratemaking purposes or in its regulated books of account by no more than the ratable portion of the credit allowable by Section 38; and (b) not to reduce the base to which its rate of return is applied for ratemaking purposes by any portion of the credit allowable by Section 38.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-26:

“Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not otherwise specifically explained and supported in the statement of operating income.”

RESPONSE:

The appropriateness of claiming the various items included in the statement of operating income is explained in the supporting schedules to Met-Ed Exhibit RAD-2 and the testimony and exhibits of the Company's witnesses.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-D-27:

“If the utility’s operations include non-jurisdictional activities, provide a schedule which demonstrates the manner in which rate base and operating income data have been adjusted to develop the jurisdictional test year claim.”

RESPONSE:

See the Direct Testimony of Thomas J. Dolezal, Met-Ed Statement No. 4, and associated exhibits.



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT II-E-1:

“Supply a copy of any budget utilized as a basis for any test year claim, and explain the utility’s budgeting process.”

RESPONSE:

The FirstEnergy “Budget/Forecast Guidelines” details the items required for the preparation of budgets. See Met-Ed RAD-45 Attachment A.

A copy of the budget utilized for the test year claim is contained in Met-Ed Exhibit RAD-18.



# **FirstEnergy**

## **Budget/Forecast Guidelines**





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## CHAPTER 1: INTRODUCTION

The integrated business planning process is critical to the success of FirstEnergy. A key component of this process is the annual budget which provides a method to quantify and report the current year's expectations and helps drive the enterprise toward achieving both short-term and long-term financial and operational objectives. The budget also helps facilitate the efficient usage of the Company's financial resources and allows FE to measure actual performance against projections.

The guidelines in this booklet are intended to assist persons responsible for direct input of data into the UIPlanner system as they prepare annual budgets and quarterly forecasts. The budget/forecast should be based on the business unit's business plans and should align with Executive Council's expectations.

Business Unit Income Statements will be produced using the UIPlanner report view in addition to QlikView and BW. Budget details will be developed and input using the various SAP cost collectors (i.e. cost centers, internal orders and WBSs). Through interface mapping between UIPlanner and SAP, these cost collectors are assigned to Profit Centers. Once data input is completed and the UIPlanner system is closed, Business Unit Income Statements will be available for review. The Profit Center Hierarchy (PC0001B) serves as the source for the structure of Business Unit Income Statements). Earnings Driver reports which measure the impact and contribution of key items to the financial performance of each Business Unit will also be produced. Any questions concerning these statements should be directed to Mike Kreighbaum (825-2556) or Carrie Wokaty (825-6005).

**Note:** Budget guideline documentation can be found in U:\Public\Budget Info\Budget

### Overview for Budget Input

<b>Planning Must Be Done For The Following:</b>
➤ Gross Payroll (Dollars)
➤ Staffing Level (Headcount) – Coordinate with Short-Term Budget & Forecast - Business Services and Workforce Planning
➤ Other – Than – Labor (OTL)
➤ Activity Input Planning (Hours to Cost Centers, WBSs and Internal Orders)
<b>Versions</b>
<b>Annual/Quarterly Budgeting &amp; Forecasting:</b>
➤ The budget and forecasting process includes a 5 year forecast horizon, current year plus 4 outer years.
➤ Budget/forecast detail planning will be <b>input</b> in Version 20 (Working Forecast)
➤ Final Closed detail budget will be in Version 12 unless otherwise noted

## Calendar of Events

### Forecast Schedule - (6 week forecast period)

- |   | Activity  |
|---|---|
| ➤ | Week 1 (UIPlanner available for updates)  |
| ➤ | Week 2 (Input of all utility related revenues and expenses required for riders/deferrals, first round of check-in meetings) |
| ➤ | Week 3 (2 <sup>nd</sup> round of check-in meetings)   |
| ➤ | Week 4 (Loading of previous months actuals, headcount for payroll due, preliminary income tax review)                       |
| ➤ | Week 5 (Final round of check-in meetings, UIPlanner locked for all edits)   |
| ➤ | Week 6 (Assistant Controller, Tax and Treasury final review and approval, final system close with FERC and snapshot)        |

Throughout the budget cycle you should expect to receive communications as needed to ensure the schedule is met. The purpose of these communications will be to help individuals manage budgeting activities, ensure mid-process completion goals are met, and address any issues that arise during the budget entry period.

## CHAPTER 2: LABOR

### Straight Time Payroll

Straight time payroll for the 2014 Budget will be developed and input by the Business Units. The budget is based on projected staffing levels and estimated employee salaries based on a regular weekly schedule of 40 hours per week per full-time employee

Adjustments should be made for changes in payroll due to attrition, retirements, promotions, demotions, and all salary adjustments including general wage rate increases. **Annual wage rate increases need to be applied by the Business Units, based on the appropriate rate change and timing.** The assumed wage rate for non-bargaining employees is 3.0%. The non-bargaining WRI should be assumed to be effective September 1, 2014. For bargaining unit employees, the bargaining unit WRI is based on the terms of each union contract.

**Employee Labor Overview - Benefits**

<p><b>Edit Forecasts at Multiple Levels</b></p> <ul style="list-style-type: none"> <li>Interact with labor data and edit forecasts at the individual employee or cost center level</li> </ul>	<p><b>Labor Attributes Imported from SAP</b></p> <ul style="list-style-type: none"> <li>Employee Number</li> <li>Employee Name</li> <li>Company</li> <li>Organization</li> <li>Personnel Area</li> <li>Personnel Sub Area</li> <li>Position</li> <li>Job</li> <li>Job Group</li> <li>Region</li> <li>Employee Group</li> <li>Employee Subgroup</li> <li>Cost Center</li> <li>Activity Type</li> <li>Pay Scale Type</li> <li>Pay Scale Area</li> <li>Annual Salary</li> <li>Unit Pay</li> <li>Vacation Eligibility Date</li> <li>Latest Hire Date</li> <li>Vacation Used to Date</li> <li>PAD Used to Date</li> <li>Vacation Rolled Over from Previous Year</li> </ul>
<p><b>Activity Prices Prior to Budgeting</b></p> <ul style="list-style-type: none"> <li>UIPlanner will calculate activity prices prior to the start of the annual budget process. In addition, SAP HR data will be interfaced to UIPlanner monthly</li> </ul>	
<p><b>Calendars &amp; Loadings Auto Calculated</b></p> <ul style="list-style-type: none"> <li>Additional employee information such as vacation eligibility, available payroll hours, etc... will be summarized to help facilitate building of the labor budget</li> </ul>	
<p><b>Enhanced Data Security</b></p> <ul style="list-style-type: none"> <li>Access to the labor screens will be secured based on user role and business unit/department</li> </ul>	
<p><b>Automated 5 Year Labor Forecast</b></p> <ul style="list-style-type: none"> <li>The correct business rules are applied producing calculated results across the planning horizon for each employee</li> </ul>	

**Overtime Payroll**

Costs associated in a given pay week for work exceeding 40 hours. The addition of overtime dollars to the budget should be planned and approved accordingly. Planning for all overtime will be completed by the business units using the appropriate cost elements (based on employee activity type):

- 520110 Payroll - Overtime Bargaining
- 520150 Payroll - Overtime Non Bargaining
- 520151 Payroll - Overtime Temporary Help
- 520162 Payroll - Overtime Co-Op Student
- 520163 Payroll - Overtime Part Time Non Barg
- 520164 Payroll - Overtime Part Time Bargaining

**Payroll Overheads**

**Payroll Overheads** – Employee Benefits, Incentive Comp and Payroll Taxes will be applied as an overhead during the closing process. The rates will be determined by General Accounting and input into the SAP costing sheets and interfaced into UIPlanner. After final payroll is determined and all gross benefit costs (medical, dental, prescription drug etc.) overheads will populate into HR benefit cost centers.

**Employee Benefits** – Benefit costs will be developed by Human Resources/Corp Budgets & Forecasts and input into UIPlanner in HR benefit cost centers using the appropriate primary cost elements. Pension and OPEB costs are not included in the Employee Benefits overhead calculation but are applied to capital work as specific capital overheads.

The secondary cost element 850070 – Payroll Overhead Benefits – Straight Time will be used to apply the Benefit overhead on straight time payroll during the budget closing process.

**Payroll Taxes** - will be budgeted by Corporate Budgets and Forecasts and input into UIPlanner in Special Tax cost centers.

The secondary cost element 850080 – Payroll Overhead – Taxes will be used to apply Payroll Tax overhead on straight time and overtime payroll during the closing process.

**Incentive Comp - will be budgeted by Reporting Strategy & Process Management** and input into UIPlanner in Special Incentive Comp cost centers.

The secondary cost element 850090 – Incentive Comp will be used to apply Incentive Comp overhead on straight time and overtime payroll during the closing process.

## Payroll Related Items

### Other payroll related general ledger accounts/cost elements:

- 520019 Payroll Retention Bonuses – Budgeted by the Business Unit granting the bonus
- 520165 Payroll Accrual (Budgeted only by General Accounting)
- 520250 Payroll Bonuses - Represents annual bonuses and other bonuses awarded throughout the year for special circumstances and are the responsibility of the Business Units
- 520260 Payroll Additional Comp – MGRK (Budgeted by Business Units where appropriate)
- 520300 Payroll Restricted Stock (Budgeted only by HR/Corporate Budgets and Forecasts)
- 520400 Payroll Severance – (Budget only by HR/Corporate Budgets and Forecasts)
- 520500 Payroll Adjustments to Gross - Examples include retro pay, grievance settlements, remote reporting costs, and relocation expenses not covered by HR (See Relocation Policy found on the Services & Support section of the FirstPlace Portal).

## Employee Labor Overview – Calculations

### Employee Forecast Calculations

- 1 Employee Headcount & FTE
- 2 PAD
- 3 Vacation
- 4 Vacation Deferred
- 5 Unit Pay
  - 16 Bi-Weekly (Exempt)
  - 17 Hourly (Non-Exempt)
- 6 Compensation
  - 18 Monthly Compensation
  - 19 Annual Compensation
- 7 Loadings (Admin Maintained)
  - 20 Incentive Compensation Plan
  - 21 Payroll Tax
  - 22 Benefits Loading
- 8 Fully Loaded Compensation
- 9 Productive Time (Activity Pricing)      Hours Available (for Budget Grid)
- 10 Overtime Factors

- Select the Calculation Tab
- Listed are the key data fields and activity price calculation
- Only rows highlighted in yellow can be edited

Employee Activities		Calculation: 10 C Employee Forecast				
Select Lines to Edit:		Calculation Display				
<input type="checkbox"/> Select All <input type="checkbox"/> Edit in Excel <input type="checkbox"/> Save On Screen Edit <input type="checkbox"/> Report <input type="checkbox"/> Show Line References						
Edit	Line: 10 C Employee Forecast	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012
<b>Calculate Annual Compensation</b>						
	Beginning Salary	\$26,000	\$26,000	\$26,000	\$26,100	\$26
	% Chg - Wage Increase	0.000%	0.000%	1.000%	0.000%	0.0
	% Chg (Compensation Increase)	\$0	\$0	\$520	\$0	
<input checked="" type="checkbox"/>	Manual Compensation Adjustment	\$0	\$0	\$0	\$0	
	Ending Salary of Last Actual Period	\$26,000	\$26,000	\$26,520	\$26,520	\$26.5
	Ending Annual Salary	\$26,000	\$26,000	\$26,520	\$26,520	\$26.5
<b>Calculate Unit Pay</b>						
	Pay Scale Area	Emp001-0...	Emp01-0...	Emp01-0...	Emp01-0...	Emp01-0...
	Beginning Unit Pay	\$1,000.000	\$1,000.000	\$1,000.000	\$1,000.000	\$1,000
	Unit Pay Increase	\$0.000	\$0.000	\$20.000	\$0.000	\$0
<input checked="" type="checkbox"/>	Manual Unit Pay Adjustment	\$0.000	\$0.000	\$0.000	\$0.000	\$0
	Ending Unit Pay	\$1,000.000	\$1,000.000	\$1,020.000	\$1,020.000	\$1,020
<b>Calculate Monthly Compensation</b>						

## Staffing

Staffing levels (Headcount) **must be input by month**, by individual Cost Center, by individual or activity type. Budget all full-time, part-time, and temporary FE employees on SAP Payroll. **New employees should be budgeted in the month in which they will start.** Do not include contractor/non-FE employees and do not assume all hires begin the month of January.

### **Activity Input Planning (Hours)**

Payroll costs can be moved from the employee or originating cost centers to a target or receiving cost collector (Cost Center, Order or WBS element) by planning productive hours by activity type. The activity price associated with each cost center/activity type combination is calculated and updated by Short-Term Budget & Forecast. These activity prices are then used to produce the standard labor activity allocations.

**Unproductive Time** – Planning for unproductive time (i.e. sick time, safety meetings, union business, etc.) is not required. These costs remain in the responsible cost center and the unproductive hours and associated costs are incorporated in the calculation of the activity prices.

## **CHAPTER 3: OTHER THAN LABOR (OTL)**

All transactions for non-labor items must contain:

- Cost Center
- Cost Element
- Target Cost Collector – Cost Center, Order, Network or WBS element
- Target Cost Collector Type – (KS, OR, PR)
- Cost Type (Capital, O&M, Other)

**Cost Owner cost center for Other-Than-Labor is defined as the Cost Center with budget responsibility for the expenditure.**

Cost Types are defined as follows:

**Type 1 Capital** - Capital is planned to WBS Elements. WBS Elements are defined as Cost Type 1 if they settle to:

- 107XXX Construction Work In Progress
- 108XXX Retirement Work In Progress
- Capitalized Nuclear Fuel Accounts
- CWIP and RWIP for Non-Utility assets

**Type 2 O&M (Income Statement Accounts)**

Type 2 is any cost that settles to a Cost Center and becomes part of the Income Statement (predominately O&M but includes revenues, interest income, depreciation etc.)

**Type 3 Other**

Type 3 charges are any costs that settle to Balance Sheet accounts and are not considered Capital.

### **Guidelines for General Business Items:**

#### **Office Supplies – Cost Element 540100**

Stationary type items purchased through Staples or similar vendor, e.g., annual planners and calendars, etc. The budget should be at the department/plant level rather than the cost center level to maintain consistency and control within the business unit.

**Telecommunications Equipment and Service – Cost Element 590000**

Costs associated with Company approved/provided cellular telephone equipment and associated monthly cellular charges are to be budgeted by cellular user's business unit.

- Basic cellular voice/text service - \$50 monthly per telephone.
- Smartphone (iPhone) - \$100 monthly per telephone.
- Cellular broadband data service (laptop and MiFi's/HotSpot) - \$55 monthly per device.

Business Units should refer to the Computer Peripherals Price List (page 11) to budget for costs associated with purchase of the cellular equipment.

**Copies/Multi-functional devices (MFD), Printers, Faxes**

Copier/MFD and printer equipment along with maintenance and supplies for general office use are budgeted by IT. Plotter purchase/lease, specialty copiers or printers, fax machines, and associated service/supply costs are to be budgeted by the responsible Business Unit. For special projects, short-term needs, and plant outages the cost for copy, fax, and print devices are to be budgeted by the responsible Business Unit. Contact IT to determine if existing devices may be redeployed for short term needs.

Budget printer equipment to G/L 580020, supplies to 560200, and maintenance to 550300.

Budget copier equipment to G/L 570052, supplies and maintenance to 560200.

Budget fax equipment and supplies to G/L 560200, maintenance to 550300.

**Employee Expenses – Cost Element 540000**

Miscellaneous expenses as a result of conducting company business not captured in other cost elements and reimbursed through an employee expense report.

**Employee Meals – Cost Element 540010**

Expensed meals as a result of company business.

**Emergency Employee Expense / No Meals – Cost Element 540015**

Miscellaneous expenses that were incurred unexpectedly (call-outs, storms, and outages).

**Travel Expenses – Cost Element 540101**

Expenses incurred while traveling on company business that are not reimbursed through employee expense reports. Each business unit should budget for use of the corporate jet by their employees at the rate of \$220 per "one way trip". Example: For one person flying from Akron to Morristown, \$220 is charged to the employee's responsible cost center. Persons budgeting for Executive travel will be provided more detailed information separately from these guidelines.

**Per Diem – Cost Element 540102**

Fixed rate for change in work location, outages, etc. Often used in lieu of meals and possibly other related employee expenses.

**Travel Expenses – Corp Jet – Cost Element 540106**

Costs associated with use of corporate jet. This cost element is used exclusively by the Flight Operations Group.

**Employee Expense – Training – Cost Element 540020**

External seminar fees and associated external training expenses.

**Training Student Expenses – Cost Element 540103**

Student training fees for internal courses coordinated by Human Resources.

**Postage – Cost Element 650100**

All non-customer mailings/billings, including large packages (UPS, FedEx, Overnight Express, etc.) should be budgeted by each Business Unit. Postage for customer related mailings and billings should be budgeted by the Customer Service bill production cost centers.

### **Other Items:**

**Application Software Maintenance** – Business application software maintenance will be budgeted by IT Business Unit Support. Portfolio Managers will be contacting your department to coordinate budget information and ensure that all maintenance fees are captured.

**Banked Vacation** – The payout of banked vacation *should not be budgeted* by the individual cost centers. It is budgeted by Human Resources/Corp Budgets/Forecasts.

**Claims (Payable and Receivable)** – The ED Operating Companies should budget for (payable) claims and lawsuits related to distribution facilities (including personal injury, property damage, and vegetation management claims), fleet vehicle accidents, and environmental injuries (such as asbestos) for historical ownership of generating plants, as well as the legal fees and other administrative costs to defend against such claims and lawsuits. The ED Operating Companies should also budget for damages caused to their respective distribution facilities by outside parties; applying offsets by taking into consideration historical recovery amounts achieved through (receivable) claims activities. Generating Plants should budget for anticipated (payable) claims and lawsuits related to their facilities, as well as the legal fees and other administrative costs to defend against such claims and lawsuits.

**Company Facilities** – Real Estate and Facilities will budget for the maintenance and service contracts for Corporate, FENOC and Fossil. Energy Delivery will budget for all Utility Company facilities. The WBS structure will be utilized for both budgeting and tracking of O&M spend. Budgets will be established using a WBS and WBS Element / Service Categories:

- Landscaping
- Janitorial
- Building Maintenance
- Waste Removal
- Paving repairs
- Elevators
- HVAC
- Roof repairs
- Electrical
- Mechanical Equipment
- Fire Protection
- Construction
- Fences
- Plumbing
- Painting
- Pest Control
- Utilities
- Snow Removal
- Costs will be segregated by line of business (Corporate, FENOC, Fossil, and ED Operating Company)
- Monthly reporting of actuals will include the WBS, the Service Category and Building Cost Center
- This will allow for a direct comparison of Budget to actual spend enabling a monthly view of actuals versus budget.



Real Estate will budget for all building and land leases.

**Corporate membership dues and fees, contributions and donations** – It is the Company's policy to enter into and maintain Corporate memberships in organizations deemed necessary to maintain professional expertise in various aspects of the Company's operations and to establish and maintain relationships with selected organizations with whom we share common interests.

Corporate memberships will be budgeted and processed through the Contributions Department. The company should not pay dues for an employee's individual membership unless the membership is held at the Company's specific request. When this is the case, the dues and any fees or assessments associated with membership should be budgeted in the employee's administrative cost center. Contributions will also be budgeted through the Contributions Department, working with Operating Company management and the Corporate Affairs staff.

**Desktop Computer Hardware and Software** – Standard PC workstations and laptops are budgeted in IT Client Support based on a fixed replacement cycle (5 years for desktops, 3 years for laptops). **Peripheral equipment is not budgeted in IT.** All peripheral equipment requires director approval, will be ordered by the business unit (not IT) using a specific web site, **and should be budgeted as a purchase in the requesting business unit cost center.** Listed below are some commonly requested peripherals with pricing where applicable.

**Computer Peripherals Price List:**

<u>Display Options</u>	<u>Description</u>	<u>Vendor / Model</u>	<u>Approximate Cost</u>
For Laptops	Monitors not provided for laptops		n/a
For Desktops	17 inch CRT provided for desktops upon failure of previous unit	See HP or SHI catalog on portal for options.	
<u>Cellular</u>	<u>Description</u>	<u>Vendor / Model</u>	<u>Approximate Cost</u>
Cellular voice/text	Basic cellular handset and standard accessories.	First Communications	\$30
iPhone	iPhone and standard accessories.	AT&T, Sprint, Verizon Wireless	\$150
Data – MiFi/Hot Spot	Data device.	AT&T, Sprint, Verizon Wireless	\$80 - \$130
<u>Laptop Options</u>	<u>Description</u>	<u>Vendor / Model</u>	<u>Approximate Cost</u>
Port Replicator for nc8440p/8540p/8460/8470	Part # A7E34AA#ABA	HP	\$130
<u>Plotters</u>	<u>Description</u>	<u>Vendor / Model</u>	<u>Approximate Cost</u>
Standard HP Plotter Purchase	Wide Format plotter/printer purchase and install	HP	\$6,800
Standard HP Plotter Service	Annual service for HP Plotter	Print Service Provider	\$1,654

**Educational Assistance** – Human Resources/Corp Budgets/Forecasts will budget for these expenses.

**Environmental Fees** – Permit and environmental reporting fees should be budgeted by each location. The Environmental Dept. will budget for all software maintenance fees associated with the ESC CEM data acquisition systems. The Environmental Department will also budget for all stack and CEM RATA testing including labor, materials and outside test contractors. Questions should be directed to **Brittany Cannato 879-6442.**

**EPRI** – Business Units should budget for EPRI expenses based on approved programs as well as approved participation in Tailored Collaboration Projects, Co Funding Projects, or Billable Service Agreements (Supplemental Agreements that are in addition to membership selections). Item numbers

for EPRI subscriptions will be available from FE Technologies. Subscription payments should be budgeted monthly. Business Units who budget for EPRI should contact **Stephen B. Briggs 825-3870**, for further information.

**Fuel – Nuclear:** The nuclear fuel expense budget is developed and entered by the Nuclear Fuels group based on generation plans provided by each nuclear unit. Auxiliary boiler and diesel generator fuel is budgeted by each nuclear site and entered by the Nuclear Generation Business Services. Capital nuclear fuel purchases will be budgeted by the Nuclear Fuels group, to appropriate WBS elements.

**Fossil:** Coal, Oil (light-off and peaking), natural gas, SO<sub>2</sub> allowances, NO<sub>x</sub> allowances, and reagent requirements will be modeled by the FES Planning & Analysis Group and budgeted by the Fuel Supply Dept., using the plant/unit specific FERC cost centers.

**Insurance** – Property and liability insurance will be budgeted by Risk Management.

**Internal Use of Electricity** – The costs of electricity for buildings and power plants owned by FE legal entities within the Competitive Services Unit and Corporate Support Unit, for both generation and non-generation components will be budgeted by **William Shonk (825-5472)** of General Accounting Services in coordination with Customer Service, Retail Tariff Analysis & Forecasting and Facilities Management.

**Inter-company Building Rent Revenue/Expense** – The inter-company revenue and expense for building rent invoiced between companies will be budgeted by **Richard Snyder (500-6807)** of General Accounting Services and will be based upon building related operation and maintenance costs budgeted by others.

**Materials and Equipment** – Material costs for direct purchases and stores issues are budgeted directly in the cost center, order or WBS element along with the responsible cost center. An M&S overhead will be applied to stores issues. The Controller's Group will enter the rates into the costing sheets and the system will generate the M&S overheads as part of the budget closing process.

**Professional Contractors & Outside Services** – Contracted work from professional and outside services vendors should be accounted for using the categories and cost elements established by Business Unit. Please refer to the tables in Chapter 7 for further details.

**Revenues** – Budgeted revenues must be entered as negative numbers.

**Sales Tax** – Business Units should include sales taxes incurred as part of the purchase price of taxable items in their cost centers.

**Medical Surveillance Testing – Occupational Health** -The outside vendor costs for employees participating in the FirstEnergy Medical Surveillance Program (Regulatory required) should be budgeted in the individual employee's responsible Cost Center. Each Plant and Operating Company should account for these costs (i.e., regulatory required respirator fitness exams, hearing tests, asbestos and lead physicals, etc.). The Industrial Relations-Health & Safety section will provide specific cost information related to this activity, contact **Timothy Walter 825-1706** or **Chuck Fabo 825-5162**.

**Drug & Alcohol Testing Program – CDL/DOT, Maritime, Safety Sensitive, Ohio State Project Work, New Hires-** The outside vendor costs for employees participating in FirstEnergy's Drug & Alcohol Testing Program (Company and Regulatory required) should be budgeted in the individual employee's responsible Cost Center. Each Plant and Operating Company should account for these costs in 2014. The Industrial Relations-Health & Safety section will provide specific cost information related to this activity, contact **Timothy Walter 825-1706** or **Chuck Fabo 825-5162**.

**Industrial Hygiene (IH) Assessments** – The outside vendor costs associated with OSHA required routine IH monitoring, including associated laboratory analyses and processing costs, should be budgeted in the individual employee’s responsible cost center. Routine monitoring (OSHA required) includes periodic assessment of the following hazards: Noise, Asbestos, Inorganic-arsenic, Lead, Personal Protective Equipment, Confined Space Entry, etc. The Industrial Relations–Health & Safety section will continue to support and budget for special, complex or unique IH assessment needs. Specific cost information related to this budgeting activity will be provided by the Industrial Relations-Health & Safety section, contact **Timothy Walter 825-1706 or Martin Duffy 825-3814**.

**Satellite Airtime** – The infrastructure cost to provide the service will be paid by IT Network Services. The usage is not an IT cost and should, therefore, be budgeted by the business units at these rates:  
 BTV broadcasts \$800 /hour (Bandwidth 3.0Mb/hr)

**Severance** – Each Executive Council member is contacted by HR to determine the appropriate level of severance to be budgeted. Cost of severance payments, as determined by HR, will be entered into the SAP system by HR/Corp Budgets/Forecasts.

**Supply Chain/Inventory Items** – Inventory Adjustments - Each plant and Operating Company should budget for its own storeroom’s inventory adjustments. Assets No Longer Used or Useful – Obsolete Inventory - Each location should budget for its own obsolete inventory write-offs. With market value of these items being unknown, it is recommended that Business Units not budget for proceeds from obsolete inventory sales. Assets Other Than Inventory - Investment recovery proceeds from the sale of items will be given to the Business Unit that provided the items. We will use the accounting the Business Unit provides.

**Training** – Business unit cost centers should budget for on-site classes that support company-wide, employee, or department-specific programs. **The Learning and Development Department (L&D) will budget for the New Supervisor/Manager program. However, the business unit cost centers should budget for associated travel and lodging expense.** Questions should be addressed to **Jacqueline Roth 825-7890**.

The Information Technology Dept (IT) will budget for on-site classes that support company-wide software applications. Business unit cost centers should budget for on-site classes that support department-specific software applications.

**Training – External** – The cost of external training and seminars, as well as the travel and lodging expenses will be budgeted in the cost center requesting the training.

**Transportation** – Energy Delivery Transportation costs will be manually planned to appropriate cost collectors using the cost element 545099 – Fleet usage manual plan. The responsible cost center used on the SPL is the appropriate Operating Company transportation contra cost center.

COMPANY	CONTRA COST CENTER	DESCRIPTION
Toledo Edison	416001	Transportation Costs Undist-TE-Wstrn Reg
CEI	426001	Transportation Costs Undist-CE-Nrth Reg
Ohio Edison	406001	Transportation Costs Undist-OE-Cntrl Reg
Ohio Edison	406005	Transportation Costs Undist-OE-Sthrn Reg
Ohio Edison	406003	Transportation Costs Undist-OE-Estrn Reg
Penn Power	436001	Transportation Costs Undist-PP-Estrn Reg

Penelec	456001	Transportation Costs Undist-PN-W PA Reg
Met Ed	446001	Transportation Costs Undist-ME-E PA Reg
JCP&L	466003	Transportation Costs Undist-JC-Nrth Reg
JCP&L	466001	Transportation Costs Undist-JC-Cntrl Reg
West Penn Power	492001	Transportation Costs Undistrib- WP01
Mon Power	470201	Transportation Costs Undistrib - MP01
Potomac Edison	483001	Transportation Costs Undistrib - PE10

The Operating Companies must also plan a credit to the contra cost center in the amount planned out to the cost collectors using the same Responsible Cost Center. The contra cost center should be used as the target cost center for these credits.

**Vehicle Leases & Licenses –**

Vehicle lease payments should be budgeted, using G/L account 570050 for all Operating Leases and 570075 for all Capital Leases, for the following:

- Fleet Services cost center for Operating Company vehicles, (it is no longer necessary to budget by each department in the Operating Company using the vehicle).
- Each fossil generation plant, each nuclear generation plant, environmental, generation technical services.
- Each non-Operating Company or non-plant department using a vehicle. This would include (but is not limited to): IT, Corporate Transportation, Workforce Development, Administrative Services, T&D Technical Services.

Vehicle licenses should be budgeted, using G/L account 650300, for the following:

- Fleet Services cost center for Operating Company vehicles.
- Each fossil generation plant, each nuclear generation plant, environmental, generation technical services.
- Each non-Operating Company or non-plant department using a vehicle. This would include (but is not limited to): IT, Corporate Transportation, Workforce Development, Administrative Services, T&D Technical Services.

All requests for vehicles and/or power operated equipment should be directed to the Fleet Manager (see below) responsible for the area where the vehicle and/or equipment will be assigned. The Fleet Manager will work with Corporate Fleet Services directly to place the order, etc. Any questions related to this matter should be directed to **Lisa Pfeifer 824-5090**.

Company	Fleet Services Manager	Internal Phone	External Phone
CEI	Bryan Komlos	824-5060	216-295-5060
Toledo Edison	Jeff Burgoon	883-5938	419-249-5938
Ohio Edison/Penn Power	Robert Pyles	835-4099	330-436-4099
West Penn Power	Mike Geitner	365-2020	724-743-2020
Penelec	Bradley Reitmeyer	430-8844	814-868-8844
Met Ed	David Naylor	540-7109	717-848-4109
Mon Power	Kevin McCleary	326-1259	304-488-1259
Potomac Edison	Dale Bohn	300-6425	301-790-6425
JCP&L	Nick Dello Russo	210-2237	973-989-2237

**Personal Computer Hardware Items that require direct funding by the Business Units:**

**Unique, non-standard PC configurations.** IT budgets each year for standard notebook and desktop models and configurations. At the time IT approaches a client group to plan for the retirement / replacement of their existing computers, the client group will need to provide the funds to cover any cost above the standard model cost. Funding by the client will be required for special features such as:

- RAM (memory) above the standard configuration
- Higher CPU speeds or multiple CPU's
- Tower model
- Floppy drive (no longer provided on new PCs)
- Video graphic cards
- Extra network interface cards
- Optical or wireless mice or special trackball configurations
- Ergonomic keyboards
- Larger internal or external storage drives or memory sticks
- Port replicators or docking stations
- Second batteries for notebook PCs
- Glare shields
- DC power converters or adapters
- Monitors for notebooks (If you presently have one with your notebook, when it fails, it will not be replaced without business unit funding.)
- Local printer (all printer requests must be forwarded to **David A. Zeigler** for review).

**Process related PCs.** IT budgets each year for rollover of **20%** of the office desktop PCs and **33%** of the office notebook PCs. PCs that are not typically used by employees, but rather dedicated to a process are not funded out of the PC capital budget. Funding must be provided either within a capital project when these systems are upgraded, or by the business unit. Examples of process PCs include:

- AFSO and MRMS (TPP)
- EMS Consoles
- GMS Consoles
- HVAC controls
- Plant control systems
- Badge readers
- Field equipment testing or data logging PCs
- Special printer, scanner or plotter interfaces
- Cache PCs (pseudo servers)

**Off-cycle (premature) replacement PCs.** As mentioned earlier, IT budgets each year for rollover of 20% of the office desktop PCs and 33% of the office notebook PCs. The scheduling of replacements is determined by the local Desktop Support team. Should any department require a notebook PC to be replaced sooner than every 3 years, or a desktop model to be replaced sooner than every 5 years, the client group must fund the complete cost of the replacement.

**Off-cycle upgrade of a desktop unit to a notebook unit.** If an employee, because of their job responsibilities, requires switching from a desktop PC to a notebook PC, the full cost of the new notebook PC must be borne by the business unit if their desktop is not scheduled to be replaced. The exception to this rule is if the business unit still has un-deployed notebook PCs in its annual replacement allotment, the business unit leadership may elect to redirect a yet-to-be-deployed notebook from its pool to the employee in need, at the sacrifice of another employee within the business unit. That impacted employee would then be given the notebook recipient's existing desktop PC.

**On-cycle upgrade of a desktop unit to a notebook unit.** If an employee, because of their job responsibilities, requires switching from a desktop PC to a notebook PC, and the timing of this need coincides with our replacement schedule, IT will cover the higher cost of the notebook PC. New or replacement notebooks will require director level review and approval. There must be a valid business case for using a notebook model.

**Second PCs.** If an employee requires more than one PC to perform their job, the full cost of the additional PCs must be borne by the business unit. This includes instances where a hot-standby PC must be provided for a critical function. The exceptions to this rule are console-based PCs, such as those in plant control rooms or regional dispatch centers where 2-3 PCs and/or monitors are part of the console and required for the operator to perform their work. This second PC will be an asset managed and maintained by IT, following the same standards and practices used for IT-funded PCs.

**Moves, Adds, Changes (MACs) of Employee Services and Devices at Company Facilities –**  
**For all locations other than Shared Services' workspace in Akron General Office and the Reading General Office - Business Units will be responsible for budgeting for their planned moves, adds and changes described below:**

- Non-computer equipment, such as telephone sets, headsets, speakerphones etc.
- Install and terminate voice cabling to workstations.
- Creation of the workstations in the telephone system database.
- Cross-connected and install telephone instruments.
- Move telephones to existing or new jack locations.
- Install, terminate, and test data cabling to the workstations.
- Activate data jacks by patching through to data switches.
- Install, terminate, and test inside fiber optic cabling.
- Install and terminate coax cabling for applications such as Satellite for IDL.

This does not include maintenance or repair responsibilities for these items. Normally the moves, adds, and changes are considered an O&M cost, unless they are associated with a major project.

The usual way to schedule moves, adds and changes is to contact your local facilities management team. This team will contact IT Field Operations to arrange for the approved vendors to make your requested changes. MACs that do not require Facilities involvement can be requested by calling the IT Service Desk. Please adjust your 2014 budget to include your facilities plan.

## CHAPTER 4: CAPITAL MANAGEMENT PROCESS

FE's capital investments are integral in helping the company achieve operational excellence and financial success. The capital expenditures, are necessary to ensure the reliable generation and distribution of electricity, and compliance with regulatory requirements.

The Capital Planning & Management Process is a formalized process that provides the platform for capital discussions and allocation decisions at all levels of the organization. The process helps senior management effectively understand competing uses for FE's cash, funding requirements for capital investments, and to allocate capital dollars across various business units (ED, FENOC, Fossil, Corporate). Ref. Capital Planning & Management Corporate Policy CP-TPR-6101 and FE 5-year Capital Portfolio Development and Capital Management Procedure (FirstPlace Portal/About FirstEnergy/Policies and Practices/Corporate Policies/Capital Planning & Management.pdf)

### Capital Categories:

**Mandatory** - Non-discretionary investment required by law, regulatory order, or duty to serve customers (e.g. new business). Other required investment to meet externally driven regulatory commitment.

**Maintain** - Discretionary investment to support and sustain existing infrastructure at existing performance levels. Specific operational performance and financial tracking support these projects (e.g. SAIDI, CAIDI, EFOR).

**Improve** - Discretionary investment to improve existing infrastructure or performance levels beyond existing business plan key performance metric commitments. Improvement in specific operational performance and financial benchmark targets support these projects (e.g. SAIDI, EFOR, ROI).

**Value** - Discretionary, non-recurring investment for a defined initiative which improves or expands existing infrastructure or creates new business opportunities and drives improved economic value.

### Capital questions contact:

Business Area	Business Area Contact	Capital Support
Corporate Services - IT	Dave Wolfe (500.6004)	Scott McBride (825.4888)
	Megan Mazza (850-2277)	
Corporate Services - Facilities	Bob Grosjean (825.6393)	
	Paul Shultz (825. 5495)	
Corporate Services - Other	Business Area Management	
FE Utilities/Transmission	Mark Myers (825.7961)	
	Rick Long (500.6820)	
Fossil Generation	Kate Pinkus (850.6820)	
	Lori Sunbury (850.6842)	
FENOC	Kate Pinkus (850.6820)	
	Lori Sunbury (850.6842)	
FES - Other	Steve Monter (850.7269)	
	Trevor Fernandez (850.6851)	

**Capital Projects – Only budget capital projects to the level of spending identified in Executive Council guidance**

**Work Breakdown Structures (WBS)** - Labor is budgeted through Activity Input Planning using UIPlanner. Loaded labor costs, which include overheads, are moved from the employee or sending cost center to a WBS element by planning productive hours by activity type. Instructions for Activity Input Planning are located in Chapter 2 - Labor. All 'Other than Labor' costs are input into UIPlanner and must include the cost element and the appropriate responsible cost center. Instructions for input are found in Chapter 3 – OTL.

If new WBSs are created, all master data fields (i.e., costing sheets, project type, interest profiles, settlement rules, etc.) must be entered into UIPlanner. **(See Key Contact appendix, page 26, for names to set up the WBS Master Data.) In all cases, it is critical that the WBS and WBS element start and finish dates be accurate and the WBS should be established at the Company which will own the assets. Departments which complete work for other Companies should cross charge the other Company WBS. Planning must never be entered in months beyond the finish date.** These dates are used by the capital forecast module of UIPlanner to compute and input AFUDC and depreciation and in reporting, including rate cases. All WBSs with settlement rules to asset accounts (CWIP, RWIP & OWIP) require an AFUDC element regardless if the project would qualify for AFUDC.

The status of WBSs must be TECO (Technically Complete), when the project is ready for service. The TECO date is passed to UIPlanner and the project is placed in-service. If a project is suspended or ceases construction the WBS elements should be locked and the status of the project is changed to "suspended" in PowerPlant. The data will pass to UIPlanner and this will shut off the AFUDC calculation. If a project is cancelled existing charges should be transferred to expense, the AFUDC should be reversed and once the charges have been removed from the WBS, the WBS should be "business closed". **It is important to update the status to TECO on a timely basis since it directly reflects the calculation of AFUDC and the beginning of depreciation in PowerPlant / UIPlanner.**

**Construction Indirects (Supervisory, Engineering, Administrative and General Overheads)** – Capital costs should be direct charged to the related WBS whenever possible. However, in those cases where certain costs have a proven relationship to construction, an assessment or allocation will be made from predefined cost centers to Operating Company construction indirect cost centers (Supervision, Engineering, and A&G). An example of this would be supervision of an engineering group that supports capital projects overall. A portion of those supervision costs will be allocated to capital using the prescribed process. Rates will be calculated by General Accounting Services for each Operating Company and overhead category and will be applied on the labor and contractor portion of the budgeted WBS elements.

**PowerPlant Property Unit Catalog** – The PowerPlant Property Unit Catalog should be used to determine what items or activities are capital. Assistance in using the Property Unit Catalog or questionable items should be directed to **Tim Clyde (825-5863)**, Property Accounting Services, prior to inclusion of an item in the budget as capital.

**Small Tools and Equipment** - Only small tools and equipment greater than \$1,000 should be capitalized.



**Corporate Facilities** will budget for all facility-related Mandatory and Maintain capital project work across FirstEnergy. Each Business Unit will budget for any Value Added or Improve facility related capital work. If there are questions on definition, please refer to the Capital Definitions section.

**Vehicles/Power Operated Equipment**

When acquiring the equipment identified below, the acquisition should be coordinated with the Corporate Fleet Services Department. The Corporate Fleet Services Department will determine with Treasury whether to purchase or lease the equipment. If the decision is to purchase the equipment, Corporate Fleet Services will purchase the equipment and charge the appropriate capital WBS. The equipment will also be given a vehicle number and tracked in the M5 Fleet System.

All requests for vehicles and/or power operated equipment should be directed to the Fleet Manager (see below) responsible for the area where the vehicle and/or equipment will be assigned. The Fleet Manager will work with Corporate Fleet Services directly to place the order, etc. Any questions related to this matter should be directed to **Lisa Pfeifer 824-4090**.

Company	Fleet Services Manager	Internal Phone	External Phone
CEI	Bryan Komlos	824-5060	216-295-5060
Toledo Edison	Jeff Burgoon	883-5938	419-249-5938
Ohio Edison/Penn Power	Robert Pyles	835-4099	330-436-4099
West Penn Power	Mike Geitner	365-2020	724-743-2020
Penelec	Bradley Reitmeyer	430-8844	814-868-8844
Met Ed	David Naylor	540-7109	717-848-4109
Mon Power	Kevin McCleary	326-1259	304-488-1259
Potomac Edison	Dale Bohn	300-6425	301-790-6425
JCP&L	Nick Dello Russo	210-2237	973-989-2237

- | Asset Class | Vehicle Type  |
|-------------|---|
| 1           | Light Duty - primarily downsize pickups, mini vans, passenger cars & units impacted by EPCa   |
| 2           | Medium Duty - includes full size pickups, vans, substation vehicles, small stake body trucks, etc.                                  |
| 3           | Heavy Duty - includes heavy trucks other than aerial units, digger derricks or crane trucks   |
| 4           | Aerial Trucks - includes all manlift capabilities regardless of size  |
| 5           | Digger Derrick Trucks - includes all digger derricks  |
| 6           | Crane Trucks - includes all trucks with cranes mounted on them and licensed. Off road cranes are included in construction equipment |
| 7           | Trailers - includes all trailers regardless of size   |
| 8           | Construction Equipment - includes backhoes, loaders, excavators, off-road cranes, dozers, etc.                                      |
| 9           | Forklifts, Mowers, Misc - includes forklifts, riding sweepers, scrubbers, snow removal equipment, mowers, ATV's & other.            |

**Office Furniture** – The Real Estate and Facilities Department manages and budgets all capital expenditures for furniture as well as maintains an inventory of existing furniture items. The

Facilities Section has developed the Workspace Guidelines Policy and receives substantial discounted pricing on all furniture used by the Company.

All requests for furniture should be directed to **Kathy Tatman, Supervisor, Asset Planning** through an e-mail notification. Please base your request on budgeted new hire positions and/or replacement requirements for worn, damaged or obsolete furniture. Any purchases of furniture made outside of this arrangement will not be approved.

**Software Costs** - The following guidelines should be used for capitalizing computer software costs:

**New Computer Software Costs:**

- designed as a complete system
- has a life greater than 1 year
- capitalized cost is greater than **\$5,000**

Preliminary study costs, data conversions, and training are expensed when installing computer software.

**Upgrades and Enhancements of Existing Software:**

Upgrades and enhancements of existing software are expensed unless additional functionality is added and the cost is greater than **\$5,000** and is a significant upgrade or enhancement.

Questions concerning capitalization of Computer Software items should be discussed with **Tim Clyde (825-5863)**, Property Accounting Services, prior to inclusion in the budget.

**Generation Employee Training Costs** – All employee training costs should be expensed, **except for Yards Creek.**

**IT Projects** – Activity allocate appropriate labor charges to IT managed projects that require Business Unit support. All IT projects created under SC00 WBSs that are for the benefit of other Companies should have settlement rules that settle these costs to other company WBSs. IT Department should coordinate these projects with the appropriate Business Services group.

**Depreciation** – The computation and application of depreciation is forecasted in UIPlanner, it is Property Accounting Services responsibility to ensure the accuracy of the forecast.

**Major Retirements of Plant** – For retirements of plant, in which the estimated original cost exceeds \$5 million, the following information is required: the month the item is being retired, the estimated original cost, and a short description of the item being retired. For all other retirements a percentage assumption is applied to all monthly assets in serviced.

**Generation Cost of Removal and Salvage** – The budgeting of cost of removal and salvage will be performed by Generation. Generation cost of removal is expensed, **except for Yards Creek.**

**Energy Delivery (Distribution and Transmission) Cost of Removal and Salvage** – The budgeting of distribution and transmission cost of removal and salvage will be performed by Energy Delivery. For Met-Ed, Penelec, Penn Power and West Penn Power and JCP&L, the cost of removal and salvage will be expensed as a component of the depreciation expense in accordance with the current rate making. The planned cost of removal and salvage will settle to Account 403, Depreciation Expense.

## CHAPTER 5: INTERCOMPANY TRANSACTIONS

Intercompany transactions are now settled within UIPlanner as part of the model sequence iterative report design and verified by Business Planning and Performance.

Some examples of inter-company transactions include:

- Purchased Power and Revenues including RFP and POLR sales
- Interest Income or Expense from Associated Companies
- Leases including ATSI ground lease
- Internal Use of Company Electricity
- Billings between subsidiaries (Bayshore Power, FE Properties, etc.)

## CHAPTER 6: FIRSTENERGY SERVICE COMPANY

### Service Company Cost Centers – Budgeting Guidelines:

#### Direct Charging

When preparing your budget and incurring actual expenditures, it is important to consider who the beneficiary of your services is. Direct charging of time and expenses to the entity for which the services are being rendered is the preferred approach, where possible. To the extent that costs can be readily identified and associated with a specific transaction, the charging of those costs should be directed to the company(ies) receiving the goods or services, even when there is more than one receiving company.

#### Indirect Charging

Indirect charging through the Service Company assessment process supplements the direct charging of costs. Assessments are used to allocate the costs that were not direct charged from a cost center. Frequently, costs cannot be direct charged because the recipient cannot be readily identified, or excessive administrative expense would result. Indirect charging employs the use of one of FirstEnergy's approved assessment methods. An approved assessment method is assigned to each Service Company cost center. The assessment methodology and the targeted legal entities for the Service Company cost centers can be provided by General Accounting upon request.

### **Service Company Assessments**

Any desired change to organizational structure or revisions to the methodology used to allocate expenses from a Service Company cost center to the other legal entities must be reviewed and approved by **Jason Petrik, Assistant Controller (825-4049)**, prior to the change being implemented. This review process is necessary to insure that inter-company service agreements remain current and valid and that all regulatory requirements are being satisfied.

## **Budget Reference Material**

### **Key Terms & Concepts**

#### **Activity Price**

The price calculated for an activity type – used for charging labor hours and transportation usage to cost collectors.

#### **Allocations**

Used to: assess shared services costs; move charges to correct legal entity; and/or assign to capital where appropriate.

#### **Assessments**

Transactions that allocate costs from Cost Centers to receiver cost objects.

#### **Cost Allocation**

Distribution of costs from one collector to another to reflect actual usage or predefined rates.

#### **Costing Sheet**

Defines an overhead calculation. Contains the percentages to be applied to the base amount and the collector to be credited.

#### **CREWS (Customer Request Work Scheduling)**

Used to estimate and schedule Transmission and Distribution projects.

#### **Customer Care Services (CCS)**

The SAP R/3 software module for utility customer information.

#### **Overhead Rate**

A surcharge, expressed as a percentage, used to spread indirect costs over a defined base.

#### **Project System (PS) SAP R/3 Module**

Module is used to manage large projects. Accounting data used to manage WBS Elements are also located in this module.

#### **Profit Center**

Organizational unit that reflects a management-oriented structure for the purpose of internal control and reporting.

#### **Profit Center Accounting (PCA)**

A module of SAP used to manage the business by segregating costs and revenues by business units. Measures profitability by profit center or high-level business unit.

#### **Settlement**

The SAP process of allocating costs from temporary cost collectors such as orders or WBSs to other cost collectors such as FERC cost centers.

#### **Settlement Rule**

Set of instructions that define distribution of costs incurred on a temporary cost object such as an order or WBS.

**BPC (BusinessObjects Planning & Consolidation)**

The consolidation module of used for legal consolidation reports.

**Financial Accounting Module (FI)**

SAP R/3's grouping of financial data required for external reporting purpose such as balance sheet, P&L statements, cash flows, and retained earnings.

**Key Contacts**

By Department:

<b>Area</b>	<b>Key Contact</b>	<b>Responsibility</b>
Corporate Budgets and Forecasts	<ul style="list-style-type: none"> <li>• Olenger Pannell</li> <li>• Mike Kreighbaum</li> <li>• Mark Dudley</li> <li>• Marita Tatarko</li> <li>• Abigail Nahs</li> </ul>	<ul style="list-style-type: none"> <li>• UIPlanner specific budget system preparations</li> <li>• Updating Activity prices</li> <li>• Communicating the dates and times for budget input and forecast processes</li> <li>• Oversight and management of the annual/multi-year budgeting and forecast processes</li> <li>• Tracking budget status and ensuring completion of key budget mid-point deliverables</li> <li>• Ad-hoc budget related reporting</li> </ul>
Business Services and Corporate Business Planning	<ul style="list-style-type: none"> <li>• Marie Rote</li> <li>• Mike Clemens</li> <li>• Carrie Wokaty</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Shared Services – budget and forecast coordination and support</li> <li>• HR Benefits and Special Item budgets and forecasts</li> </ul>
Capital Management	<ul style="list-style-type: none"> <li>• Scott McBride</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Management Processes</li> </ul>
Controllers Department	<ul style="list-style-type: none"> <li>• Nancy Kramer</li> <li>• Mike Strozak</li> <li>• Rich Snyder</li> </ul>	<ul style="list-style-type: none"> <li>• Processing/Closing of SAP Plan</li> <li>• Develop and input Costing sheets (overheads)</li> <li>• System Maintenance – Versions, SPL, CO</li> <li>• Accounting Issues</li> </ul>
Competitive Business Planning	<ul style="list-style-type: none"> <li>• Steve Monter</li> </ul>	<ul style="list-style-type: none"> <li>• Generation and Competitive segment forecasting</li> <li>• Budget and forecasting of competitive retail sales, load &amp; revenue</li> </ul>
Rates	<ul style="list-style-type: none"> <li>• Brad Eberts</li> <li>• Denise Mullins</li> </ul>	<ul style="list-style-type: none"> <li>• Development of the Load, MWH Sales, and Wires Forecast</li> <li>• Forecasting of regulated revenue for budgeting</li> </ul>
Supply Chain	<ul style="list-style-type: none"> <li>• David Zeigler</li> </ul>	<ul style="list-style-type: none"> <li>• Personal Printer requests</li> </ul>

For SAP/UIPlanner Master Data questions or to set up new Master Data for the Budget/Forecast:

<b>Master Data</b>		
Contact:		
➤ Cost Centers – Nancy Kramer 500-6639; Michael Strozak 500-6554		
➤ Internal Orders – Nancy Kramer 500-6639; Michael Strozak 500-6554		
➤ Cost Elements – Will Blair 825-5866		
➤ WBS Elements – By Business Unit		
Energy Delivery Operating companies:		
The Illuminating Co	Gregory Werner	824-8783
Ohio Edison/Penn Power	Eric Weaver	835-4021
Toledo Edison	Ann Toth	883-5016
Jersey Central	Sue Gabel	200-8673
Met Ed	Pete Dragovich	500-6892
Penelec	Guy Costa	430-8874
Mon Power	Sara Cetorelli	333-7320
Potomac Edison	Terri Kuhn	200-8711
West Penn	Marianne Sobota	350-5847
ED Finance	Eric Herrmann	825-5444
Fossil Generation Group	Katie Pinkus	850-6820
	Lori Sunbury	850-6842
Nuclear (FENOC)	Katie Pinkus	850-6820
	Desiree Etchell	850-6842
Information Technology, Security	Mike Clemens	825-5394
Facilities	Mike Clemens	825-5394
All Other Groups	Mike Czubinski	825-5646

## Key Contacts

For Questions by Topic or Business Unit:

Questions or Issue Topic	Name	Phone Number
Inter-company Billings	Mike Kreighbaum	825-2556
General UIPlanner	Mike Kreighbaum Mark Dudley Marita Tatarko Abigail Nahs	825-2556 825-1683 825-4246 825-4180
FE Solutions	Steve Monter Mike Kormushoff	850-7269 850-7026
Fossil Generation Group	Katie Pinkus Lori Sunbury	850-6820 850-6842
Nuclear (FENOC)	Katie Pinkus Lori Sunbury	850-6820 850-6842
Records Management/Corporate/Real Estate	Marie Rote	825-3854
Energy Delivery Business The Illuminating Co Ohio Edison/Penn Power Toledo Edison Jersey Central Met Ed Penelec Mon Power Potomac Edison West Penn Utility Support Customer Service & EE (Energy Efficiency)	Gregory Werner Eric Weaver Ann Toth Sue Gabel Pete Dragoich Guy Costa Sara Cetorelli Clarence Haden Marianne Sobota Eugene DeChellis Rob Wemhoff	824-8783 835-4021 883-5016 200-8673 500-6892 430-8874 333-7320 300-5218 350-5847 825-7969 825-7981
Finance	Marie Rote	825-3854
General Counsel (Legal, Claims, Communications, Corp. Affairs, Government Affairs)	Marie Rote	825-3854
Human Resources	Marie Rote	825-3854
Information Technology	Mike Clemens	825-5394
Supply Chain	Mike Clemens	825-5394
Corporate Security, Flight Operations	Mike Clemens	825-5394

**Corporate Shared Services – Professional & Contractor Services - Guidelines**

GL	GL Short Name	GL Long Name	General Description	CSS Description/Examples
550100	OutContractProNonLeg	Outside Services/Contractors - Professional Non-Legal	Service Contracts for unique skill-sets that we don't do in-house.	Security Equipment Installation & Investigations, Software Application Consulting/Training, Lobbying Firms, Ethnics Vendors, Expert Legal Witness, and Facility "White" Collar - Engineering, Electrical, etc.
550200	OutContractProLegal	Outside Services/Contractors - Professional Legal	Legal Fees/Legal Expenses	Law Firms Only
550300	OutContract-Other	Outside Services/Contractors - Other	Facilities	Security Guards, Annual Shareholders Meeting, Facility "Blue Collar" Contractors - Janitorial, Landscaping, Snow removal, etc.
550310	OutContractTreeTrim	Outside Services/Contractors - Tree Trim	Major Storm Deferrals	Major Storm Deferrals
550320	OutContractTempAgnc	Time and Material Contractor	Temp hires not managed by a staff service provider.	Guidant, Jet Professionals
550500	ONSITECONSLT/STFFAUG	On-Site Consultants/Staff Augmentation	Managed Service Provider - used to manage co-employment issues	Guidant, Garretcom Utility Networks
550503	Envrmt Wrk & Comp	Environmental Work and Compliance	Environmental	Warrenton River Terminal - Environmental



**Fossil – Professional & Contractor Services Guidelines (pgs. 26-27)**

GL	GL Short Name	GL Long Name	General Description	Fossil Description/Examples
550100	OutContractProNonLeg	Outside Srvs/Contractors - Professional Non-Legal	Labor outside of the plants possessing skills/knowledge that the plant does not have.	Examples include: NDE testing, Divers, Hydrochem (hydro blasting), Training Vendors (providing training on and off site), Guest Speakers, Inspection Services, Lab testing/services, Calibration, Non-repair/non-refurbishment of equipment, Welding Inspectors (x-ray team), Screening Systems International, David C Kissig Enterprises Inc., Turbine Services Incorporated, Structural Integrity Associates, Janx, Surveying, Schedulers, Ardmore, Gas line maintenance.
550105	OutsideSrvsContFees	Outside Srvs/Contractors - Profess Conting	Contingency Fees (Jefferson wells for example)	Contingency and incentive fees paid to vendors.
550200	OutContractProLegal	Outside Srvs/Contractors - Professional Legal	Legal Fees/Legal Expenses	FERC relicensing (primarily used by CT/Hydro plants)
550210	OutContractEngineer	Outside Srvs/Contractors - Engineering	Contractors asked to provide engineering analysis/studies, project support, or technical development that cannot be completed with in-house engineering staff.	Examples include: Monitoring wells, Marland, RE Warner Consultants helping with outages, GE Energy, Kleinschmidt, Alstom, Siemens, Middough, Door maintenance (CT/Hydro).
550300	OutContract-Other	Outside Srvs/Contractors - Other	Facilities related work	Examples include: Scrap Removal, Janitorial work, Lawn care, Snow removal, Garbage and Sewage removal, HVAC/ Non-Plant Equipment, Sirens maintenance, Building and structures maintenance, General Pest Control, Elevator repairs, Grounds and roads maintenance, Auto Repair, Laundry Services, Fence Repairs,

GL	GL Short Name	GL Long Name	General Description	Fossil Description/Examples
				US Coast Guard, Fire Inspections, Vegetation Management.
550305	OutContract-ProjMgmt	Outside Services/Contractors - Project Mgmt	Consultants providing project management services such as costing reports.	Examples include JR Johnson, Sargent and Lundy.
550335	OutContrRepairRefurb	Outside Services/Contractors - Repair/Refurbishment /Overhaul of Plant Equipment	Off-site labor repairing/refurbishing/replacing plant production equipment.	Examples include: Repair/refurbish valves, motors, circuit boards, etc.; CMT for Motor repairs, Cleveland Valve & Gauge for valves, Columbus Equipment Company, City Machine Technologies Inc., Monarch Electric Service Company, 3-D Service LTD.
550500	ONSITECONSLT/STFFAUG	On-Site Consultants/Staff Augmentation	Managed Service Provider - used to manage co-employment issues	Example: Guidant
550501	PRIMMINT CONTRCRAFT	Primary Maintenance Contractor - Craft	On-site craft labor	Examples include: Enerfab, outage work/support, GMAs for bringing in Boilermakers, Insulators, Electrical Contractors, Mechanical Contractors, Patent Construction Systems, Enerfab, Burnham Industrial Contractors, McCarl's Incorporated, ERB Electric Company, Crane Inspections.
550503	Envrmt Wrk & Comp	Environmental Work and Compliance	Contractors working on Environmental projects or performing work in support of Environmental Compliance.	Examples include: any fees, Consulting services, Test monitors, Replace monitors/analyzers, Ash site maintenance, Cleaning spills, air/water waste, Performing lab work.

GL	GL Short Name	GL Long Name	General Description	Fossil Description/Examples
550513	OnSiteContractedLbr	On-Site Contractor Labor	Labor outside of the plants providing "turn-key solutions".	Examples include: Fluor, Stein (preventative maintenance).

### Fossil - Project Construction – Professional & Contractor Services Guidelines

GL	GL Short Name	GL Long Name	General Description	Fossil - Project Construction Description/Examples
550100	OutContractProNonLeg	Outside Services/Contractors - Professional Non-Legal	Labor outside of FirstEnergy possessing specialized skills/knowledge that we do not have in-house.	Examples include: Print Services, Nurses, Investigation Services, Background Checks/Investigations, Training, Inspection Services.
550105	OutsideSrvsContFees	Outside Srvs/Contractors - Profess Conting	Incentive fees	Examples include: Incentive arrangements, Contractor Shared Savings (for example B&W), Contractor Bonuses and Incentives.
550210	OutContractEngineer	Outside Services/Contractors - Engineering	Contractors asked to provide engineering analysis/studies, project support, or technical development that cannot be completed with in-house engineering staff.	Examples include: Conceptual Designs, Detailed Design Mods, Eng. Studies, Non-Mod, Calculations, Evaluations.
550300	OutContract-Other	Outside Services/Contractors - Other	Facilities related work	Facilities related work such as: Scrap Removal, Janitorial work, Lawn care, Snow removal, Garbage and Sewage removal, HVAC/ Non-Plant Equipment, Sirens maintenance, Building and structures maintenance, General Pest Control, Elevator repairs, Grounds and roads maintenance, Auto Repair, Laundry Services, Fence Repairs, US Coast Guard, Fire Inspections, Vegetation Management.

550305	OutContract-ProjMgmt	Outside Services/Contractors - Project Mgmt	Consultants providing project management services such as costing reports.	Examples include JR Johnson, Sargent and Lundy.
550501	PRIMMNT CONTRCRAFT	Primary Maintenance Contractor - Craft	On-site craft labor	Examples include: Enerfab, GMAs for bringing in Boilermakers, Insulators, Electrical Contractors, Mechanical Contractors.
550513	OnSiteContractedLbr	On-Site Contractor Labor	Fixed price, milestone payment, or other "turn key" type purchase agreement.	Examples include: OEM contracts (B&W), EPC contracts (Bechtel), Patent, ERB, contractors for excavating, painting, etc.

**Nuclear – Professional & Contractor Services Guidelines (pgs. 29-30)**

GL	GL Short Name	GL Long Name	General Description	FENOC Description/Examples
550100	OutContractProNonLeg	Outside Services/Contractors - Professional Non-Legal	Service Contracts for Unique skill sets that we don't do in-house	Divers, Vendor Reps, Training Vendors (providing training on and off site), Guest Speakers, Inspection Services, Vendor Source Inspections, Refueling Services, Chemistry Services, RP Services (excluding on-site support), Laundry Services, Management requested contractors/facilitators, Lab testing, Calibration of M&TE, Software customization (firm price), CNRB Members, Investigation Support, TLD Contracts, Supplier List Updates, ANI Support, Corrective Action Program Support, Print Services (Kinkos), Bulk Gas Delivery, Demurrage. Refer to cost element 550513 to ensure correct placement of vendor.
550210	OutContractEngineer	Outside Services/Contractors - Engineering	Engineering Expenses	Engineering support occurring predominantly onsite, Conceptual Design, Detailed Design Mods/ECR, Eng. Studies, Non-Mod, Calculations, Evaluations. Refer to cost element 550513 to ensure correct placement of vendor.
550300	OutContract-Other	Outside Services/Contractors - Other	Other	Lawn care and Snow removal, Garbage and Sewage removal, HVAC/ Non-Plant Equipment, Sirens (Maintenance), Building, Structures, Beta Security, Security Range Maintenance, General Pest Control. Refer to cost element 550513 to ensure correct placement of vendor.
550325	OutContractRadwstDsp	Outside Services/Contractors - Radwaste	FENOC specific	Transportation, Burial, Compacting, Processing and Analysis/Characterization of radwaste. Refer to cost element 550513 to ensure correct placement of resource.

GL	GL Short Name	GL Long Name	General Description	FENOC Description/Examples
550335	OutContrRepairRefurb	Outside Services/Contractors - Repair/Refurbishment /Overhaul of Plant Equipment	Self-explanatory - see FENOC Description	Repair/refurbish valves, motors, circuit boards, etc. Security Repairs (Target Systems, Scope, NVG units), Beta test equipment. Refer to cost element 550513 to ensure correct placement of vendor.

GL	GL Short Name	GL Long Name	General Description	FENOC Description/Examples
550500	ONSITECONSLT/ STFFAUG	On-Site Consultants/Staff Augmentation	Managed Service Provider - used to manage co-employment issues	Guidant
550501	PRIMMNT CONTRCRAFT	Primary Maintenance Contractor - Craft	Interfab/Day Zimmerman/etc.	NPS contracted labor, site manager, and administrative personnel.
550502	TIME&MATCONTR	Time and Material Contractor	Primary Security Contractor	Subcontracted outside security for Beaver Valley (Burns and Securitas).
550513	OnSiteContractedLbr	On-Site Contractor Labor	Goes back into capital allocation process for FENOC.	Contracted workers that are on site for a <b>continuous</b> period of 5 days or greater. Construction contractors other than NPS or Guidant that are brought on site to support a specific PRC, MERP, or outage project as identified by project managers. Contracted workers that are on site for a continuous period of time (e.g. 5 or greater continuous days i.e. Janitorial services). Part of fixed price, milestone payment, or other "turn key" type purchase agreement which represents the portion that is contract labor and performed on-site. Examples of included services are: Maxcom (telecommunication support), Assessment team support, Root Cause support, DZ Atlantic Group/Bartlett (RP Support), contractor Site Managers (with the exception of NPS). Excludes services with total annual cost <\$15k, any materials included in the contract, and services provided on an "as needed" basis.

**Energy Delivery – Professional & Contractor Services Guidelines**

GL	GL Short Name	GL Long Name	General Description	FEU Description/Examples
550100	OutContractProNonLeg	Outside Services/Contractors - Professional Non-Legal	Service Contracts for Unique skill sets that we don't do in-house	OSI inbound calling, Vendor services, Training
550210	OutContractEngineer	Outside Services/Contractors - Engineering	Engineering Expenses	Off-site engineering that is primarily in Transmission and Substation voltages.
550300	OutContract-Other	Outside Services/Contractors - Other	Other	Storms, Transmission aerial inspections, Facility improvements, Cable locating, Grass cutting, Snow removal, Janitorial, Heating, and Electrical repair
550310	OutContractTreeTrim	Outside Services/Contractors - Tree Trim	Tree trimming	Vegetation management
550320	OutContractTempAgnc	Outside Services/Contractors - Temporary	Temp hires not managed by a staff service provider.	Flaggers (Traffic control), Safety audits, Call-Center Temp Workers
550330	OutContractEngDrawing	Outside Services/Contractors - Engineering Drawings	Engineering Drawings	Lightly used. Outside drafting distribution work. Roll into 550210.
550335	OutContrRepairRefurb	Outside Services/Contractors - Repair/Refurbishment/Overhaul of Plant Equipment	Outside Services/Contractors - Repair/Refurbishment/Overhaul of Plant Equipment	Outside Services/Contractors - Repair/Refurbishment/Overhaul of Plant Equipment
550500	ONSITECONSLT/STFFAUG	On-Site Consultants/Staff Augmentation	Managed Service Provider	Guidant
550503	Envrmnt Wrk & Comp	Environmental Work and Compliance	Environmental	Claims follow-ups, Oil testing, and Clean-ups.
550506	CollAgencyCreditBur	Collection Agency - Credit Bureau	Collection Agencies	Revenue operations collections.

METROPOLITAN EDISON COMPANY

Original Cost of Plant, Reserves and Accruals by Functions for Fully Projected Test Year Ending  
12/31/2017

FILING REQUIREMENT V-A-1:

“Provide schedules supporting claimed amounts for Electric Plant in Service by function and by account if available.”

FILING REQUIREMENT V-A-2:

“Provide a comparison of calculated depreciation reserve versus book reserve at the end of the test year. Provide this comparison by functional group and by account if available.”

FILING REQUIREMENT V-B-1:

“Provide a comparison of calculated depreciation accruals versus book accruals by function and by account if available.”

FILING REQUIREMENT V-D-1:

“Provide the surviving original cost plant at the appropriated test year date or dates by account and functional property group and include claimed depreciation reserves. Provide annual depreciation accruals where appropriate. These calculations should be provided for plant in service as well as other categories of plant, including but not limited to, contributions in aid of construction, customers' advances for construction and anticipated retirements associated with construction work in progress claims, if applicable.”

RESPONSE:

V-A-1

See Met-Ed Exhibit RAD-46 Attachments A and B.

V-A-2

See Met-Ed Exhibit RAD-46 Attachments A and B.

V-B-1

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7, Exhibit JJS-7.



V-D-1

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7,  
Exhibit JJS-10.

**Metropolitan Edison Company**  
 Accrual Expense Computation after Adjustments  
 Activity Updated from January 2017 to December 2017  
 (\$000)

Line No.	Description	Adjusted Plant Balances		Book Depreciation Reserve	Depreciation Reserve Ratio	Net Uncovered Book Plant	Accrual Average Remaining Life Basis		Target Reserve	Book Reserve	Difference	Difference as a % of Target Reserve
		Non Depreciable	Depreciable				Amount	Effective Rate				
		(1)	(2)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Transmission	\$ -	\$ 3,385	\$ 1,269	37.47%	\$ 2,117	\$ 78	2.31%	\$ 120,127	\$ 1,269	\$ 118,859	98.94%
2	Distribution	3,080	2,238,530	672,690	30.01%	1,568,920	54,806	2.45%	617,832	672,690	(54,858)	-8.88%
3	General Plant	2,227	150,070	152,297	64.35%	54,297	6,712	4.47%	93,343	98,000	(4,657)	-4.99%
4	Subtotal	\$ 5,308	\$ 2,391,985	\$ 2,397,293	32.20%	\$ 1,625,334	\$ 61,596	2.58%	\$ 831,302	\$ 771,959	\$ 59,344	7.14%
5	Intangible Plant	\$ 274	\$ 67,972	\$ 45,050	66.01%	\$ 23,196	\$ 9,713	14.29%	\$ 50,017	\$ 45,050	\$ 4,967	9.93%
6	Total	\$ 5,582	\$ 2,459,957	\$ 2,465,539	33.14%	\$ 1,648,530	\$ 71,310	2.90%	\$ 881,319	\$ 817,008	\$ 64,311	7.30%
7	Nuclear	-	-	-	0.00%	-	-	-	-	-	-	0.00%
8	Total	\$ 5,582	\$ 2,459,957	\$ 2,465,539		\$ 1,648,530	\$ 71,310		\$ 881,319	\$ 817,008	\$ 64,311	7.30%

Exhibit Reference  
 RAD-46 Attachment B P 1-2  
 RAD-46 Attachment B P 1-2  
 RAD-46 Attachment B P 3  
 RAD-53 Attachment A P 1-2  
 RAD-46 Attachment B P 4  
 RAD-46 Attachment B P 3

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/17 to 12/31/17  
 Plant-In-Service

Acct No	Description	Balance 1/1/17 (1)	Budget Activity			Balance 12/31/17 (5)	Adjustments (6)	Adjusted Balance 12/31/17 (7)
			Additions (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>NONDEPRECIABLE PLANT</b>								
<u>Intangible Plant</u>								
301	Organization	\$ 123,507	\$ -	\$ -	\$ -	\$ 123,507	\$ -	\$ 123,507
302	Franchise And Consents	150,604	-	-	-	150,604	-	150,604
	Total Intangible Plant	\$ 274,111	\$ -	\$ -	\$ -	\$ 274,111	\$ -	\$ 274,111
<u>Land</u>								
350.11	Transmission Substations	\$ 1,593,925	\$ -	\$ -	\$ -	\$ 1,593,925	\$ (1,593,925)	\$ -
350.21	Transmission Lines	2,045,027	-	-	-	2,045,027	(2,045,027)	-
360.11	Distribution Substations	2,777,235	-	-	-	2,777,235	-	2,777,235
360.21	Distribution Lines	303,117	-	-	-	303,117	-	303,117
389.1	General	2,672,808	-	-	-	2,672,808	(445,557)	2,227,251
	Total Land	\$ 9,392,112	\$ -	\$ -	\$ -	\$ 9,392,112	\$ (4,084,510)	\$ 5,307,602
	TOTAL NON-DEPRECIABLE PLANT	\$ 9,666,224	\$ -	\$ -	\$ -	\$ 9,666,224	\$ (4,084,510)	\$ 5,581,714
<u>INTANGIBLE PLANT</u>								
303	Misc. Intangible Plant	\$ 50,903,080	\$ 2,866,707	\$ -	\$ -	\$ 53,769,787	\$ (8,963,424)	\$ 44,806,363
303	Smart Meter Software	17,081,505	6,083,702	-	-	23,165,207	-	23,165,207
	TOTAL INTANGIBLE PLANT	\$ 67,984,586	\$ 8,950,409	\$ -	\$ -	\$ 76,934,995	\$ (8,963,424)	\$ 67,971,571
<u>NUCLEAR PRODUCTION</u>								
<u>Nuclear Production</u>								
326	Asset Retirement Costs Nuclear	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	TOTAL NUCLEAR PRODUCTION	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
<u>TRANSMISSION PLANT</u>								
<u>TRANSMISSION PLANT</u>								
350.12	Easements - Trans. - subs	\$ 173,757	\$ -	\$ -	\$ -	\$ 173,757	\$ (173,757)	\$ -
350.22	Easements - Trans. - lines	26,763,882	-	-	-	26,763,882	(26,763,882)	-
352	Structures, Improvements	6,679,916	-	-	(6,679,916)	-	-	-
353	Station Equipment	198,447,473	287,467	(28,747)	(197,066,072)	1,640,121	-	1,640,121
354	Towers And Fixtures	41,104,875	-	-	(41,066,667)	38,208	-	38,208
355	Poles And Fixtures	53,679,380	-	-	(52,981,940)	697,440	-	697,440
356.1	Overhd Conductor, Devices	97,680,508	2,096	(210)	(96,879,477)	802,917	-	802,917
356.2	Clearing, Grading of Land	15,806,091	-	-	(15,688,617)	117,475	-	117,475
358	Undergrnd Conductor, Devices	1,498,461	-	-	(1,421,044)	77,417	-	77,417
359	Roads And Trails	715,548	-	-	(703,640)	11,908	-	11,908
359.1	ARC Transmission	4,666	-	-	-	4,666	(4,666)	-
	TOTAL TRANSMISSION PLANT	\$ 442,554,556	\$ 289,563	\$ (28,956)	\$ (412,487,372)	\$ 30,327,790	\$ (26,942,305)	\$ 3,385,486
<u>DISTRIBUTION PLANT</u>								
360.12	Easements subs	\$ 611,087	\$ -	\$ -	\$ -	\$ 611,087	\$ -	\$ 611,087
360.22	Easements lines	28,320,720	-	-	-	28,320,720	-	28,320,720
361	Structures, Improvements	13,984,932	-	-	-	13,984,932	-	13,984,932
362	Station Equipment	240,599,823	5,333,016	(533,302)	-	245,399,538	-	245,399,538
364	Poles, Towers And Fixtures	381,924,883	10,423,332	(1,042,333)	-	391,305,882	-	391,305,882
365	Overhd Conductor, Devices	416,169,148	23,827,755	(2,382,775)	-	437,614,128	-	437,614,128
365.1	Clearing, Grading of Land	145,832,621	-	-	-	145,832,621	-	145,832,621
366	Underground Conduit	31,093,126	-	-	-	31,093,126	-	31,093,126
367	Undergrnd Conductor, Devices	238,955,044	13,054,240	(1,305,424)	-	250,703,860	-	250,703,860
368	Line Transformers	408,659,560	10,209,578	(1,020,958)	-	417,848,180	-	417,848,180
369	Services OH	80,371,413	1,262,643	(126,264)	-	81,507,792	-	81,507,792
369	Unground Services	106,007,311	-	-	-	106,007,311	-	106,007,311
370	Meters	-	-	-	-	-	-	-
370.1	Smart Meters non classified	28,259,291	32,149,524	-	-	60,408,815	-	60,408,815
370.1	Smart Meters Residential	5,733,775	-	-	-	5,733,775	-	5,733,775
370.1	Smart Meters Industrial	1,672	-	-	-	1,672	-	1,672
370.1	Smart Meters Commercial	2,049,546	-	-	-	2,049,546	-	2,049,546
370.1	Smart Meters Infra Structure	10,438	-	-	-	10,438	-	10,438
370.2	Smart Grid Meters 10 yr	774,772	-	-	-	774,772	-	774,772
371	Inst. On Cust. Prem.	4,600,102	-	-	-	4,600,102	-	4,600,102
373.1	Street Light - Oh, Ug Lines	13,906,832	593,113	(59,311)	-	14,440,633	281,127	14,721,760
374	ARC Distribution	37,210	-	-	-	37,210	(37,210)	-
	TOTAL DISTRIBUTION PLANT	\$ 2,147,903,306	\$ 96,853,201	\$ (6,470,368)	\$ -	\$ 2,238,286,140	\$ 243,916	\$ 2,238,530,056

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/17 to 12/31/17  
 Plant-In-Service

Acct No	Description	Balance 1/1/17 (1)	Budget Activity			Balance 12/31/17 (5)	Adjustments (6)	Adjusted Balance 12/31/17 (7)
			Additions (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>GENERAL PLANT</b>								
389.2	Easements	\$ 18,078	\$ -	\$ -	\$ -	\$ 18,078	\$ (3,014)	\$ 15,064
390.1	Structures, Improvements	90,187,905	36,114	(3,611)	(232,170)	89,988,238	(14,807,572.00)	75,180,666
390.2	Clearing, Grading of Land	12,462,769	-	-	-	12,462,769	(2,077,544.00)	10,385,225
390.3	Struct Imprv., Leasehold Imp	16,754	-	-	-	16,754	(2,793.00)	13,961
391.1	Office Furn., Mech. Equip.	15,588,263	-	-	-	15,588,263	(2,598,563.00)	12,989,700
391.2	Office Machines	5,920,633	-	-	-	5,920,633	(986,970.00)	4,933,663
391.3	Computers	4,551,928	-	-	-	4,551,928	(758,806.00)	3,793,122
391.4	Information System	0	-	-	-	0	-	0
391.5	Data Proc Smart Meters	6,315,238	672,472	-	-	6,987,711	-	6,987,711
392	Transportation Equipment	1,127,933	-	-	-	1,127,933	(188,026.00)	939,907
393	Stores Equipment	1,371,787	-	-	-	1,371,787	(228,677.00)	1,143,110
394	Tools, Shop, Garage Equip.	11,575,101	-	-	-	11,575,101	(1,929,569.00)	9,645,532
395	Laboratory Equipment	2,860,516	-	-	-	2,860,516	(476,848.00)	2,383,668
396	Power Operated Equipment	738,991	-	-	-	738,991	(123,190.00)	615,801
397	Communication Equipment	33,254,842	1,403,835	(140,384)	(8,994,918)	25,523,376	(6,476,181.00)	19,047,195
398	Misc. Equipment	2,394,656	-	-	-	2,394,656	(399,189.00)	1,995,467
399.1	ARC General Plant	105,951	-	-	-	105,951	(105,951.28)	-
<b>TOTAL GENERAL PLANT</b>		<b>\$ 188,491,345</b>	<b>\$ 2,112,421</b>	<b>\$ (143,995)</b>	<b>\$ (9,227,088)</b>	<b>\$ 181,232,683</b>	<b>\$ (31,162,893)</b>	<b>\$ 150,069,790</b>
<b>TOTAL</b>		<b>\$ 2,887,856,650</b>	<b>\$ 108,205,595</b>	<b>\$ (6,643,319)</b>	<b>\$ (421,714,460)</b>	<b>\$ 2,567,704,465</b>	<b>\$ (102,165,849)</b>	<b>\$ 2,465,538,616</b>

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/17 to 12/31/17  
 Book Reserves

Acct No	Description	Balance 1/1/17	Budget Activity			Balance 12/31/17	Adjustments	Adjusted Balance 12/31/17
			Accruals	Retirements	Transfers/ Adjustments			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>INTANGIBLE PLANT</b>								
302	Franchise and Consent	\$ 0	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ 0
303	Software	38,745,330	4,213,611	-	-	42,958,941	(7,161,255)	35,797,686
303	Smart Meters	4,132,718	5,119,281	-	-	9,251,999	-	9,251,999
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 42,878,048</b>	<b>\$ 9,332,892</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,210,940</b>	<b>\$ (7,161,255)</b>	<b>\$ 45,049,685</b>
<b>TRANSMISSION PLANT</b>								
350.12	Tran Easement - subs	\$ 110,253	\$ 2,954	\$ -	\$ -	\$ 113,207	\$ (113,207)	\$ -
350.22	Tran Easement - lines	12,657,815	454,986	-	-	13,112,801	(13,112,801)	-
352.1	Structures/improve	3,021,470	4,351	-	(3,025,821)	0	-	0
353	Station equipment	59,479,100	119,860	(28,747)	(59,321,661)	248,552	-	248,552
354	Towers & Fixtures	27,780,971	14,647	-	(27,761,980)	33,638	-	33,638
355	Poles & Fixtures	19,376,714	41,150	-	(19,070,415)	347,449	-	347,449
356.1	Overhead Conductor	29,845,438	273,740	(210)	(29,847,079)	271,889	-	271,889
356.2	Clearing & R/W	4,303,305	20,768	-	(3,967,873)	356,200	-	356,200
358	Underground Conductor	171,998	24,239	-	(193,293)	2,944	-	2,944
359	Roads & Trails	508,453	81	-	(500,625)	7,909	-	7,909
359.1	TXM SUB ARC	2,900	104	-	-	3,004	(3,004)	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ 157,258,417</b>	<b>\$ 956,880</b>	<b>\$ (28,957)</b>	<b>\$ (143,688,747)</b>	<b>\$ 14,497,593</b>	<b>\$ (13,229,011)</b>	<b>\$ 1,268,581</b>
<b>DISTRIBUTION PLANT</b>								
360.12	Dist Easement - subs	\$ 193,809	\$ 7,333	\$ -	\$ -	\$ 201,142	\$ -	\$ 201,142
360.22	Dist Easement - lines	14,962,360	339,849	-	-	15,302,209	-	15,302,209
361.1	Structure/Improve	6,521,513	174,428	-	-	6,695,941	-	6,695,941
362	Station equipment	76,970,936	3,510,773	(533,302)	-	79,948,407	-	79,948,407
364	Poles towers fix	116,216,860	5,892,061	(1,042,333)	-	121,066,588	-	121,066,588
365	Overhead conductor	83,282,153	7,190,690	(2,382,775)	-	88,090,067	-	88,090,067
365.1	Clearing & R/W	22,413,167	1,985,358	-	-	24,398,525	-	24,398,525
366	Underground conduit	12,240,457	516,215	-	-	12,756,672	-	12,756,672
367	Undergrd conductor	75,527,042	4,709,511	(1,305,424)	-	78,931,129	-	78,931,129
368	Line Transformers	146,975,830	11,025,509	(1,020,958)	-	156,980,381	-	156,980,381
369	Services OH	21,684,631	1,666,800	(126,264)	-	23,225,167	-	23,225,167
369	Unground Services	51,466,850	1,647,409	-	-	53,114,259	-	53,114,259
370	Meters	0	-	-	-	0	-	0
370.1	Smart Meters non classified	1,037,070	2,815,824	0	-	3,852,894	-	3,852,894
370.1	Smart Meters Residential	366,769	287,705	-	-	654,474	-	654,474
370.1	Smart Meters Industrial	452	93	-	-	545	-	545
370.1	Smart Meters Commercial	378,432	94,756	-	-	473,188	-	473,188
370.1	Smart Meters Infra Structure	181	77	-	-	258	-	258
370.2	Smart Grid Meters	145,828	46,300	-	-	192,128	-	192,128
371	Inst on cust prem	2,628,233	83,357	-	-	2,711,590	-	2,711,590
373	Street Lighting	3,687,504	466,527	(59,311)	-	4,094,720	-	4,094,720
374	DIST SUB ARC	23,518	759	-	-	24,277	(24,277)	-
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 636,723,595</b>	<b>\$ 42,461,334</b>	<b>\$ (6,470,368)</b>	<b>\$ -</b>	<b>\$ 672,714,561</b>	<b>\$ (24,277)</b>	<b>\$ 672,690,285</b>
<b>GENERAL PLANT</b>								
38920	Land Rights	\$ 15,682	\$ 89	\$ -	\$ -	\$ 15,771	\$ (2,629)	\$ 13,142
39010	Structures	49,664,612	2,347,028	(3,611)	(145,068)	51,862,961	(8,524,670)	43,338,291
39020	Land/Yard Improvem	8,521,944	418,954	-	-	8,940,898	(1,490,448)	7,450,450
39030	Transferred LH	6,597	838	-	-	7,435	(1,239)	6,196
391.1	Office Furn., Mech. Equip.	14,486,795	196,410	-	-	14,683,205	(2,447,690)	12,235,515
391.2	Office Machines	5,920,633	-	-	-	5,920,633	(986,970)	4,933,663
391.3	Computers	2,358,003	598,710	-	-	2,956,713	(492,884)	2,463,829
391.4	Information System	(0)	-	-	-	(0)	-	(0)
391.5	Data Proc Smart Meters	1,377,158	863,109	-	-	2,240,267	-	2,240,267
392	Transportation Equipment	730,369	42,480	-	-	772,849	(128,834)	644,015
393	Stores Equipment	1,369,532	-	-	-	1,369,532	(228,301)	1,141,231
394	Tools shop garage	7,078,882	339,246	-	-	7,418,128	(1,236,602)	6,181,526
395	Laboratory equip	2,860,513	-	-	-	2,860,513	(476,848)	2,383,665
396	Power operated equip	621,610	4,656	-	-	626,266	(104,399)	521,867
397	Communication Equipmt	22,247,505	513,193	(140,384)	(7,811,560)	14,808,754	(2,326,865)	12,481,889
398	Miscellaneous equipmt	2,353,069	4,071	-	-	2,357,140	(392,935)	1,964,205
399	GEN BLDG ARC	53,413	1,865	-	-	55,278	(55,278)	-
	<b>TOTAL GENERAL PLANT</b>	<b>\$ 119,666,317</b>	<b>\$ 5,330,649</b>	<b>\$ (143,995)</b>	<b>\$ (7,956,628)</b>	<b>\$ 116,896,343</b>	<b>\$ (18,896,592)</b>	<b>\$ 97,999,751</b>
<b>NUCLEAR PRODUCTION</b>								
326	TMI#2 ARC	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	<b>TOTAL</b>	<b>\$ 987,783,010</b>	<b>\$ 58,081,755</b>	<b>\$ (6,643,320)</b>	<b>\$ (151,645,375)</b>	<b>\$ 887,576,070</b>	<b>\$ (70,567,768)</b>	<b>\$ 817,008,302</b>

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/17 to 12/31/17  
 Target Reserves

Acct No	Description	Balance 1/1/17 (1)	Budget Activity			Balance 12/31/17 (5)	Adjustments (6)	Adjusted Balance 12/31/17 (7)
			Accruals (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>INTANGIBLE PLANT</b>								
303	Misc. Intangible Plant	\$ 44,910,623	\$ 7,478,876	\$ -	\$ -	\$ 52,389,499	\$ (8,733,329)	\$ 43,656,170
303	Smart Meter Software	3,485,029	2,875,628	-	-	6,360,657	-	6,360,657
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 48,395,652</b>	<b>\$ 10,354,504</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 58,750,156</b>	<b>\$ (8,733,329)</b>	<b>\$ 50,016,827</b>
<b>TRANSMISSION PLANT</b>								
350.12	Easements - Trans - subs	\$ 6,325	\$ 3,110	\$ -	\$ -	\$ 9,435	\$ (9,435)	\$ -
350.22	Easements - Trans - lines	15,584,896	479,073	-	-	16,063,969	(16,063,969)	-
352.1	Structures, Improvements	3,163,678	-	-	-	3,163,678	-	3,163,678
353	Station Equipment	48,044,388	47,891	(28,747)	-	48,063,532	-	48,063,532
354	Towers And Fixtures	21,894,943	348	-	-	21,895,291	-	21,895,291
355	Poles And Fixtures	16,378,887	11,438	-	-	16,390,325	-	16,390,325
356.1	Overhd Conductr, Devices	25,913,286	10,345	(210)	-	25,923,422	-	25,923,422
356.2	Clearing, Grading of Land	4,116,277	1,480	-	-	4,117,757	-	4,117,757
358	Undergrnd Conductr,Devices	228,920	2,493	-	-	231,413	-	231,413
359	Roads And Trails	341,951	-	-	-	341,951	-	341,951
359.1	ARC Transmission	2,900	104	-	-	3,004	(3,004)	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ 135,676,451</b>	<b>\$ 556,282</b>	<b>\$ (28,956)</b>	<b>\$ -</b>	<b>\$ 136,203,776</b>	<b>\$ (16,076,408)</b>	<b>\$ 120,127,369</b>
<b>DISTRIBUTION PLANT</b>								
360.12	Easements - Dist. - subs	\$ 12,432,788	\$ 7,883	\$ -	\$ -	\$ 12,440,671	\$ -	\$ 12,440,671
360.22	Easements - Dist. - lines	750,499	365,337	-	-	1,115,836	-	1,115,836
361.1	Structures, Improvements	5,697,416	188,797	-	-	5,886,213	-	5,886,213
362	Station Equipment	64,593,726	4,422,594	(533,302)	-	68,483,018	-	68,483,018
364	Poles, Towers And Fixtures	103,159,100	7,693,646	(1,042,333)	-	109,810,412	-	109,810,412
365	Overhd Conductr, Devices	72,577,948	10,885,737	(2,382,775)	-	81,080,910	-	81,080,910
365.1	Clearing, Grading of Land	19,886,138	2,099,990	-	-	21,986,128	-	21,986,128
366	Underground Conduit	12,510,726	600,097	-	-	13,110,823	-	13,110,823
367	Undergrnd Conductr,Devices	61,491,716	5,777,975	(1,305,424)	-	65,964,267	-	65,964,267
368	Line Transformers	146,566,918	12,438,941	(1,020,958)	-	157,984,901	-	157,984,901
369	Services	21,134,397	2,331,061	(126,264)	-	23,339,194	-	23,339,194
369	Underground Conduit	40,888,400	1,876,329	-	-	42,764,729	-	42,764,729
370	Meters	-	-	-	-	-	-	-
370.1	Smart Meters non classified	2,501,758	2,957,081	-	-	5,458,839	-	5,458,839
370.1	Smart Meters Residential	636,419	382,443	-	-	1,018,862	-	1,018,862
370.1	Smart Meters Industrial	170	112	-	-	282	-	282
370.1	Smart Meters Commercial	220,469	136,705	-	-	357,174	-	357,174
370.1	Smart Meters Infra Structure	1,044	696	-	-	1,740	-	1,740
370.2	Smart Grid Meters 10 yr	200,619	77,477	-	-	278,096	-	278,096
371	Inst. On Cust. Prem.	1,786,753	114,543	-	-	1,901,296	-	1,901,296
373.1	Street Light - Oh, Ug Lines	4,260,430	647,740	(59,311)	-	4,848,859	-	4,848,859
374	ARC Distribution	23,518	759	-	-	24,277	(24,277)	-
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 571,320,952</b>	<b>\$ 53,005,943</b>	<b>\$ (6,470,368)</b>	<b>\$ -</b>	<b>\$ 617,856,527</b>	<b>\$ (24,277)</b>	<b>\$ 617,832,250</b>
<b>GENERAL PLANT</b>								
389.2	Easements	\$ 10,532	\$ 96	\$ -	\$ -	\$ 10,628	\$ (1,772)	\$ 8,856
390.1	Structures, Improvements	45,416,133	2,267,294	(3,611)	-	47,679,816	(7,948,225)	39,731,591
390.2	Clearing, Grading of Land	8,822,909	386,346	-	-	9,209,255	(1,535,183)	7,674,072
390.3	Struct Imprv, Leasehold Imp	5,760	-	-	-	5,760	(960)	4,800
391.1	Office Furn., Mech. Equip.	14,064,371	660,942	-	-	14,725,313	(2,454,710)	12,270,603
391.2	Office Machines	5,920,459	-	-	-	5,920,459	(986,941)	4,933,518
391.3	Computers	3,754,788	1,780,259	-	-	5,535,047	(922,692)	4,612,355
391.4	Information System	811,130	-	-	-	811,130	(135,215)	675,915
391.5	Data Proc Smart Meters	1,372,216	1,352,910	-	-	2,725,126	-	2,725,126
392	Transportation Equipment	627,860	43,989	-	-	671,849	(111,997)	559,852
393	Stores Equipment	1,229,213	823	-	-	1,230,036	(205,047)	1,024,989
394	Tools, Shop, Garage Equip.	7,279,541	511,619	-	-	7,791,160	(1,298,786)	6,492,374
395	Laboratory Equipment	2,762,317	-	-	-	2,762,317	(460,478)	2,301,839
396	Power Operated Equipment	331,905	6,281	-	-	338,186	(56,376)	281,810
397	Communication Equipment	14,266,107	716,880	(140,384)	-	14,842,603	(6,652,455)	8,190,148
398	Misc. Equipment	2,199,008	27,060	-	-	2,226,068	(371,086)	1,854,982
399.1	ARC General Plant	55,619	1,865	-	-	57,484	(57,484)	-
	<b>TOTAL GENERAL PLANT</b>	<b>\$ 108,929,868</b>	<b>\$ 7,756,364</b>	<b>\$ (143,995)</b>	<b>\$ -</b>	<b>\$ 116,542,237</b>	<b>\$ (23,199,407)</b>	<b>\$ 93,342,830</b>
<b>NUCLEAR PRODUCTION</b>								
326	TMI#2 ARC	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	<b>TOTAL</b>	<b>\$ 895,579,556</b>	<b>\$ 71,673,093</b>	<b>\$ (6,643,319)</b>	<b>\$ -</b>	<b>\$ 960,609,330</b>	<b>\$ (79,290,053)</b>	<b>\$ 881,319,276</b>



METROPOLITAN EDISON COMPANY

Original Cost of Plant, Reserves and Accruals by Functions for Future Test Year Ending 12/31/2016

FILING REQUIREMENT V-A-1:

“Provide schedules supporting claimed amounts for Electric Plant in Service by function and by account if available.”

FILING REQUIREMENT V-A-2:

“Provide a comparison of calculated depreciation reserve versus book reserve at the end of the test year. Provide this comparison by functional group and by account if available.”

FILING REQUIREMENT V-B-1:

“Provide a comparison of calculated depreciation accruals versus book accruals by function and by account if available.”

FILING REQUIREMENT V-D-1:

“Provide the surviving original cost plant at the appropriated test year date or dates by account and functional property group and include claimed depreciation reserves. Provide annual depreciation accruals where appropriate. These calculations should be provided for plant in service as well as other categories of plant, including but not limited to, contributions in aid of construction, customers' advances for construction and anticipated retirements associated with construction work in progress claims, if applicable.”

RESPONSE:

V-A-1

See Met-Ed Exhibit RAD-47 Attachments A and B.

V-A-2

See Met-Ed Exhibit RAD-47 Attachments A and B.

V-B-1



See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7,  
Exhibit JJS-7.

V-D-1

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7,  
Exhibit JJS-10.

**Metropolitan Edison Company**  
 Accrual Expense Computation after Adjustments  
 Activity Updated from January 2016 to December 2016  
 (\$000)

Line No.	Description	Adjusted Plant Balances		Book Depreciation Reserve (4)	Depreciation Reserve Ratio (5)	Net Uncovered Book Plant (6)	Accrual Average Remaining Life Basis		Target Reserve (9)	Book Reserve (10)	Difference (11)	Difference as a % of Target Reserve (12)
		Depreciable (1)	Total (3)				Amount (7)	Effective Rate (8)				
1	Transmission	\$ -	\$ -	\$ -	0.00%	\$ -	-	0.00%	\$ -	\$ -	\$ -	0.00%
2	Distribution	3,080	2,148,147	636,700	29.60%	1,514,527	52,188	2.43%	571,297	636,700	(65,403)	-11.45%
3	General Plant	2,227	148,673	93,640	62.05%	57,260	5,363	3.61%	86,938	93,640	(6,703)	-7.71%
4	Subtotal	\$ 5,308	\$ 2,296,820	\$ 730,340	31.72%	\$ 1,571,787	\$ 57,550	2.51%	\$ 658,235	\$ 730,340	\$ (72,105)	-10.95%
5	Intangible Plant	\$ 274	\$ 59,499	\$ 36,419	60.93%	\$ 23,354	\$ 8,502	14.29%	\$ 40,909	\$ 36,419	\$ 4,490	10.98%
6	Total	\$ 5,582	\$ 2,356,319	\$ 766,760	32.46%	\$ 1,595,141	\$ 66,053	2.80%	\$ 699,144	\$ 766,760	\$ (67,615)	-9.67%
7	Nuclear	-	-	-	0.00%	-	-	-	-	-	-	0.00%
8	Total	\$ 5,582	\$ 2,356,319	\$ 766,760		\$ 1,595,141	\$ 66,053		\$ 699,144	\$ 766,760	\$ (67,615)	-9.67%

Exhibit Reference	RAD-47 Attachment B P 1-2	RAD-47 Attachment B P 1-2	RAD-47 Attachment B P 3	RAD-53 Attachment A P 3-4	RAD-47 Attachment B P 4	RAD-47 Attachment B P 3
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**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/16 to 12/31/16  
 Plant-In-Service

Acct No	Description	Balance 1/1/16 (1)	Budget Activity			Balance 12/31/16 (5)	Adjustments (6)	Adjusted Balance 12/31/16 (7)
			Additions (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>NONDEPRECIABLE PLANT</b>								
<u>Intangible Plant</u>								
301	Organization	\$ 123,507	\$ -	\$ -	\$ -	\$ 123,507	\$ -	\$ 123,507
302	Franchise And Consents	150,604	-	-	-	150,604	-	150,604
	Total Intangible Plant	\$ 274,111	\$ -	\$ -	\$ -	\$ 274,111	\$ -	\$ 274,111
<u>Land</u>								
350.11	Transmission Substations	\$ 1,593,925	\$ -	\$ -	\$ -	\$ 1,593,925	\$ (1,593,925)	\$ -
350.21	Transmission Lines	2,045,027	-	-	-	2,045,027	(2,045,027)	-
360.11	Distribution Substations.	2,777,235	-	-	-	2,777,235	-	2,777,235
360.21	Distribution Lines	303,117	-	-	-	303,117	-	303,117
389.1	General	2,672,808	-	-	-	2,672,808	(445,557)	2,227,251
	Total Land	\$ 9,392,112	\$ -	\$ -	\$ -	\$ 9,392,112	\$ (4,084,510)	\$ 5,307,602
	TOTAL NON-DEPRECIABLE PLANT	\$ 9,666,224	\$ -	\$ -	\$ -	\$ 9,666,224	\$ (4,084,510)	\$ 5,581,714
<u>INTANGIBLE PLANT</u>								
303	Misc. Intangible Plant	\$ 46,507,034	\$ 4,396,046	\$ -	\$ -	\$ 50,903,080	\$ (8,485,544)	\$ 42,417,536
303	Smart Meter Software	12,907,358	4,174,147	-	-	17,081,505	-	17,081,505
	TOTAL INTANGIBLE PLANT	\$ 59,414,393	\$ 8,570,193	\$ -	\$ -	\$ 67,984,586	\$ (8,485,544)	\$ 59,499,042
<u>NUCLEAR PRODUCTION</u>								
326	Nuclear Production	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	Asset Retirement Costs Nuclear	-	-	-	-	-	-	-
	TOTAL NUCLEAR PRODUCTION	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
<u>TRANSMISSION PLANT</u>								
350.12	Easements - Trans. - subs	\$ 173,757	\$ -	\$ -	\$ -	\$ 173,757	\$ (173,757)	\$ -
350.22	Easements - Trans. - lines	26,763,882	-	-	-	26,763,882	(26,763,882)	-
352	Structures, Improvements	6,679,916	-	-	-	6,679,916	(6,679,916)	-
353	Station Equipment	188,545,148	11,002,583	(1,100,258)	-	198,447,473	(198,447,473)	-
354	Towers And Fixtures	41,104,875	-	-	-	41,104,875	(41,104,875)	-
355	Poles And Fixtures	53,679,380	-	-	-	53,679,380	(53,679,380)	-
356.1	Overhd Conductr, Devices	80,979,159	18,557,055	(1,855,705)	-	97,680,508	(97,680,508)	-
356.2	Clearing, Grading of Land	19,126,627	(3,320,535)	-	-	15,806,091	(15,806,091)	-
358	Undergrnd Conductr, Devices	1,498,461	-	-	-	1,498,461	(1,498,461)	-
359	Roads And Trails	715,548	-	-	-	715,548	(715,548)	-
359.1	ARC Transmission	4,666	-	-	-	4,666	(4,666)	-
	TOTAL TRANSMISSION PLANT	\$ 419,271,417	\$ 26,239,103	\$ (2,955,964)	\$ -	\$ 442,554,556	\$ (442,554,556)	\$ -
<u>DISTRIBUTION PLANT</u>								
360.12	Easements - Dist. - subs	\$ 611,087	\$ -	\$ -	\$ -	\$ 611,087	\$ -	\$ 611,087
360.22	Easements - Dist. - lines	28,320,720	-	-	-	28,320,720	-	28,320,720
361	Structures, Improvements	13,984,932	-	-	-	13,984,932	-	13,984,932
362	Station Equipment	232,173,269	9,362,838	(936,284)	-	240,599,823	-	240,599,823
364	Poles, Towers And Fixtures	371,251,411	11,859,413	(1,185,941)	-	381,924,883	-	381,924,883
365	Overhd Conductr, Devices	392,187,984	26,645,738	(2,664,574)	-	416,169,148	-	416,169,148
365.1	Clearing, Grading of Land	145,832,621	-	-	-	145,832,621	-	145,832,621
366	Underground Conduit	31,093,126	-	-	-	31,093,126	-	31,093,126
367	Undergrnd Conductr, Devices	226,219,407	14,150,708	(1,415,071)	-	238,955,044	-	238,955,044
368	Line Transformers	408,659,560	-	-	-	408,659,560	-	408,659,560
369	Services OH	69,714,325	11,841,209	(1,184,121)	-	80,371,413	-	80,371,413
369	Unground Services	104,266,410	1,934,334	(193,433)	-	106,007,311	-	106,007,311
370	Meters	-	-	-	-	-	-	-
370.1	Smart Meters non classified	3,431,693	24,827,598	-	-	28,259,291	-	28,259,291
370.1	Smart Meters Residential	5,733,775	-	-	-	5,733,775	-	5,733,775
370.1	Smart Meters Industrial	1,672	-	-	-	1,672	-	1,672
370.1	Smart Meters Commercial	2,049,546	-	-	-	2,049,546	-	2,049,546
370.1	Smart Meters Infra Structure	10,438	-	-	-	10,438	-	10,438
370.2	Smart Grid Meters 10 yr	774,772	-	-	-	774,772	-	774,772
371	Inst. On Cust. Prem.	4,600,102	-	-	-	4,600,102	-	4,600,102
373.1	Street Light - Oh, Ug Lines	13,259,738	718,995	(71,899)	-	13,906,832	281,127	14,187,959
374	ARC Distribution	37,210	-	-	-	37,210	(37,210)	-
	TOTAL DISTRIBUTION PLANT	\$ 2,054,213,796	\$ 101,340,833	\$ (7,651,324)	\$ -	\$ 2,147,903,306	\$ 243,917	\$ 2,148,147,223

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/16 to 12/31/16  
 Plant-In-Service

Acct No	Description	Balance 1/1/16	Actual Activity			Balance 12/31/16	Adjustments	Adjusted Balance 12/31/16
			Additions	Retirements	Transfers/ Adjustments			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>GENERAL PLANT</b>								
389.2	Easements	\$ 18,078	\$ -	\$ -	\$ -	\$ 18,078	\$ (3,014)	\$ 15,064
390.1	Structures, Improvements	87,242,849	3,272,285	(327,228)	-	90,187,905	(15,034,324)	75,153,581
390.2	Clearing, Grading of Land	12,462,769	-	-	-	12,462,769	(2,077,544)	10,385,225
390.3	Struct Imprv, Leasehold Imp	16,754	-	-	-	16,754	(2,793)	13,961
391.1	Office Furn., Mech. Equip.	15,588,263	-	-	-	15,588,263	(2,598,563)	12,989,700
391.2	Office Machines	5,920,633	-	-	-	5,920,633	(986,970)	4,933,663
391.3	Computers	4,551,928	-	-	-	4,551,928	(758,806)	3,793,122
391.4	Information system	-	-	-	-	-	-	-
391.5	Data Processing Smart Meters	4,053,461	2,261,778	-	-	6,315,238	-	6,315,238
392	Transportation Equipment	1,127,933	-	-	-	1,127,933	(188,026)	939,907
393	Stores Equipment	1,371,787	-	-	-	1,371,787	(228,677)	1,143,110
394	Tools, Shop, Garage Equip.	11,575,101	-	-	-	11,575,101	(1,929,569)	9,645,532
395	Laboratory Equipment	2,860,516	-	-	-	2,860,516	(476,848)	2,383,668
396	Power Operated Equipment	738,991	-	-	-	738,991	(123,190)	615,801
397	Communication Equipment	31,807,267	1,608,417	(160,842)	-	33,254,842	(14,904,820)	18,350,022
398	Misc. Equipment	2,394,656	-	-	-	2,394,656	(399,189)	1,995,467
399.1	ARC General Plant	105,951	-	-	-	105,951	(105,951)	-
<b>TOTAL GENERAL PLANT</b>		<b>\$ 181,836,936</b>	<b>\$ 7,142,479</b>	<b>\$ (488,070)</b>	<b>\$ -</b>	<b>\$ 188,491,345</b>	<b>\$ (39,818,284)</b>	<b>\$ 148,673,061</b>
<b>TOTAL</b>		<b>\$2,755,659,399</b>	<b>\$ 143,292,608</b>	<b>\$(11,095,357)</b>	<b>\$ -</b>	<b>\$2,887,856,650</b>	<b>\$(525,955,611)</b>	<b>\$ 2,361,901,039</b>

Metropolitan Edison Company  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/16 to 12/31/16  
 Book Reserves

Acct No	Description	Balance 1/1/16 (1)	Budget Activity			Balance 12/31/16 (5)	Adjustments (6)	Adjusted Balance 12/31/16 (7)
			Accruals (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>INTANGIBLE PLANT</b>								
302	Franchise and consent	\$ 0	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ 0
303	Software	34,775,321	3,970,009	-	-	38,745,330	(6,458,847)	32,286,483
303	Smart Meters	1,139,144	2,993,574	-	-	4,132,718	-	4,132,718
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 35,914,465</b>	<b>\$ 6,963,583</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,878,048</b>	<b>\$ (6,458,847)</b>	<b>\$ 36,419,201</b>
<b>TRANSMISSION PLANT</b>								
350.12	Easements - Trans. - subs	\$ 107,299	\$ 2,954	\$ -	\$ -	\$ 110,253	\$ (110,253)	\$ -
350.22	Easements - Trans. - lines	12,202,829	454,986	-	-	12,657,815	(12,657,815)	-
352	Structures/improve	2,913,636	107,834	-	-	3,021,470	(3,021,470)	-
353	Station equipment	57,578,008	3,001,350	(1,100,268)	-	59,479,100	(59,479,100)	-
354	Towers & Fixtures	27,436,076	344,895	-	-	27,780,971	(27,780,971)	-
355	Poles & Fixtures	18,684,640	692,074	-	-	19,376,714	(19,376,714)	-
356	Overhead Conductor	30,454,797	1,246,346	(1,855,705)	-	29,845,438	(29,845,438)	-
3561	Clearing & R/W	4,036,656	266,649	-	-	4,303,305	(4,303,305)	-
358	Underground Conductor	133,513	38,485	-	-	171,998	(171,998)	-
359	Roads & Trails	503,229	5,224	-	-	508,453	(508,453)	-
3591	TXM SUB ARC	2,796	104	-	-	2,900	(2,900)	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ 154,053,480</b>	<b>\$ 6,160,901</b>	<b>\$ (2,955,964)</b>	<b>\$ -</b>	<b>\$ 157,258,417</b>	<b>\$ (157,258,417)</b>	<b>\$ -</b>
<b>DISTRIBUTION PLANT</b>								
360.12	Easements - Dist. - subs	\$ 186,476	\$ 7,333	\$ -	\$ -	\$ 193,809	\$ -	\$ 193,809
360.22	Easements - Dist. - lines	14,622,511	339,849	-	-	14,962,360	-	14,962,360
361	Structure/improve	6,347,085	174,428	-	-	6,521,513	-	6,521,513
362	Station equipment	74,519,367	3,387,853	(936,284)	-	76,970,936	-	76,970,936
364	Poles towers fix	111,673,498	5,729,303	(1,185,941)	-	116,216,860	-	116,216,860
365	Overhead conductor	79,158,051	6,788,676	(2,664,574)	-	83,282,153	-	83,282,153
3651	Clearing & R/W	20,427,809	1,985,358	-	-	22,413,167	-	22,413,167
366	Underground conduit	11,724,242	516,215	-	-	12,240,457	-	12,240,457
367	Undergrd conductor	72,480,464	4,461,649	(1,415,071)	-	75,527,042	-	75,527,042
368	Line Transformers	137,408,262	10,751,689	(1,184,121)	-	146,975,830	-	146,975,830
369	Services OH	20,250,030	1,628,034	(193,433)	-	21,684,631	-	21,684,631
369	Unground Services	49,819,441	1,647,409	-	-	51,466,850	-	51,466,850
370	Meters	-	-	-	-	-	-	-
370.1	Smart Meters non classified	221,454	815,616	-	-	1,037,070	-	1,037,070
370.1	Smart Meters Residential	79,064	287,705	-	-	366,769	-	366,769
370.1	Smart Meters Industrial	359	93	-	-	452	-	452
370.1	Smart Meters Commercial	293,676	94,756	-	-	378,432	-	378,432
370.1	Smart Meters Infra Structure	104	77	-	-	181	-	181
3702	Smart Grid Meters 10 yr	99,528	46,300	-	-	145,828	-	145,828
371	Inst on cust premises	2,544,876	83,357	-	-	2,628,233	-	2,628,233
373	Street Lighting	3,316,570	442,833	(71,899)	-	3,687,504	-	3,687,504
374	DIST SUB ARC	22,759	759	-	-	23,518	(23,518)	-
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 605,185,626</b>	<b>\$ 39,189,292</b>	<b>\$ (7,651,323)</b>	<b>\$ -</b>	<b>\$ 636,723,595</b>	<b>\$ (23,518)</b>	<b>\$ 636,700,077</b>
<b>GENERAL PLANT</b>								
389	Land Rights	\$ 15,593	\$ 89	\$ -	\$ -	\$ 15,682	\$ (2,614)	\$ 13,068
3901	Structures	47,689,595	2,302,245	(327,228)	-	49,664,612	(8,279,091)	41,385,521
3902	Land/Yard Improvem	8,102,990	418,954	-	-	8,521,944	(1,420,608)	7,101,336
3903	Transferred LH	5,759	838	-	-	6,597	(1,100)	5,497
3911	Office Furn., Mech. Equip.	14,290,385	196,410	-	-	14,486,795	(2,414,949)	12,071,846
3912	Office Machines	5,920,633	-	-	-	5,920,633	(986,970)	4,933,663
3913	Computers	1,757,690	600,313	-	-	2,358,003	(393,079)	1,964,924
3914	Information System	-	-	-	-	-	-	-
3915	Data Proc Smart Meters	736,561	640,597	-	-	1,377,158	-	1,377,158
392	Transportation Equipment	687,889	42,480	-	-	730,369	(121,753)	608,616
393	Stores Equipment	1,369,532	-	-	-	1,369,532	(228,301)	1,141,231
394	Tools shop garage	6,739,636	339,246	-	-	7,078,882	(1,180,050)	5,898,832
395	Laboratory equip	2,860,513	-	-	-	2,860,513	(476,848)	2,383,665
396	Power operated equip	616,954	4,656	-	-	621,610	(103,622)	517,988
397	Communication Equipmt	21,773,268	635,079	(160,842)	-	22,247,505	(9,971,332)	12,276,173
398	Miscellaneous equip	2,348,998	4,071	-	-	2,353,069	(392,257)	1,960,812
399	ARC General	51,548	1,865	-	-	53,413	(53,413)	-
	<b>TOTAL GENERAL PLANT</b>	<b>\$ 114,967,544</b>	<b>\$ 5,186,843</b>	<b>\$ (488,070)</b>	<b>\$ -</b>	<b>\$ 119,666,317</b>	<b>\$ (26,025,987)</b>	<b>\$ 93,640,330</b>
<b>NUCLEAR PRODUCTION</b>								
326	TMI#2 ARC	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	<b>TOTAL</b>	<b>\$ 941,377,748</b>	<b>\$ 57,500,619</b>	<b>\$ (11,095,357)</b>	<b>\$ -</b>	<b>\$ 987,783,010</b>	<b>\$ (221,023,402)</b>	<b>\$ 766,759,608</b>

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/31/16 to 12/31/16  
 Target Reserves

Acct No	Description	Balance 1/1/16 (1)	Budget Activity			Balance 12/31/16 (5)	Adjustments (6)	Adjusted Balance 12/31/16 (7)
			Accruals (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>INTANGIBLE PLANT</b>								
303	Misc. Intangible Plant	\$ 37,950,670	\$ 6,959,953	\$ -	\$ -	\$ 44,910,623	\$ (7,486,601)	\$ 37,424,022
303	Smart Meter Software	1,342,325	2,142,704	-	-	3,485,029	-	3,485,029
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 39,292,995</b>	<b>\$ 9,102,657</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,395,652</b>	<b>\$ (7,486,601)</b>	<b>\$ 40,909,051</b>
<b>TRANSMISSION PLANT</b>								
<b>TRANSMISSION PLANT</b>								
350.12	Easements - Trans. Subs.	\$ 3,180	\$ 3,145	\$ -	\$ -	\$ 6,325	\$ (6,325)	\$ -
350.12	Easements - Trans. Lines	15,100,470	484,426	-	-	15,584,896	(15,584,896)	-
352.1	Structures, Improvements	3,047,447	116,231	-	-	3,163,678	(3,163,678)	-
353	Station Equipment	45,023,175	4,121,471	(1,100,258)	-	48,044,388	(48,044,388)	-
354	Towers And Fixtures	21,524,999	369,944	-	-	21,894,943	(21,894,943)	-
355	Poles And Fixtures	15,418,026	960,861	-	-	16,378,887	(16,378,887)	-
356.1	Overhd Conductr, Devices	26,143,189	1,625,803	(1,855,705)	-	25,913,286	(25,913,286)	-
356.2	Clearing, Grading of Land	3,850,788	265,489	-	-	4,116,277	(4,116,277)	-
358	Undergrmd Conductr,Devices	180,520	48,400	-	-	228,920	(228,920)	-
359	Roads And Trails	335,726	6,225	-	-	341,951	(341,951)	-
359.1	ARC Transmission	2,798	104	-	-	2,900	(2,900)	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ 130,630,316</b>	<b>\$ 8,002,099</b>	<b>\$ (2,955,964)</b>	<b>\$ -</b>	<b>\$ 135,676,451</b>	<b>\$ (135,676,451)</b>	<b>\$ -</b>
<b>DISTRIBUTION PLANT</b>								
360.12	Easements - Dist. - subs	\$ 12,424,905	\$ 7,883	\$ -	\$ -	\$ 12,432,788	\$ -	\$ 12,432,788
360.12	Easements - Dist. - lines	385,162	365,337	-	-	750,499	-	750,499
361.1	Structures, Improvements	5,508,619	188,797	-	-	5,697,416	-	5,697,416
362	Station Equipment	61,133,219	4,396,790	(936,284)	-	64,593,726	-	64,593,726
364	Poles, Towers And Fixtures	96,775,619	7,569,422	(1,185,941)	-	103,159,100	-	103,159,100
365	Overhd Conductr, Devices	64,693,461	10,549,061	(2,664,574)	-	72,577,948	-	72,577,948
365.1	Clearing, Grading of Land	17,727,815	2,158,323	-	-	19,886,138	-	19,886,138
366	Underground Conduit	11,898,191	612,535	-	-	12,510,726	-	12,510,726
367	Undergrmd Conductr,Devices	57,417,727	5,489,059	(1,415,071)	-	61,491,716	-	61,491,716
368	Line Transformers	133,980,204	12,586,714	-	-	146,566,918	-	146,566,918
369	Services	20,052,223	2,266,295	(1,184,121)	-	21,134,397	-	21,134,397
369	Underground Conduit	39,210,398	1,871,436	(193,433)	-	40,888,400	-	40,888,400
370	Meters	-	-	-	-	-	-	-
370.1	Smart Meters non classified	1,444,864	1,056,894	-	-	2,501,758	-	2,501,758
370.1	Smart Meters Residential	253,976	382,443	-	-	636,419	-	636,419
370.1	Smart Meters Industrial	58	112	-	-	170	-	170
370.1	Smart Meters Commercial	83,764	136,705	-	-	220,469	-	220,469
370.1	Smart Meters infra Structure	348	696	-	-	1,044	-	1,044
370.2	Smart Grid Meters 10 yr	123,142	77,477	-	-	200,619	-	200,619
371	Inst. On Cust. Prem.	1,657,950	128,803	-	-	1,786,753	-	1,786,753
373.1	Street Light - Oh, Ug Lines	3,672,182	660,148	(71,899)	-	4,260,430	-	4,260,430
374	ARC Distribution	22,759	759	-	-	23,518	(23,518)	-
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 528,466,586</b>	<b>\$50,505,689</b>	<b>\$ (7,651,324)</b>	<b>\$ -</b>	<b>\$ 571,320,952</b>	<b>\$ (23,518)</b>	<b>\$ 571,297,434</b>
<b>GENERAL PLANT</b>								
389.2	Easements	\$ 10,434	\$ 98	\$ -	\$ -	\$ 10,532	\$ (1,756)	\$ 8,776
390.1	Structures, Improvements	43,250,460	2,492,902	(327,228)	-	45,416,133	(7,570,869)	37,845,264
390.2	Clearing, Grading of Land	8,375,496	447,413	-	-	8,822,909	(1,470,779)	7,352,130
390.3	Struct Imprv, Leasehold Imp	5,760	-	-	-	5,760	(960)	4,800
391.1	Office Furn., Mech. Equip.	13,716,753	347,618	-	-	14,064,371	(2,344,531)	11,719,840
391.2	Office Machines	5,920,459	-	-	-	5,920,459	(986,941)	4,933,518
391.3	Data Processing Equipment	2,674,616	1,080,172	-	-	3,754,788	(625,923)	3,128,865
391.4	Information System	811,130	-	-	-	811,130	(135,215)	675,915
391.5	Data Processing Equipment Smart Meter	696,535	675,681	-	-	1,372,216	-	1,372,216
392	Transportation Equipment	581,389	46,471	-	-	627,860	(104,664)	523,196
393	Stores Equipment	1,228,801	412	-	-	1,229,213	(204,910)	1,024,303
394	Tools, Shop, Garage Equip.	6,837,372	442,169	-	-	7,279,541	(1,213,499)	6,066,042
395	Laboratory Equipment	2,762,288	29	-	-	2,762,317	(460,478)	2,301,839
396	Power Operated Equipment	325,180	6,725	-	-	331,905	(55,329)	276,576
397	Communication Equipment	13,642,950	783,998	(160,842)	-	14,266,107	(6,394,069)	7,872,038
398	Misc. Equipment	2,187,274	11,734	-	-	2,199,008	(366,575)	1,832,433
399.1	ARC General Plant	51,548	4,071	-	-	55,619	(55,619)	-
	<b>TOTAL GENERAL PLANT</b>	<b>\$ 103,078,445</b>	<b>\$ 6,339,493</b>	<b>\$ (488,070)</b>	<b>\$ -</b>	<b>\$ 108,929,868</b>	<b>\$ (21,992,117)</b>	<b>\$ 86,937,751</b>
<b>NUCLEAR PRODUCTION</b>								
326	TMI#2 ARC	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	<b>TOTAL</b>	<b>\$ 832,724,975</b>	<b>\$73,949,938</b>	<b>\$ (11,095,357)</b>	<b>\$ -</b>	<b>\$ 895,579,556</b>	<b>\$ (196,435,320)</b>	<b>\$ 699,144,236</b>



METROPOLITAN EDISON COMPANY

Original Cost of Plant, Reserves and Accruals by Functions for Historical Test Year Ended 12/31/2015

FILING REQUIREMENT V-A-1:

“Provide schedules supporting claimed amounts for Electric Plant in Service by function and by account if available.”

FILING REQUIREMENT V-A-2:

“Provide a comparison of calculated depreciation reserve versus book reserve at the end of the test year. Provide this comparison by functional group and by account if available.”

FILING REQUIREMENT V-B-1:

“Provide a comparison of calculated depreciation accruals versus book accruals by function and by account if available.”

FILING REQUIREMENT V-D-1:

“Provide the surviving original cost plant at the appropriated test year date or dates by account and functional property group and include claimed depreciation reserves. Provide annual depreciation accruals where appropriate. These calculations should be provided for plant in service as well as other categories of plant, including but not limited to, contributions in aid of construction, customers' advances for construction and anticipated retirements associated with construction work in progress claims, if applicable.”

RESPONSE:

V-A-1

See Met-Ed Exhibit RAD-48 Attachments A and B.

V-A-2

See Met-Ed Exhibit RAD-48 Attachments A and B.

V-B-1



See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7,  
Exhibit JJS-7.

V-D-1

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7,  
Exhibit JJS-10.

**Metropolitan Edison Company**  
 Accrual Expense Computation after Adjustments  
 At Historical Year from January 2015 to December 2015  
 (\$'000)

Line No.	Description	Adjusted Plant Balances		Book Depreciation Reserve	Depreciation Reserve Ratio	Net Uncovered Book Plant	Accrual Average Remaining Life Basis		Target Reserve	Book Reserve	Difference	Difference as a % of Target Reserve
		Non Depreciable	Depreciable				Amount	Effective Rate				
		(1)	(2)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Transmission	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%
2	Distribution	3,080	2,054,458	2,057,538	29.41%	1,452,375	49,658	2.42%	528,444	605,163	(76,719)	-14.52%
3	General Plant	2,227	143,158	145,386	61.73%	55,633	5,622	3.93%	82,128	89,753	(7,625)	-9.28%
4	Subtotal	\$ 5,308	\$ 2,197,616	\$ 2,202,924	31.55%	\$ 1,508,008	\$ 55,280	2.52%	\$ 610,572	\$ 694,916	\$ (84,344)	-13.81%
5	Intangible Plant	\$ 274	\$ 51,662	\$ 51,936	57.99%	\$ 21,818	\$ 7,382	14.29%	\$ 32,967	\$ 30,117	\$ 2,849	8.64%
6	Total	\$ 5,582	\$ 2,249,278	\$ 2,254,859	32.15%	\$ 1,529,826	\$ 62,662	2.79%	\$ 643,538	\$ 725,033	\$ (81,495)	-12.66%
7	Nuclear	-	-	-	0.00%	-	-	-	-	-	-	0.00%
8	Total	\$ 5,582	\$ 2,249,278	\$ 2,254,859		\$ 1,529,826	\$ 62,662		\$ 643,538	\$ 725,033	\$ (81,495)	-12.66%

Exhibit Reference	RAD-48 Attachment B P 1-2	RAD-48 Attachment B P 1-2	RAD-48 Attachment B P 3	RAD-53 Attachment A P 5-6	RAD-48 Attachment B P 4	RAD-48 Attachment B P 3
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Metropolitan Edison Company  
 Original Cost - Plant and Depreciation Reserves  
 Activity from 1/1/15 to 12/31/15  
 Plant-In-Service

Acct No	Description	Balance 1/1/15 (1)	Actual Activity			Balance 12/31/15 (5)	Adjustments (6)	Adjusted Balance 12/31/15 (7)
			Additions (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>NONDEPRECIABLE PLANT</b>								
<b>Intangible Plant</b>								
301	Organization	\$ 123,507	\$ -	\$ -	\$ -	\$ 123,507	\$ -	\$ 123,507
302	Franchise And Consents	165,169	-	(14,565)	-	150,604	-	150,604
	<b>Total Intangible Plant</b>	<b>\$ 288,676</b>	<b>\$ -</b>	<b>\$ (14,565)</b>	<b>\$ -</b>	<b>\$ 274,111</b>	<b>\$ -</b>	<b>\$ 274,111</b>
<b>Land</b>								
350.11	Transmission Substations	\$ 1,384,344	\$ 85,056	\$ -	\$ 124,525	\$ 1,593,925	\$ (1,593,925)	\$ -
350.21	Transmission Lines	2,045,027	-	-	-	2,045,027	(2,045,027)	-
360.11	Distribution Substations	2,777,235	-	-	-	2,777,235	-	2,777,235
360.21	Distribution Lines	427,642	-	-	(124,525)	303,117	-	303,117
369.1	General	2,672,808	-	-	-	2,672,808	(445,567)	2,227,251
	<b>Total Land</b>	<b>\$ 9,307,056</b>	<b>\$ 85,056</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,392,112</b>	<b>\$ (4,084,510)</b>	<b>\$ 5,307,602</b>
	<b>TOTAL NON-DEPRECIABLE PLANT</b>	<b>\$ 9,595,732</b>	<b>\$ 85,056</b>	<b>\$ (14,565)</b>	<b>\$ -</b>	<b>\$ 9,666,224</b>	<b>\$ (4,084,510)</b>	<b>\$ 5,581,714</b>
<b>INTANGIBLE PLANT</b>								
303	Misc. Intangible Plant	\$ 40,409,221	\$ 6,901,624	\$ -	\$ (803,811)	\$ 46,507,034	\$ (7,752,723)	\$ 38,754,311
303	Smart Meter Software	2,044,446	7,027,796	-	3,835,116	12,907,358	-	12,907,358
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 42,453,666</b>	<b>\$ 13,929,420</b>	<b>\$ -</b>	<b>\$ 3,031,305</b>	<b>\$ 59,414,393</b>	<b>\$ (7,752,723)</b>	<b>\$ 51,661,670</b>
<b>NUCLEAR PRODUCTION</b>								
326	Nuclear Production	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	<b>TOTAL NUCLEAR PRODUCTION</b>	<b>\$ 31,256,633</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,256,633</b>	<b>\$ (31,256,633)</b>	<b>\$ -</b>
<b>TRANSMISSION PLANT</b>								
<b>TRANSMISSION PLANT</b>								
350.12	Easements - Trans. - sub	\$ 173,374	\$ -	\$ -	\$ 383	\$ 173,757	\$ (173,757)	\$ -
350.22	Easements - Trans. - lines	26,763,875	6	-	-	26,763,882	(26,763,882)	-
352	Structures, Improvements	6,665,696	23,499	(9,174)	(5)	6,679,916	(6,679,916)	-
353	Station Equipment	177,698,357	12,809,731	(1,308,857)	(654,084)	188,545,148	(188,545,148)	-
354	Towers And Fixtures	41,058,648	45,931	-	95	41,104,675	(41,104,675)	-
355	Poles And Fixtures	47,481,257	7,849,994	(176,940)	(1,474,930)	53,679,380	(53,679,380)	-
356.1	Overhd Conductr, Devices	70,929,841	10,413,365	(448,079)	84,033	80,979,159	(80,979,159)	-
356.2	Clearing, Grading of Land	19,176,860	(175,682)	-	125,448	19,126,627	(19,126,627)	-
358	Undergrnd Conductr,Devices	1,500,465	5,350	-	(7,354)	1,498,461	(1,498,461)	-
359	Roads And Trails	746,971	-	(31,423)	-	715,548	(715,548)	-
359.1	ARC Transmission	4,666	-	-	-	4,666	(4,666)	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ 392,200,110</b>	<b>\$ 30,972,194</b>	<b>\$ (1,974,473)</b>	<b>\$ (1,926,414)</b>	<b>\$ 419,271,417</b>	<b>\$ (419,271,417)</b>	<b>\$ -</b>
<b>DISTRIBUTION PLANT</b>								
360.12	Easements - Dist. - sub	\$ 611,470	\$ -	\$ -	\$ (383)	\$ 611,087	\$ -	\$ 611,087
360.22	Easements - Dist. - lines	28,320,720	-	-	-	28,320,720	-	28,320,720
361	Structures, Improvements	13,612,225	71,736	-	300,972	13,984,932	-	13,984,932
362	Station Equipment	220,226,840	10,718,731	(209,391)	1,437,089	232,173,269	-	232,173,269
364	Poles, Towers And Fixtures	361,019,694	11,926,999	(637,365)	(1,057,217)	371,251,411	-	371,251,411
365	Overhd Conductr, Devices	380,611,636	14,327,968	(3,921,553)	1,169,533	392,187,984	-	392,187,984
365.1	Clearing, Grading of Land	140,799,718	5,016,318	-	16,585	145,832,621	-	145,832,621
366	Underground Conduit	30,577,326	520,230	(23,497)	19,067	31,093,126	-	31,093,126
367	Undergrnd Conductr,Devices	212,968,658	15,066,107	(1,321,812)	(491,546)	226,219,407	-	226,219,407
368	Line Transformers	398,642,778	11,849,673	(2,358,220)	525,329	408,659,560	-	408,659,560
369	Services OH	73,439,548	2,700,300	(297,745)	(6,127,778)	69,714,325	-	69,714,325
369	Unground Services	98,458,792	-	(402)	5,808,021	104,266,410	-	104,266,410
370	Meters	72,781,629	6,423,724	(638,316)	(78,567,037)	-	-	-
370.1	Smart Meters non classified	2,823,455	3,219,995	(992)	(2,610,765)	3,431,693	-	3,431,693
370.1	Smart Meters Residential	-	3,780,613	(2,466)	1,955,628	5,733,775	-	5,733,775
370.1	Smart Meters Industrial	-	1,594	-	78	1,672	-	1,672
370.1	Smart Meters Commercial	1,320	1,548,499	(1,343)	501,070	2,049,546	-	2,049,546
370.1	Smart Meters Infra Structure	-	10,438	-	-	10,438	-	10,438
370.1	Smart Meters Grid Structure	1,656,194	742,910	-	(1,624,332)	774,772	-	774,772
371	Inst. On Cust. Prem.	4,571,059	76,085	(46,934)	(108)	4,600,102	-	4,600,102
373.1	Street Light - Oh, Ug Lines	12,763,153	631,858	(166,490)	31,215	13,259,736	281,127	13,540,863
374	ARC Distribution	37,210	-	-	-	37,210	(37,210)	-
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 2,053,921,422</b>	<b>\$ 88,633,079</b>	<b>\$ (9,626,526)</b>	<b>\$ (78,714,179)</b>	<b>\$ 2,054,213,796</b>	<b>\$ 243,917</b>	<b>\$ 2,054,457,713</b>

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity from 1/1/15 to 12/31/15  
 Plant-In-Service

Acct No	Description	Balance 1/1/15 (1)	Actual Activity			Balance 12/31/15 (5)	Adjustments (6)	Adjusted Balance 12/31/15 (7)
			Additions (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>GENERAL PLANT</b>								
389.2	Easements	\$ 18,078	\$ -	\$ -	\$ -	\$ 18,078	\$ (3,014)	\$ 15,064
390.1	Structures, Improvements	66,164,843	1,127,954	(49,967)	19	87,242,849	(14,543,383)	72,699,466
390.2	Clearing, Grading of Land	12,462,769	-	-	-	12,462,769	(2,077,544)	10,385,225
390.3	Struct Imprv, Leasehold Imp	16,754	-	-	-	16,754	(2,793)	13,961
391.1	Office Furn., Mech. Equip.	16,111,561	228	(523,537)	10	15,588,263	(2,598,563)	12,989,700
391.2	Office Machines	5,920,633	-	-	-	5,920,633	(986,970)	4,933,663
391.3	Computers	4,210,251	968,182	(619,186)	(7,320)	4,551,928	(759,806)	3,793,122
391.4	Information System	(11,066)	-	660	10,406	-	-	-
391.5	Data Proc Smart Meters	3,095,678	2,450,137	(92,320)	(1,400,034)	4,053,461	-	4,053,461
392	Transportation Equipment	1,168,949	-	(41,033)	17	1,127,933	(186,028)	939,907
393	Stores Equipment	1,392,478	-	(20,691)	-	1,371,787	(228,677)	1,143,110
394	Tools, Shop, Garage Equip.	11,566,817	380,134	(328,088)	(45,761)	11,575,101	(1,929,569)	9,645,532
395	Laboratory Equipment	2,957,638	-	(97,127)	6	2,860,516	(476,848)	2,383,668
396	Power Operated Equipment	738,991	-	-	-	738,991	(123,190)	615,801
397	Communication Equipment	33,038,358	749,112	(1,620,203)	(360,000)	31,807,267	(14,256,017)	17,551,250
398	Misc. Equipment	2,490,473	-	(95,820)	2	2,394,656	(399,189)	1,995,467
399.1	ARC General Plant	105,951	-	-	-	105,951	(105,951)	-
<b>TOTAL GENERAL PLANT</b>		<b>\$ 181,451,156</b>	<b>\$ 5,675,747</b>	<b>\$ (3,487,311)</b>	<b>\$ (1,802,655)</b>	<b>\$ 181,836,936</b>	<b>\$ (38,678,540)</b>	<b>\$ 143,158,396</b>
<b>TOTAL</b>		<b>\$ 2,710,878,722</b>	<b>\$ 139,295,496</b>	<b>\$ (15,102,875)</b>	<b>\$ (79,411,944)</b>	<b>\$ 2,755,659,399</b>	<b>\$ (500,799,907)</b>	<b>\$ 2,254,859,492</b>

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/15 to 12/31/15  
 Book Reserves

Acct No	Description	Balance 1/31/15 (1)	Actual Activity			Balance 12/31/15 (5)	Adjustments (6)	Adjusted Balance 12/31/15 (7)
			Accruals (2)	Retirements (3)	Transfers/Adjustments (4)			
<b>INTANGIBLE PLANT</b>								
302	Franchise and consent	\$ -	\$ -	\$ (14,565)	\$ 14,565	\$ -	\$ -	\$ -
303	Software	32,113,131	2,711,059	-	(48,869)	34,775,321	(5,797,046)	28,978,275
303	Smart Meters	15,257	1,089,712	-	34,175	1,139,144	-	1,139,144
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 32,128,388</b>	<b>\$ 3,800,772</b>	<b>\$ (14,565)</b>	<b>\$ (129)</b>	<b>\$ 35,914,465</b>	<b>\$ (5,797,046)</b>	<b>\$ 30,117,419</b>
<b>TRANSMISSION PLANT</b>								
350	Tran easement Sub	\$ 106,722	\$ 2,953	\$ -	\$ (2,376)	\$ 107,299	\$ (107,299)	\$ -
350	Tran easement Lines	11,747,843	454,986	-	-	12,202,829	(12,202,829)	-
352	Structures/improve	2,814,855	107,955	(9,174)	-	2,913,636	(2,913,636)	-
353	Station equipment	56,046,565	3,310,901	(1,308,857)	(470,601)	57,578,008	(57,578,008)	-
354	Towers & Fixtures	27,091,149	347,592	-	(2,664)	27,436,076	(27,436,076)	-
355	Poles & Fixtures	18,181,534	2,230,938	(176,940)	(1,550,892)	18,684,640	(18,684,640)	-
356	Overhead Conductor	29,938,075	3,132,316	(448,079)	(2,167,514)	30,454,797	(30,454,797)	-
3561	Clearing & R/W	3,789,624	284,213	-	(37,182)	4,036,656	(4,036,656)	-
358	Underground Conductor	94,955	38,558	-	-	133,513	(133,513)	-
359	Roads & Trails	529,267	5,386	(31,423)	-	503,229	(503,229)	-
3591	TXM SUB ARC	2,692	104	-	-	2,796	(2,796)	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ 150,343,280</b>	<b>\$ 9,915,902</b>	<b>\$ (1,974,473)</b>	<b>\$ (4,231,229)</b>	<b>\$ 154,053,480</b>	<b>\$ (154,053,480)</b>	<b>\$ -</b>
<b>DISTRIBUTION PLANT</b>								
360	Dist Easement Sub	\$ 179,526	\$ 7,333	\$ -	\$ (383)	\$ 186,476	\$ -	\$ 186,476
360	Dist Easement Lines	14,279,903	339,849	-	2,759	14,622,511	-	14,622,511
361	Structure/improve	6,172,379	179,866	-	(5,160)	6,347,085	-	6,347,085
362	Station equipment	71,510,711	4,349,222	(209,391)	(1,131,176)	74,519,367	-	74,519,367
364	Poles towers fix	106,706,274	7,032,905	(637,365)	(1,428,316)	111,673,498	-	111,673,498
365	Overhead conductor	76,598,744	8,763,679	(3,921,553)	(2,282,819)	79,158,051	-	79,158,051
3651	Clearing & R/W	18,463,998	1,963,681	-	130	20,427,809	-	20,427,809
366	Underground conduit	11,233,501	544,232	(23,497)	(29,995)	11,724,242	-	11,724,242
367	Undergrd conductor	69,624,228	5,534,940	(1,321,812)	(1,356,892)	72,480,464	-	72,480,464
368	Line Transformers	129,486,810	9,870,109	(2,358,220)	409,564	137,408,262	-	137,408,262
369	Services OH	18,941,484	2,174,877	(297,745)	(568,586)	20,250,030	-	20,250,030
369	Ungrnd Services	48,161,253	1,658,590	(402)	-	49,819,441	-	49,819,441
370	Meters	13,766,749	3,381,080	(638,316)	(16,509,513)	-	-	-
370.1	Smart Meters non classified	144,230	227,884	(992)	(149,668)	221,454	-	221,454
370.1	Smart Meters Residential	17	57,958	(1,343)	22,432	79,064	-	79,064
370.1	Smart Meters Industrial	-	353	-	6	359	-	359
370.1	Smart Meters Commercial	-	185,375	(2,466)	100,767	283,676	-	283,676
370.1	Smart Meters Infra Structure	-	104	-	-	104	-	104
3702	Smart Grid Meters 10 yr	39,041	60,487	-	-	99,528	-	99,528
371	Inst on cust premises	2,512,471	198,525	(46,934)	(119,186)	2,544,876	-	2,544,876
373	Street Lighting	3,025,268	647,853	(166,490)	(190,060)	3,316,570	-	3,316,570
374	DIST SUB ARC	22,000	759	-	-	22,759	(22,759)	-
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 590,868,588</b>	<b>\$ 47,179,661</b>	<b>\$ (9,626,525)</b>	<b>\$ (23,236,097)</b>	<b>\$ 605,185,626</b>	<b>\$ (22,759)</b>	<b>\$ 605,162,867</b>
<b>GENERAL PLANT</b>								
389	Land Rights	\$ 15,505	\$ 89	\$ -	\$ -	\$ 15,593	\$ (2,599)	\$ 12,994
3901	Structures	45,570,553	2,191,231	(49,967)	(22,222)	47,689,595	(7,949,855)	39,739,740
3902	Land/Yard Improvem	7,684,036	418,954	-	-	8,102,990	(1,350,768)	6,752,222
3903	Transferred LH	4,922	838	-	-	5,759	(960)	4,799
3911	Office Furn., Mech. Equip.	14,612,837	201,087	(523,537)	(2)	14,290,385	(2,382,207)	11,908,178
3912	Office Machines	5,920,633	-	-	-	5,920,633	(986,970)	4,933,663
3913	Computers	1,748,975	631,634	(619,186)	(3,733)	1,757,690	(293,007)	1,464,683
3914	Information System	(2,719)	(1,674)	660	3,733	-	-	-
3915	Data Proc Smart Meters	358,547	470,333	(92,320)	-	736,561	-	736,561
392	Transportation Equipment	685,441	39,961	(41,033)	3,520	687,889	(114,671)	573,218
393	Stores Equipment	1,389,945	277	(20,691)	-	1,369,532	(228,301)	1,141,231
394	Tools shop garage	6,723,937	343,787	(328,088)	-	6,739,636	(1,123,497)	5,616,139
395	Laboratory equip	2,957,640	-	(97,127)	-	2,860,513	(476,848)	2,383,665
396	Power operated equip	612,298	4,656	-	-	616,954	(102,846)	514,108
397	Communication Equip	22,839,830	604,597	(1,620,203)	(50,956)	21,773,268	(9,758,779)	12,014,489
398	Miscellaneous equip	2,440,632	4,186	(95,820)	-	2,348,998	(391,578)	1,957,420
399	ARC General	49,682	1,866	-	-	51,548	(51,548)	-
	<b>TOTAL GENERAL PLANT</b>	<b>\$ 113,612,694</b>	<b>\$ 4,911,821</b>	<b>\$ (3,487,311)</b>	<b>\$ (69,660)</b>	<b>\$ 114,967,544</b>	<b>\$ (25,214,434)</b>	<b>\$ 89,753,110</b>
<b>NUCLEAR PRODUCTION</b>								
326	TMI#2 ARC	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	<b>TOTAL</b>	<b>\$ 918,209,583</b>	<b>\$ 65,808,155</b>	<b>\$ (15,102,874)</b>	<b>\$ (27,537,116)</b>	<b>\$ 941,377,748</b>	<b>\$ (216,344,351)</b>	<b>\$ 725,033,396</b>

**Metropolitan Edison Company**  
 Original Cost - Plant and Depreciation Reserves  
 Activity Updated from 1/1/15 to 12/31/15  
 Target Reserves

Acct No	Description	Balance 1/1/15 (1)	Actual Activity			Balance 12/31/15 (5)	Adjustments (6)	Adjusted Balance 12/31/15 (7)
			Accruals (2)	Retirements (3)	Transfers/ Adjustments (4)			
<b>INTANGIBLE PLANT</b>								
303	Misc. Intangible Plant	\$ 31,797,936	\$ 6,152,734	\$ -	\$ -	\$ 37,950,670	\$ (6,326,377)	\$ 31,624,293
303	Smart Meter Software	-	1,342,325	-	-	1,342,325	-	1,342,325
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 31,797,936</b>	<b>\$ 7,495,059</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,292,995</b>	<b>\$ (6,326,377)</b>	<b>\$ 32,966,618</b>
<b>TRANSMISSION PLANT</b>								
<b>TRANSMISSION PLANT</b>								
350.12	Easements - Trans. - sub	\$ -	\$ 3,180	\$ -	\$ -	\$ 3,180	\$ (3,180)	\$ -
350.12	Easements - Trans. - lines	14,629,426	471,044	-	-	15,100,470	(15,100,470)	-
352.1	Structures, Improvements	2,939,181	117,440	(9,174)	-	3,047,447	(3,047,447)	-
353	Station Equipment	42,438,505	3,893,527	(1,308,857)	-	45,023,175	(45,023,175)	-
354	Towers And Fixtures	21,151,154	373,845	-	-	21,524,999	(21,524,999)	-
355	Poles And Fixtures	14,662,905	932,061	(176,940)	-	15,418,026	(15,418,026)	-
356.1	Overhd Conductor, Devices	25,352,525	1,238,743	(448,079)	-	26,143,189	(26,143,189)	-
356.2	Clearing, Grading of Land	3,562,571	288,217	-	-	3,850,788	(3,850,788)	-
358	Undergrmd Conductor, Devices	130,710	49,810	-	-	180,520	(180,520)	-
359	Roads And Trails	360,641	6,508	(31,423)	-	335,726	(335,726)	-
359.1	ARC Transmission	2,692	104	-	-	2,796	(2,796)	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ 125,230,310</b>	<b>\$ 7,374,479</b>	<b>\$ (1,974,473)</b>	<b>\$ -</b>	<b>\$ 130,630,316</b>	<b>\$ (130,630,316)</b>	<b>\$ -</b>
<b>DISTRIBUTION PLANT</b>								
360.12	Easements - Dist. - subs	\$ 12,416,961	\$ 7,944	\$ -	\$ -	\$ 12,424,905	\$ -	\$ 12,424,905
360.12	Easements - Dist. - lines	-	385,162	-	-	385,162	-	385,162
361.1	Structures, Improvements	5,318,912	189,707	-	-	5,508,619	-	5,508,619
362	Station Equipment	57,121,924	4,220,686	(209,391)	-	61,133,219	-	61,133,219
364	Poles, Towers And Fixtures	89,954,602	7,458,382	(637,365)	-	96,775,619	-	96,775,619
365	Overhd Conductor, Devices	58,282,520	10,332,494	(3,921,553)	-	64,693,461	-	64,693,461
365.1	Clearing, Grading of Land	15,606,613	2,121,202	-	-	17,727,815	-	17,727,815
366	Underground Conduit	11,301,708	619,980	(23,497)	-	11,898,191	-	11,898,191
367	Undergrmd Conductor, Devices	53,562,944	5,176,595	(1,321,812)	-	57,417,727	-	57,417,727
368	Line Transformers	123,615,138	12,723,286	(2,358,220)	-	133,980,204	-	133,980,204
369	Services	18,198,658	2,151,310	(297,745)	-	20,052,223	-	20,052,223
369	Underground Conduit	37,334,001	1,876,799	(402)	-	39,210,398	-	39,210,398
370	Meters	-	-	-	-	-	-	-
370.1	Smart Meters non classified	1,324,316	121,540	(992)	-	1,444,864	-	1,444,864
370.1	Smart Meters Residential	-	256,442	(2,466)	-	253,976	-	253,976
370.1	Smart Meters Industrial	-	58	-	-	58	-	58
370.1	Smart Meters Commercial	-	85,107	(1,343)	-	83,764	-	83,764
370.1	Smart Meters Infra Structure	-	348	-	-	348	-	348
370.2	Smart Grid Meters 10 yr	82,810	40,332	-	-	123,142	-	123,142
371	Inst. On Cust. Prem.	1,559,064	145,820	(46,934)	-	1,657,950	-	1,657,950
373.1	Street Light - Oh, Ug Lines	3,170,384	668,288	(166,490)	-	3,672,182	-	3,672,182
374	ARC Distribution	22,000	759	-	-	22,759	(22,759)	-
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 488,872,555</b>	<b>\$ 48,582,241</b>	<b>\$ (8,988,210)</b>	<b>\$ -</b>	<b>\$ 528,466,586</b>	<b>\$ (22,759)</b>	<b>\$ 528,443,827</b>
<b>GENERAL PLANT</b>								
389.2	Easements	\$ 10,335	\$ 99	\$ -	\$ -	\$ 10,434	\$ (1,739)	\$ 8,695
390.1	Structures, Improvements	40,924,741	2,375,686	(49,967)	-	43,250,460	(7,209,852)	36,040,608
390.2	Clearing, Grading of Land	7,900,664	474,832	-	-	8,375,496	(1,396,195)	6,979,301
390.3	Struct Imprv, Leasehold Imp	4,922	838	-	-	5,760	(960)	4,800
391.1	Office Furn., Mech. Equip.	14,038,996	201,294	(523,537)	-	13,716,753	(2,286,583)	11,430,170
391.2	Office Machines	5,920,459	-	-	-	5,920,459	(986,941)	4,933,518
391.3	Computers	1,559,902	1,733,900	(619,186)	-	2,674,616	(445,859)	2,228,757
391.4	Information System	810,470	-	660	-	811,130	(135,215)	675,915
391.5	Data Proc Smart Meters	213,945	574,910	(92,320)	-	696,535	-	696,535
392	Transportation Equipment	573,039	49,383	(41,033)	-	581,389	(96,917)	484,472
393	Stores Equipment	1,249,216	276	(20,691)	-	1,228,801	(204,841)	1,023,960
394	Tools, Shop, Garage Equip.	6,815,523	349,937	(328,088)	-	6,837,372	(1,139,790)	5,697,582
395	Laboratory Equipment	2,859,415	-	(97,127)	-	2,762,288	(460,473)	2,301,815
396	Power Operated Equipment	317,938	7,242	-	-	325,180	(54,208)	270,972
397	Communication Equipment	14,502,223	760,930	(1,620,203)	-	13,642,950	(6,114,770)	7,528,180
398	Misc. Equipment	2,278,942	4,152	(95,820)	-	2,187,274	(364,619)	1,822,655
399.1	ARC General Plant	49,682	1,866	-	-	51,548	(51,548)	-
	<b>TOTAL GENERAL PLANT</b>	<b>\$ 100,030,412</b>	<b>\$ 6,535,345</b>	<b>\$ (3,487,311)</b>	<b>\$ -</b>	<b>\$ 103,078,445</b>	<b>\$ (20,950,510)</b>	<b>\$ 82,127,935</b>
<b>NUCLEAR PRODUCTION</b>								
326	TMI#2 ARC	\$ 31,256,633	\$ -	\$ -	\$ -	\$ 31,256,633	\$ (31,256,633)	\$ -
	<b>TOTAL</b>	<b>\$ 777,187,846</b>	<b>\$ 69,987,123</b>	<b>\$ (14,449,994)</b>	<b>\$ -</b>	<b>\$ 832,724,975</b>	<b>\$ (157,929,961)</b>	<b>\$ 643,538,381</b>



METROPOLITAN EDISON COMPANY

FILING REQUIREMENT V-A-3:

“Provide supporting schedules which indicate the procedures and calculations employed to develop the original cost plant and applicable reserves to the test year end as submitted in the current proceeding.”

RESPONSE:

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7, Exhibit JJS-6.





METROPOLITAN EDISON COMPANY

Original Cost Plant and Reserve and Accrual Rate Adjustments for Rate Case Purposes  
(Fully Projected Future Test Year)

FILING REQUIREMENT V-A-4:

“Provide a schedule showing details of rate case adjustments.”

RESPONSE:

This response provides original cost plant and reserve adjustments for rate case purposes at 12/31/2017, the fully projected future test year. This information is in support of Met-Ed Exhibit RAD-46 Attachment B.

The following provide detail for plant and reserve adjustment items:

1. Asset Retirement Costs: No claim is being made for the Asset Retirement Costs related to the implementation of Statement of Financial Accounting Standards Statement 143, Accounting for Asset Retirement Obligations or FIN 47, Accounting for Conditional Asset Retirement Obligations. The Plant in Service was reduced by \$31,404,461; book reserves were reduced by \$31,399,191 and calculated reserves were reduced by \$31,341,397.
2. FERC Transmission Plant associated with the Mid-Atlantic Interstate Transmission Ground Lease was removed because it is non-jurisdictional. Transmission Plant in Service was reduced by \$30,576,592 and the budgeted book and calculated reserve accruals were reduced by \$13,226,008 and \$16,073,404, respectively.
3. A portion of Intangible Plant associated with the FERC Transmission Plant was removed. Intangible Plant in Service was reduced by \$8,963,424; Intangible Plant book reserves were reduced by \$7,161,255; and Intangible Plant calculated reserves were reduced by \$8,733,329.
4. A portion of General Plant associated with FERC Transmission Plant was removed. General Plant in Service was reduced by \$31,502,499; General Plant book reserves were reduced by \$18,841,314; and General Plant calculated reserves were reduced by \$23,141,923.

5. LED Street Lighting Plant in Service was increased by \$281,127 in accordance with the latest work plan. No corresponding book reserves or calculated reserves were included.

METROPOLITAN EDISON COMPANY

Original Cost Plant and Reserve and Accrual Rate Adjustments for Rate Case Purposes  
(Future Test Year)

FILING REQUIREMENT V-A-4:

“Provide a schedule showing details of rate case adjustments.”

RESPONSE:

This response provides original cost plant and reserve adjustments for rate case purposes at 12/31/2016, the future test year. This information is in support of Met-Ed Exhibit RAD-47 Attachment B.

The following provide detail for plant and reserve adjustment items:

1. Asset Retirement Costs: No claim is being made for the Asset Retirement Costs related to the implementation of Statement of Financial Accounting Standards Statement 143, Accounting for Asset Retirement Obligations or FIN 47, Accounting for Conditional Asset Retirement Obligations. The Plant in Service was reduced by \$31,404,461; book reserves were reduced by \$31,336,463; and calculated reserves were reduced by \$31,338,669.
2. FERC Transmission Plant was removed because it is non-jurisdictional. Transmission Plant in Service was reduced by \$446,188,843 and the budgeted book and calculated reserve accruals were reduced by \$157,255,517 and \$135,673,551, respectively.
3. A portion of Intangible Plant associated with the FERC Transmission Plant was removed. Intangible Plant in Service was reduced by \$8,485,544; Intangible Plant book reserves were reduced by \$6,458,847; and Intangible Plant calculated reserves were reduced by \$7,486,601.
4. A portion of General Plant associated with FERC Transmission Plant was removed. General Plant in Service was reduced by \$40,157,890; General Plant book reserves were reduced by \$25,972,574; and General Plant calculated reserves were reduced by \$21,936,498.

5. LED Street Lighting Plant in Service was increased by \$281,127 in accordance with the latest work plan. No corresponding book reserves or calculated reserves were included.

METROPOLITAN EDISON COMPANY

Original Cost Plant and Reserve and Accrual Rate Adjustments for Rate Case Purposes  
(Historical Test Year)

FILING REQUIREMENT V-A-4:

“Provide a schedule showing details of rate case adjustments.”

RESPONSE:

This response provides original cost plant and reserve adjustments for rate case purposes at 12/31/2015, the historic test year. This information is in support of Met-Ed Exhibit RAD-48 Attachment B.

The following provide detail for plant and reserve adjustment items:

1. Asset Retirement Costs: No claim is being made for the Asset Retirement Costs related to the implementation of Statement of Financial Accounting Standards Statement 143, Accounting for Asset Retirement Obligations or FIN 47, Accounting for Conditional Asset Retirement Obligations. The Plant in Service was reduced by \$31,404,461; book reserves were reduced by \$31,333,735; and calculated reserves were reduced by \$31,333,735.
2. FERC Transmission Plant was removed because it is non-jurisdictional. Transmission Plant in Service was reduced by \$422,905,704; and the budgeted book and calculated reserve accruals were reduced by \$154,050,684 and \$130,627,520, respectively.
3. A portion of Intangible Plant associated with the FERC Transmission Plant was removed. Intangible Plant in Service was reduced by \$7,752,723; Intangible Plant book reserves were reduced by \$5,797,046; and Intangible Plant calculated reserves were reduced by \$6,326,377.
4. A portion of General Plant associated with FERC Transmission Plant was removed. General Plant in Service was reduced by \$39,018,146; General Plant book reserves were reduced by \$25,162,886; and General Plant calculated reserves were reduced by \$20,898,962.

5. LED Street Lighting Plant in Service was increased by \$281,127 in accordance with the latest work plan. No corresponding book reserves or calculated reserves were included.

METROPOLITAN EDISON COMPANY

Annual Depreciation Review on Capital Plant Investments

FILING REQUIREMENT V-B-2

“Supply a schedule by account or by depreciable group showing the survivor curve or interim survivor curve or interim survivor curve and annual accrual rate estimated to be appropriate:

- a. For the purpose of this filing
- b. For the purposes of the most recent filing prior to the current proceeding.
- c. Supply an explanation for any major change in annual accrual rate by account or by depreciable group
- d. Supply a comprehensive statement of major changes in depreciation methods, procedures and techniques and the effect of the changes upon accumulated and annual depreciation, if any.”

FILING REQUIREMENT V-C

“Where the retirement rate actuarial method of mortality is utilized, set forth representative examples including charts depicting the observed and estimated survivor curves and a tabular presentation of the observed and estimated life tables plotted on the chart. Other analysis results shall be subject to request.”

FILING REQUIREMENT V-D Item 2

“Provide representative examples of detail calculations by vintage at account or at a more detailed level, as performed for those purposes. Other vintage detail calculations shall be subject to request.”

FILING REQUIREMENT V-E

“Provide a description of depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of significant factors which were considered in arriving at estimates of service life and forecast retirements by facilities, accounts or sub-accounts as applicable.”

RESPONSE:

V-B-2



- a. See Met-Ed Exhibit RAD-53 Attachment A for the accrual expenses. Pages 1 and 2 show the accrual expense for the fully projected future test year, pages 3 and 4 show the accrual expense for the future test year, and pages 5 and 6 show the accrual expense for the historical test year.
- b. See Met-Ed Exhibit RAD-53 Attachment B for the accrual expenses from the Company's last base rate case. Pages 1 and 2 show the accrual expense for the fully projected future test year, twelve months ended April 30, 2016; pages 3 and 4 show the accrual expense for the future test year, twelve months ended March 31, 2015 and pages 5 and 6 show the accrual expense for the historical test year, twelve months ended March 31, 2014.
- c. See the direct testimony of John J. Spanos, Met-Ed Statement No. 7, Exhibit JJS-8.
- d. See the direct testimony of John J. Spanos, Met-Ed Statement No. 7, Exhibit JJS-8.

V-C

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7, Exhibit JJS-9.

V-D

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7, Exhibit JJS-11.

V-E

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7, Exhibit JJS-12.

**Metropolitan Edison Company**  
 Accrual Expense after Adjustment-Claim Basis  
 Activity Updated from January 2017 to December 2017

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b>INTANGIBLE PLANT</b>				
303	Miscellaneous Intangible Plant	\$ 44,806,363	14.29%	\$ 6,402,829
303	Smart Meters	23,165,207	14.29%	3,310,308
	<b>TOTAL INTANGIBLE PLANT</b>	<u>\$ 67,971,571</u>	14.29%	<u>\$ 9,713,137</u>
<b>TRANSMISSION PLANT</b>				
TRANSMISSION PLANT				
350.12	Land Rights- subs	\$ -	1.79%	\$ -
350.22	Land Rights- lines	-	1.79%	-
352.1	Structures	-	1.48%	-
353	Station Equipment	1,640,121	3.17%	51,992
354	Towers and Fixtures	38,208	0.91%	348
355	Poles and Fixtures	697,440	1.64%	11,438
356.1	Overhead Conductors	802,917	1.29%	10,358
356.2	Clearing Costs	117,475	1.26%	1,480
358	Underground Conductors	77,417	3.22%	2,493
359	Roads & Trails	11,908	0.00%	-
	<b>TOTAL TRANSMISSION PLANT</b>	<u>\$ 3,385,486</u>	2.31%	<u>\$ 78,109</u>
<b>DISTRIBUTION PLANT</b>				
360.12	Land Rights-subs	\$ 611,087	1.29%	\$ 7,883
360.22	Land Rights-lines	28,320,720	1.29%	365,337
361.1	Structures	13,984,932	1.35%	188,797
362	Station Equipment	245,399,538	1.82%	4,466,272
364	Poles, Towers and Fixtures	391,305,882	1.99%	7,786,987
365	Overhead Conductors	437,614,128	2.55%	11,159,160
365.1	Clearing Costs	145,832,621	1.44%	2,099,990
366	Underground Conduit	31,093,126	1.93%	600,097
367	Underground Conductors	250,703,860	2.36%	5,916,611
368	Line Transformers	417,848,180	3.01%	12,577,230
369	Overhead Services	81,507,792	2.88%	2,347,424
369.1	Underground Services	106,007,311	1.77%	1,876,329
370	Meters	-	0.00%	-
370.1	Smart Meters non classified	60,408,815	6.67%	4,029,268
370.1	Smart Meters Residential	5,733,775	6.67%	382,443
370.1	Smart Meters Industrial	1,672	6.67%	112
370.1	Smart Meters Commercial	2,049,546	6.67%	136,705
370.1	Smart Meters Infra Structure	10,438	6.67%	696
370.2	Smart Grid Meters 10 yr	774,772	10.00%	77,477
371	Installed on Customer Premises	4,600,102	2.49%	114,543
373	Street Lighting & Signal Systems	14,721,760	4.57%	672,784
	<b>TOTAL DISTRIBUTION PLANT</b>	<u>\$ 2,238,530,056</u>	2.45%	<u>\$ 54,806,145</u>

**Metropolitan Edison Company**  
 Accrual Expense after Adjustment-Claim Basis  
 Activity Updated from January 2017 to December 2017

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b>GENERAL PLANT</b>				
389.1	Land Rights	\$ 15,064	0.53%	\$ 80
390.1	Structures	75,180,666	2.52%	1,894,553
390.2	Clearing	10,385,225	3.10%	321,942
390.3	Structures and Improvements LH	13,961	0.00%	-
391.1	Office Furn., Mech. Equip.	12,989,700	4.24%	550,763
391.2	Office Machines	4,933,663	0.00%	-
391.3	Computers	3,793,122	39.11%	1,483,490
391.4	Information System	0	0.00%	-
391.5	Data Proc Smart Meters	6,987,711	20.34%	1,421,300
392	Transportation Equipment	939,907	3.90%	36,656
393	Stores Equipment	1,143,110	0.06%	686
394	Tools, Shop, & Garage Equipment	9,645,532	4.42%	426,333
395	Laboratory Equipment	2,383,668	0.00%	-
396	Power Operated Equipment	615,801	0.85%	5,234
397	Communications Equipment	19,047,195	2.88%	548,559
398	Miscellaneous Equipment	1,995,467	1.13%	22,549
	<b>TOTAL GENERAL PLANT</b>	<u>\$ 150,069,790</u>	4.47%	<u>\$ 6,712,145</u>
	<b>TOTAL</b>	<u>\$ 2,459,956,903</u>	2.90%	<u>\$ 71,309,536</u>

**Metropolitan Edison Company**  
 Accrual Expense after Adjustment-Claim Basis  
 Activity Updated from January 2016 to December 2016

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b><u>INTANGIBLE PLANT</u></b>				
303	Miscellaneous Intangible Plant	\$ 42,417,536	14.29%	\$ 6,061,466
303	Smart Meters	17,081,505	14.29%	2,440,947
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 59,499,042</b>	<b>14.29%</b>	<b>\$ 8,502,413</b>
<b><u>TRANSMISSION PLANT</u></b>				
TRANSMISSION PLANT				
350.12	Land Rights - subs	\$ -	1.81%	\$ -
350.12	Land Rights - lines	-	1.81%	-
352.1	Structures	-	1.74%	-
353	Station Equipment	-	2.13%	-
354	Towers and Fixtures	-	0.90%	-
355	Poles and Fixtures	-	1.79%	-
356.1	Overhead Conductors	-	1.82%	-
356.2	Clearing Costs	-	1.52%	-
358	Underground Conductors	-	3.23%	-
359	Roads & Trails	-	0.87%	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ -</b>		<b>\$ -</b>
<b><u>DISTRIBUTION PLANT</u></b>				
360.12	Land Rights - subs	\$ 611,087	1.29%	\$ 7,883
360.12	Land Rights - lines	28,320,720	1.29%	365,337
361.1	Structures	13,984,932	1.35%	188,797
362	Station Equipment	240,599,823	1.86%	4,475,157
364	Poles, Towers and Fixtures	381,924,883	2.01%	7,676,690
365	Overhead Conductors	416,169,148	2.61%	10,862,015
365.1	Clearing Costs	145,832,621	1.48%	2,158,323
366	Underground Conduit	31,093,126	1.97%	612,535
367	Underground Conductors	238,955,044	2.36%	5,639,339
368	Line Transformers	408,659,560	3.08%	12,586,714
369	Overhead Services	80,371,413	3.02%	2,427,217
369.1	Underground Services	106,007,311	1.78%	1,886,930
370	Meters	-	0.00%	-
370.1	Smart Meters non classified	28,259,291	6.67%	1,884,895
370.1	Smart Meters Residential	5,733,775	6.67%	382,443
370.1	Smart Meters Industrial	1,672	6.67%	112
370.1	Smart Meters Commercial	2,049,546	6.67%	136,705
370.1	Smart Meters Infra Structure	10,438	6.67%	696
370.2	Smart Grid Meters 10 yr	774,772	10.00%	77,477
371	Installed on Customer Premises	4,600,102	2.80%	128,803
373	Street Lighting & Signal Systems	14,187,959	4.86%	689,535
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 2,148,147,223</b>	<b>2.43%</b>	<b>\$ 52,187,603</b>

**Metropolitan Edison Company**  
 Accrual Expense after Adjustment-Claim Basis  
 Activity Updated from January 2016 to December 2016

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b><u>GENERAL PLANT</u></b>				
389.1	Land Rights	\$ 15,064	0.54%	\$ 81
390.1	Structures	75,153,581	2.81%	2,111,816
390.2	Clearing	10,385,225	3.59%	372,830
390.3	Structures and Improvements LH	13,961	0.00%	-
391.1	Office Furn., Mech. Equip.	12,989,700	2.23%	289,670
391.2	Office Machines	4,933,663	0.00%	-
391.3	Computers	3,793,122	23.73%	900,108
391.4	Information system	-	20.43%	-
391.5	Data Processing Smart Meters	6,315,238	13.03%	823,071
392	Transportation Equipment	939,907	4.12%	38,724
393	Stores Equipment	1,143,110	0.03%	343
394	Tools, Shop, & Garage Equipment	9,645,532	3.82%	368,459
395	Laboratory Equipment	2,383,668	0.00%	24
396	Power Operated Equipment	615,801	0.91%	5,604
397	Communications Equipment	18,350,022	2.41%	442,236
398	Miscellaneous Equipment	1,995,467	0.49%	9,778
	<b>TOTAL GENERAL PLANT</b>	<b>\$ 148,673,061</b>	<b>3.61%</b>	<b>\$ 5,362,744</b>
	<b>TOTAL</b>	<b>\$ 2,356,319,325</b>	<b>2.80%</b>	<b>\$ 66,052,760</b>

**Metropolitan Edison Company**  
 Accrual Expense after Adjustment-Claim Basis  
 At Historical Year from January 2015 to December 2015

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b><u>INTANGIBLE PLANT</u></b>				
303	Miscellaneous Intangible Plant	\$ 38,754,311	14.29%	\$ 5,537,991
303	Smart Meters	12,907,358	14.29%	1,844,462
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 51,661,670</b>	<b>14.29%</b>	<b>\$ 7,382,453</b>
<b><u>TRANSMISSION PLANT</u></b>				
TRANSMISSION PLANT				
350.12	Land Rights- subs	\$ -	1.83%	\$ -
350.12	Land Rights- lines	-	1.83%	-
352.1	Structures	-	1.76%	-
353	Station Equipment	-	2.13%	-
354	Towers and Fixtures	-	0.91%	-
355	Poles and Fixtures	-	1.87%	-
356.1	Overhead Conductors	-	1.63%	-
356.2	Clearing Costs	-	1.50%	-
358	Underground Conductors	-	3.33%	-
359	Roads & Trails	-	0.89%	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ -</b>		<b>\$ -</b>
<b><u>DISTRIBUTION PLANT</u></b>				
360.12	Land Rights-subs	\$ 611,087	1.30%	\$ 7,944
360.12	Land Rights-lines	28,320,720	1.30%	368,169
361.1	Structures	13,984,932	1.36%	190,195
362	Station Equipment	232,173,269	1.86%	4,318,423
364	Poles, Towers and Fixtures	371,251,411	2.04%	7,573,529
365	Overhead Conductors	392,187,984	2.67%	10,471,419
365.1	Clearing Costs	145,832,621	1.48%	2,158,323
366	Underground Conduit	31,093,126	2.01%	624,972
367	Underground Conductors	226,219,407	2.36%	5,338,778
368	Line Transformers	408,659,560	3.15%	12,872,776
369	Overhead Services	69,714,325	3.14%	2,189,030
369.1	Underground Services	104,266,410	1.80%	1,876,795
370	Meters	-	0.00%	-
370.1	Smart Meters non classified	3,431,693	6.67%	228,894
370.1	Smart Meters Residential	5,733,775	6.67%	382,443
370.1	Smart Meters Industrial	1,672	6.67%	112
370.1	Smart Meters Commercial	2,049,546	6.67%	136,705
370.1	Smart Meters Infra Structure	10,438	6.67%	696
370.2	Smart Grid Meters 10 yr	774,772	10.00%	77,477
371	Installed on Customer Premises	4,600,102	3.18%	146,283
373	Street Lighting & Signal Systems	13,540,863	5.13%	694,646
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 2,054,457,713</b>	<b>2.42%</b>	<b>\$ 49,657,609</b>

**Metropolitan Edison Company**  
 Accrual Expense after Adjustment-Claim Basis  
 At Historical Year from January 2015 to December 2015

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b>GENERAL PLANT</b>				
389.1	Land Rights	\$ 15,064	0.55%	\$ 83
390.1	Structures	72,699,466	2.74%	1,991,965
390.2	Clearing	10,385,225	3.81%	395,677
390.3	Structures and Improvements LH	13,961	0.00%	-
391.1	Office Furn., Mech. Equip.	12,989,700	1.27%	164,969
391.2	Office Machines	4,933,663	0.00%	-
391.3	Computers	3,793,122	39.61%	1,502,456
391.4	Information System	-	0.00%	-
391.5	Data Proc Smart Meters	4,053,461	20.00%	810,692
392	Transportation Equipment	939,907	4.30%	40,416
393	Stores Equipment	1,143,110	0.02%	229
394	Tools, Shop, & Garage Equipment	9,645,532	3.03%	292,260
395	Laboratory Equipment	2,383,668	0.00%	-
396	Power Operated Equipment	615,801	0.98%	6,035
397	Communications Equipment	17,551,250	2.36%	414,210
398	Miscellaneous Equipment	1,995,467	0.17%	3,392
	<b>TOTAL GENERAL PLANT</b>	<u>\$ 143,158,396</u>	3.93%	<u>\$ 5,622,384</u>
	<b>TOTAL</b>	<u>\$ 2,249,277,778</u>	2.79%	<u>\$ 62,662,446</u>

**Metropolitan Edison Company**  
 Accrual Expense after Adjustment-Claim Basis  
 At Future Year from May 2015 to April 2016

Acct No	Description	Adjusted Depreciable Base	Accrual Rate Ave Remaining Life Basis	Accrual Expense Amount
		(1)	(2)	(3)
<b><u>INTANGIBLE PLANT</u></b>				
303	Miscellaneous Intangible Plant	\$ 48,183,564	12.86%	\$ 6,196,406
303	Smart Meters	13,103,518	14.29%	1,872,493
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 61,287,082</b>	<b>13.17%</b>	<b>\$ 8,068,899</b>
<b><u>TRANSMISSION PLANT</u></b>				
	<b>TRANSMISSION PLANT</b>			
350.12	Land Rights- subs	\$ -	1.50%	\$ -
350.22	Land Rights- lines	-	1.50%	-
352.1	Structures	-	1.84%	-
352.2	Clearing Costs	-	1.84%	-
353	Station Equipment	-	1.68%	-
354	Towers and Fixtures	-	1.16%	-
355	Poles and Fixtures	-	1.46%	-
3356.1	Overhead Conductors	-	1.32%	-
356.2	Clearing Costs	-	1.23%	-
358	Underground Conductors	-	2.51%	-
359	Roads & Trails	-	2.25%	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ -</b>		<b>\$ -</b>
<b><u>DISTRIBUTION PLANT</u></b>				
360.12	Land Rights-subs	\$ 611,470	1.47%	\$ 8,989
360.22	Land Rights-lines	28,320,720	1.47%	
361.1	Structures	12,746,076	2.43%	309,730
361.2	Clearing Costs	366,045	2.43%	
362	Station Equipment	216,797,725	1.56%	3,382,045
364	Poles, Towers and Fixtures	354,210,686	1.32%	4,675,581
365	Overhead Conductors	368,193,014	1.71%	6,296,101
365.1	Clearing Costs	131,739,866	1.52%	2,002,446
366	Underground Conduit	30,296,760	1.74%	527,164
367	Underground Conductors	203,212,529	2.85%	5,791,557
368	Line Transformers	502,265,379	2.14%	10,748,479
369	Overhead Services	71,066,339	2.28%	1,620,313
369.1	Underground Services	98,458,792	2.23%	2,195,631
370	Meters	0	4.19%	0
370.1	Smart Meters	11,620,142	6.67%	775,063
371	Installed on Customer Premises	4,519,593	3.19%	144,175
373	Street Lighting & Signal Systems	12,289,135	2.77%	340,409
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 2,046,714,271</b>	<b>1.90%</b>	<b>\$ 38,817,683</b>



**Metropolitan Edison Company**  
 Accrual Expense after Adjustment-Claim Basis  
 At Future Year from May 2015 to April 2016

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
	<b>GENERAL PLANT</b>			
389.1	Land Rights	\$ 15,050	2.21%	\$ 333
390.1	Structures	72,817,578	2.45%	1,784,031
390.2	Clearing	10,378,180	3.52%	365,312
390.3	Structures and Improvements LH	13,948	3.52%	491
391.1	Office Furniture & Equipment	13,845,120	4.12%	570,419
391.15	Office Machines	4,928,927	0.00%	0
391.2	Data Processing	3,851,932	6.72%	258,850
391.25	Data Processing Smart Meters	9,299,254	20.00%	1,859,851
391.25	Information Systems	(9,772)	13.03%	(1,273)
392	Transportation	4,316,320	4.76%	205,457
393	Stores Equipment	1,175,009	0.88%	10,340
394	Tools, Shop, & Garage Equipment	9,750,097	4.19%	408,529
395	Laboratory Equipment	2,537,197	0.00%	25
396	Power Operated Equipment	625,755	1.72%	10,763
397	Communications Equipment	15,990,851	3.01%	481,325
398	Miscellaneous Equipment	2,153,311	1.84%	39,621
	<b>TOTAL GENERAL PLANT</b>	<u>\$ 151,688,757</u>	3.95%	<u>\$ 5,994,074</u>
	<b>TOTAL</b>	<u>\$ 2,259,690,109</u>	2.34%	<u>\$ 52,880,656</u>

**Metropolitan Edison Company**  
Accrual Expense after Adjustment-Claim Basis  
At Future Year from April 2014 to March 2015

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b><u>INTANGIBLE PLANT</u></b>				
303	Miscellaneous Intangible Plant	\$ 34,634,219	12.86%	\$ 4,453,961
303	Smart Meters	2,159,907	14.29%	308,651
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 36,794,126</b>	<b>12.94%</b>	<b>\$ 4,762,612</b>
<b><u>TRANSMISSION PLANT</u></b>				
TRANSMISSION PLANT				
350.12	Land Rights- subs	\$ -	1.50%	\$ -
350.22	Land Rights- lines	-	1.50%	-
352.1	Structures	-	1.84%	-
352.2	Clearing Costs	-	1.84%	-
353	Station Equipment	-	1.68%	-
354	Towers and Fixtures	-	1.16%	-
355	Poles and Fixtures	-	1.46%	-
3356.1	Overhead Conductors	-	1.32%	-
356.2	Clearing Costs	-	1.23%	-
358	Underground Conductors	-	2.51%	-
359	Roads & Trails	-	2.25%	-
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ -</b>		<b>\$ -</b>
<b><u>DISTRIBUTION PLANT</u></b>				
360.12	Land Rights-subs	\$ 611,470	1.47%	\$ 8,989
360.22	Land Rights-lines	28,320,720	1.47%	
361.1	Structures	12,746,076	2.43%	309,730
361.2	Clearing Costs	366,045	2.43%	
362	Station Equipment	212,972,648	1.56%	3,322,373
364	Poles, Towers and Fixtures	354,210,686	1.32%	4,675,581
365	Overhead Conductors	368,193,014	1.71%	6,296,101
365.1	Clearing Costs	131,739,866	1.52%	2,002,446
366	Underground Conduit	30,296,760	1.74%	527,164
367	Underground Conductors	203,212,529	2.85%	5,791,557
368	Line Transformers	450,297,576	2.14%	9,636,368
369	Overhead Services	71,066,339	2.28%	1,620,313
369.1	Underground Services	98,458,792	2.23%	2,195,631
370	Meters	0	4.19%	0
370.1	Smart Meters	2,241,360	6.67%	149,499
371	Installed on Customer Premises	4,519,593	3.19%	144,175
373	Street Lighting & Signal Systems	12,289,135	2.77%	340,409
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 1,981,542,609</b>	<b>1.87%</b>	<b>\$ 37,020,336</b>

**Metropolitan Edison Company**  
Accrual Expense after Adjustment-Claim Basis  
At Future Year from April 2014 to March 2015

Acct No	Description	Adjusted Depreciable Base	Accrual Rate Ave Remaining Life Basis	Accrual Expense Amount
		(1)	(2)	(3)
<b><u>GENERAL PLANT</u></b>				
389.1	Land Rights	\$ 15,050	2.21%	\$ 333
390.1	Structures	72,817,247	2.45%	1,784,023
390.2	Clearing	10,378,180	3.52%	365,312
390.3	Structures and Improvements LH	13,948	3.52%	491
391.1	Office Furniture & Equipment	13,845,120	4.12%	570,419
391.15	Office Machines	4,928,927	0.00%	0
391.2	Data Processing	3,851,932	6.72%	258,850
391.25	Data Processing Smart Meters	6,355,799	20.00%	1,271,160
391.25	Information Systems	(9,772)	13.03%	(1,273)
392	Transportation	3,521,048	4.76%	167,602
393	Stores Equipment	1,175,009	0.88%	10,340
394	Tools, Shop, & Garage Equipment	9,750,097	4.19%	408,529
395	Laboratory Equipment	2,537,197	0.00%	25
396	Power Operated Equipment	625,755	1.72%	10,763
397	Communications Equipment	15,990,851	3.01%	481,325
398	Miscellaneous Equipment	2,153,311	1.84%	39,621
	<b>TOTAL GENERAL PLANT</b>	<u>\$ 147,949,698</u>	3.63%	<u>\$ 5,367,520</u>
	<b>TOTAL</b>	<u>\$ 2,166,286,433</u>	2.18%	<u>\$ 47,150,468</u>

**Metropolitan Edison Company**  
Accrual Expense after Adjustment-Claim Basis  
At Future Year from April 2013 to March 2014

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b><u>INTANGIBLE PLANT</u></b>				
303	Miscellaneous Intangible Plant	\$ 32,197,158	13.85%	\$ 4,459,306
303	Smart Meters	0	14.29%	0
	<b>TOTAL INTANGIBLE PLANT</b>	<b>\$ 32,197,158</b>	<b>13.85%</b>	<b>\$ 4,459,306</b>
<b><u>TRANSMISSION PLANT</u></b>				
<b>TRANSMISSION PLANT</b>				
350.12	Land Rights- subs	\$ -	1.50%	\$ -
350.22	Land Rights- lines	0	1.50%	
352.1	Structures	0	1.83%	0
352.2	Clearing Costs	0	1.83%	
353	Station Equipment	0	1.66%	0
354	Towers and Fixtures	0	1.19%	0
355	Poles and Fixtures	0	1.43%	0
356.1	Overhead Conductors	0	1.29%	0
356.2	Clearing Costs	0	1.23%	0
358	Underground Conductors	0	2.46%	0
359	Roads & Trails	0	2.25%	0
	<b>TOTAL TRANSMISSION PLANT</b>	<b>\$ -</b>		<b>\$ -</b>
<b><u>DISTRIBUTION PLANT</u></b>				
360.12	Land Rights-subs	\$ 611,470	1.47%	\$ 8,989
360.22	Land Rights-lines	28,320,720	1.47%	
361.1	Structures	12,746,076	2.46%	313,553
361.2	Clearing Costs	366,045	2.46%	
362	Station Equipment	203,494,152	1.54%	3,133,810
364	Poles, Towers and Fixtures	354,210,686	1.35%	4,781,844
365	Overhead Conductors	368,193,014	1.67%	6,148,823
365.1	Clearing Costs	131,739,866	1.53%	2,015,620
366	Underground Conduit	30,296,760	1.75%	530,193
367	Underground Conductors	203,212,529	2.85%	5,791,557
368	Line Transformers	392,737,933	2.14%	8,404,592
369	Overhead Services	71,066,339	2.30%	1,634,526
369.1	Underground Services	98,458,792	2.25%	2,215,323
370	Meters	-	4.07%	-
370.1	Smart Meters	1,554,367	6.67%	103,676
371	Installed on Customer Premises	4,519,593	3.23%	145,983
373	Street Lighting & Signal Systems	12,289,135	2.61%	320,746
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>\$ 1,913,817,477</b>	<b>1.86%</b>	<b>\$ 35,549,235</b>

**Metropolitan Edison Company**  
Accrual Expense after Adjustment-Claim Basis  
At Future Year from April 2013 to March 2014

Acct No	Description	Adjusted Depreciable Base (1)	Accrual Rate Ave Remaining Life Basis (2)	Accrual Expense Amount (3)
<b><u>GENERAL PLANT</u></b>				
389.1	Land Rights	\$ 15,050	2.25%	\$ 339
390.1	Structures	71,376,932	2.76%	1,970,003
390.2	Clearing	10,378,180	2.76%	286,438
390.3	Structures and Improvements LH	13,948	2.76%	385
391.1	Office Furniture & Equipment	13,845,120	5.99%	829,323
391.15	Office Machines	4,928,927	5.99%	295,243
391.2	Data Processing	3,851,932	5.99%	230,731
391.25	Data Processing Smart Meters	902,575	20.00%	180,515
391.25	Information Systems	(9,772)	5.99%	(585)
392	Transportation	888,253	5.98%	53,118
393	Stores Equipment	1,175,009	2.17%	25,498
394	Tools, Shop, & Garage Equipment	9,750,097	4.39%	428,029
395	Laboratory Equipment	2,537,197	0.02%	507
396	Power Operated Equipment	625,755	0.56%	3,504
397	Communications Equipment	15,990,851	2.86%	457,338
398	Miscellaneous Equipment	2,153,311	2.39%	51,464
	<b>TOTAL GENERAL PLANT</b>	<b>\$ 138,423,365</b>	<b>3.48%</b>	<b>\$ 4,811,850</b>
	<b>TOTAL</b>	<b>\$ 2,084,438,000</b>	<b>2.15%</b>	<b>\$ 44,820,391</b>

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT VI-A:

“Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

A. Balance sheet in the form available.”

RESPONSE:

See Met-Ed Exhibit RAD-54 Attachment A.



**Metropolitan Edison Company  
Balance Sheet**

FERC Account	Assets and Other Debits	December 31,			
		2017	2016	2015	2014
		<i>(In thousands)</i>			
	<b>Utility Plant</b>				
101-107	Total electric utility plant at original cost	\$ 2,646,753	\$ 2,964,746	\$ 2,840,090	\$ 2,818,883
108-110	Less: Accum. Provision for depreciation	887,576	987,782	941,378	918,210
120.1-120.4	Nuclear plant	-	-	-	-
120.5	Less: accum. provision for amortization of nuclear fuel	-	-	-	-
	Net utility plant	1,759,178	1,976,964	1,898,712	1,900,674
	<b>Other Property and Investments</b>				
121	Non-utility property	1,224	1,224	1,224	1,224
122	Prov. for depreciation of non-utility prop.	560	542	524	506
123.1	Investments in subsidiary companies	298,680	-	-	-
124	Other investments	35	35	35	55
125-8	Special funds	324,938	324,938	324,938	337,464
	Total other property and investments	624,317	325,654	325,672	338,238
	<b>Current and Accrued Assets</b>				
131	Cash	-	-	-	-
132-134	Special deposits	158	158	158	158
135	Working funds	-	-	-	-
136	Temporary cash investments	-	-	-	-
142	Customer accounts receivable	95,729	104,950	105,403	91,387
143	Other accounts receivable	6,757	6,757	6,771	6,475
144	Accum. provision for uncollectible accts	(9,223)	(9,223)	(9,223)	(7,847)
145	Notes receivable from associated companies	-	-	-	-
146	Receivables from associated companies	25,361	25,361	25,361	26,247
151	Fuel stock	-	-	-	-
154-163	Plant materials and operating supplies-electric	-	-	-	-
165	Prepayments	8,126	8,126	8,126	7,722
171	Interest and dividends receivable	-	-	-	-
172	Rents receivable	6,332	6,332	6,332	11,379
173	Accrued utility revenues	38,517	38,517	38,517	42,916
174	Misc. current and accrued assets	-	-	-	23
	Total current and accrued assets	171,758	180,978	181,445	178,460
	<b>Deferred Debits</b>				
181	Unamortized debt expense	2,992	3,679	4,366	5,053
182	Other regulatory assets	233,612	244,928	275,329	254,956
183	Preliminary survey and investigation charges	11,020	11,020	1,020	109
184	Clearing accounts	69	69	69	57
185	Temporary facilities	998	480	75	646
186	Miscellaneous deferred debits	326,660	423,161	423,863	425,664
188	Research and development expenditures	37	37	37	364
189	Unamortized loss on reacquired debt	1,349	1,575	1,802	2,050
190	Accumulated deferred income taxes	506,608	516,796	543,220	488,778
	Total deferred debits	1,083,346	1,201,745	1,249,781	1,177,678
	<b>Total assets and other debits</b>	<b>\$ 3,638,598</b>	<b>\$ 3,685,341</b>	<b>\$ 3,655,610</b>	<b>\$ 3,595,049</b>



Metropolitan Edison Company  
Balance Sheet

FERC Account	Liabilities and Other Credits	December 31,			
		2017	2016	2015	2014
		<i>(In thousands)</i>			
	<b>Proprietary Capital</b>				
201	Common stock issued	\$ 790,210	\$ 790,210	\$ 790,210	\$ 804,229
204	Preferred stock issued	-	-	-	-
207	Premium on capital stock	-	-	-	-
208	Other paid in capital	1,370	685	-	-
210	Gain on resale or cancellation of reacquired capital stock	-	-	-	-
214	Capital stock expense	-	-	-	-
216	Retained earnings	54,443	30,892	(992)	(25,415)
216.1	Unappropriated Undistributed Subsidiary Earnings	-	-	-	-
219	Accumulated other comprehensive income	3,961	6,046	8,131	13,949
	Total proprietary capital	849,984	827,833	797,349	792,762
	<b>Long-Term Debt</b>				
221	Bonds	-	-	-	-
224	Other long-term debt	850,000	850,000	850,000	850,000
225	Unamortized premium on long-term debt	-	-	-	-
226	Less: Unamortized discount on long-term debt	684	790	896	1,002
	Total long-term debt	849,316	849,210	849,104	848,998
227-230	<b>Other Non-Current Liabilities</b>	336,321	328,225	360,030	352,395
	<b>Current and Accrued Liabilities</b>				
231	Notes payable	-	-	-	-
232	Accounts payable	48,244	58,250	53,797	44,479
233	Notes payable to associated companies	74,185	70,942	53,836	33,470
234	Accounts payable to associated companies	9,072	8,148	8,365	24,349
235	Customer deposits	25,476	25,476	25,476	26,693
236	Taxes accrued	17,402	21,161	8,928	14,338
237	Interest accrued	16,767	16,767	16,767	20,132
238	Dividends declared	-	-	-	-
241	Tax collections payable	509	509	509	322
242	Misc. current and accrued liabilities	30,144	29,033	29,149	34,955
243	Oblig. under capital leases-current	3,144	3,144	3,144	3,058
	Total current and accrued liabilities	224,943	233,431	199,971	201,795
	<b>Deferred Credits</b>				
252	Customer advances for construction	-	-	-	561
253	Other deferred credits	181,558	184,722	187,765	182,183
254	Other regulatory liabilities	192,138	192,369	192,599	220,707
255	Accum. deferred investment tax credits	4,255	4,580	4,905	5,278
256	Deferred gains on disposition of plant	-	-	-	-
257	Unamortized gain on reacquired debt	727	871	1,015	1,158
	Total deferred credits	378,679	382,542	386,285	409,887
	<b>Accumulated Deferred Income Taxes</b>				
282	Other property	599,867	663,795	648,837	634,009
283	Other	399,488	400,306	414,033	355,203
	Total accum. deferred income taxes	999,355	1,064,101	1,062,870	989,212
	<b>Total liabilities and other credits</b>	<b>\$ 3,638,598</b>	<b>\$ 3,685,341</b>	<b>\$ 3,655,610</b>	<b>\$ 3,595,049</b>

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT VI-B:

“Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

B. Statement of income.”

RESPONSE:

See Met-Ed Exhibit RAD-55 Attachment A.



**Metropolitan Edison Company  
Comparative Income Statements**

FERC Account	December 31,				
	2017	2016	2015	2014	
<i>(In thousands)</i>					
<b>Operating Revenues</b>					
<b>Electric Service Revenues</b>					
440	Residential sales	\$ 561,736	\$ 580,850	\$ 573,644	\$ 522,375
442	Commercial sales	135,684	141,673	142,828	124,183
442	Industrial sales	48,396	58,114	57,931	44,533
444	Public street and highway lighting	5,769	5,885	5,590	4,624
445	Other sales to public authorities	-	-	-	-
447	Sale for resale	249	5,589	17,282	25,579
	Total electric service revenues	<u>\$ 751,833</u>	<u>\$ 792,112</u>	<u>\$ 797,275</u>	<u>\$ 721,294</u>
<b>Other Electric Revenue</b>					
450	Forfeited discounts	\$ 3,229	\$ 3,537	\$ 3,740	\$ 3,551
451	Miscellaneous service revenues	1,903	2,022	2,053	4,062
454	Rent from electric property	13,399	19,290	18,126	20,979
456	Other electric revenues	2,793	47,067	46,225	48,161
	Total other electric revenues	<u>\$ 21,323</u>	<u>\$ 71,917</u>	<u>\$ 70,144</u>	<u>\$ 76,752</u>
	Total operating revenues	<u>\$ 773,157</u>	<u>\$ 864,029</u>	<u>\$ 867,419</u>	<u>\$ 798,046</u>
<b>Operating Expenses</b>					
401-2	Operation and maintenance expense				
	Power production expenses	\$ 328,115	\$ 340,519	\$ 362,843	\$ 352,565
	Transmission expenses	17,592	29,643	23,436	24,267
	Regional market expenses	-	-	21	37
	Distribution expenses	45,331	37,565	39,665	51,433
	Customer accounts expense	33,118	30,941	30,405	25,745
	Customer service & information expense	42,665	40,400	34,512	35,919
	Sales expenses	93	92	39	29
	Administrative & general expenses	42,416	46,303	49,373	75,295
	Subtotal	<u>\$ 509,329</u>	<u>\$ 525,463</u>	<u>\$ 540,294</u>	<u>\$ 565,290</u>
403	Depreciation expense	\$ 55,272	\$ 61,345	\$ 63,912	\$ 64,533
404-5	Amortization and depletion of utility plant	9,334	6,964	3,801	2,459
406	Amortization and utility plant acq. adjustment	-	-	-	-
407	Amortization of property losses	-	-	-	-
407.3	Regulatory debits	27,324	54,493	51,213	22,810
407.4	Regulatory credits	(16,784)	(17,651)	(11,296)	(20,848)
408.1	Taxes other than income taxes	48,502	50,557	53,751	47,692
411.1	Accretion expense	-	-	(433)	61
411.8	Gains from disposition allowance	-	-	-	-
	Total operating expenses before federal and state income taxes	<u>\$ 632,976</u>	<u>\$ 681,171</u>	<u>\$ 701,243</u>	<u>\$ 681,998</u>
	Net operating income before income taxes	<u>\$ 140,181</u>	<u>\$ 182,857</u>	<u>\$ 166,176</u>	<u>\$ 116,048</u>
<b>Income taxes</b>					
409.1	Income taxes-federal	\$ 11,672	\$ 21,850	\$ 14,912	\$ 22,767
409.1	Income taxes-state	4,455	8,539	9,133	7,363
410.1	Provision for deferred income taxes-federal	17,969	22,344	212,758	110,071
410.1	Provision for deferred income taxes-state	4,932	5,462	47,585	20,634
411.1	Income taxes deferred in prior years-cr.	-	-	(235,100)	(136,420)
411.4	Investment tax credit adjustments-net	(372)	(372)	(372)	(325)
	Total income taxes	<u>\$ 38,656</u>	<u>\$ 57,823</u>	<u>\$ 48,916</u>	<u>\$ 24,090</u>
	Net operating income	<u>\$ 101,525</u>	<u>\$ 125,034</u>	<u>\$ 117,259</u>	<u>\$ 91,959</u>

**Metropolitan Edison Company**  
**Comparative Income Statements**

FERC Account	December 31,				
	2017	2016	2015	2014	
	<i>(In thousands)</i>				
<b>Other income</b>					
415-16	Revenues from merchandising, jobbing and contract work	\$ 2,496	\$ 3,482	\$ 1,106	\$ 1,729
417	Revenues from non-utility operations			-	-
417.1	Expenses from non-utility operations			-	-
418	Nonoperating rental income	(18)	(18)	(18)	(17)
418.1	Equity in earnings of subsidiary companies	18,694		-	-
419	Interest and dividend income	2,271	2,271	13	135
419.1	Allowance for funds used during construction	162	235	525	396
421	Miscellaneous non-operating income	1,740	2,708	3,185	2,036
421.1	Gain on disposition of property	-	-	-	-
	Total other income	\$ 25,346	\$ 8,679	\$ 4,811	\$ 4,279
	Gross income	\$ 126,871	\$ 133,714	\$ 122,071	\$ 96,237
<b>Other Income Deductions</b>					
421.2	Loss on disposition of property	\$ -	\$ -	\$ 955	\$ -
425	Miscellaneous amortization	-	-	-	-
426	Other income deductions	104	109	229	8
	Total other income deductions	\$ 104	\$ 109	\$ 1,185	\$ 8
<b>Taxes Applicable to Other Income and Deductions</b>					
408.2	Taxes other than income taxes	\$ -	\$ -	\$ -	\$ -
409.2	Income taxes - federal	-	-	1,022	1,256
409.2	Income taxes - state	-	-	324	398
410.2	Provision for deferred income taxes	-	-	342	15
411.2	Provision for deferred income taxes-cr.	-	-	(190)	(28)
	Total taxes on other income and deductions	\$ -	\$ -	\$ 1,498	\$ 1,641
<b>Interest Charges</b>					
427	Interest on long term debt	\$ 43,630	\$ 43,628	\$ 43,580	\$ 41,135
428	Amortization of debt discount and expense	792	792	793	721
428.1	Amortization of loss on reacquired debt	227	227	247	2,068
429	Amortization of premium on debt credit	-	-	-	-
429.1	Amortization of gain on reacquired debt	(144)	(144)	(144)	(161)
430	Interest on debt to associated companies	3,059	1,770	3,080	2,791
431	Other interest expense	5,928	5,826	3,099	4,789
432	Allowance for borrowed funds used during construction - credit	(226)	(328)	(692)	(930)
	Total interest charges	\$ 53,267	\$ 51,771	\$ 49,965	\$ 50,413
	Income before extraordinary items	\$ 73,500	\$ 81,833	\$ 69,423	\$ 44,175
<b>Extraordinary Items &amp; Related Taxes</b>					
434	Extraordinary income	\$ -	\$ -	\$ -	\$ -
435	Extraordinary deductions	-	-	-	-
409.3	Income taxes - Federal & other	-	-	-	-
	Extraordinary items after taxes	\$ -	\$ -	\$ -	\$ -

**Metropolitan Edison Company  
Comparative Income Statements**

FERC Account	December 31,			
	2017	2016	2015	2014
Net income	\$ 73,500	\$ 81,833	\$ 69,423	\$ 44,175
<b>Power Production Expenses</b>				
<b>Steam Power Generation</b>				
Operation				
501 Fuel	\$ -	\$ -	\$ -	\$ -
514 Maintenance of miscellaneous steam plant	4,100	2,600	357	375
Total operation	\$ 4,100	\$ 2,600	\$ 357	\$ 375
Total steam power generation	\$ 4,100	\$ 2,600	\$ 357	\$ 375
<b>Nuclear Power Generation</b>				
Operation				
518 Fuel	\$ -	\$ -	\$ -	\$ -
Miscellaneous nuclear power expenses	-	-	-	-
Total operation	\$ -	\$ -	\$ -	\$ -
Total nuclear power generation	\$ -	\$ -	\$ -	\$ -
<b>Other Power Generation</b>				
Operation				
549 Miscellaneous other power generation expenses	-	-	-	-
Total operation	\$ -	\$ -	\$ -	\$ -
Total other power generation	\$ -	\$ -	\$ -	\$ -
<b>Other Power Supply Expenses</b>				
555 Purchased Power	\$ 323,881	\$ 342,223	\$ 375,918	\$ 358,296
556 System control and load dispatching	-	-	-	-
557 Other expenses	133	(4,303)	(13,432)	(6,106)
Total other power supply expenses	\$ 324,015	\$ 337,919	\$ 362,486	\$ 352,190
Total power production expenses	\$ 328,115	\$ 340,519	\$ 362,843	\$ 352,565
<b>Transmission Expenses</b>				
Operation				
560 Operation supervision and engineering	\$ 23	\$ 22	\$ 39	\$ 15
561 Load dispatching	1,155	1,374	612	694
562 Station expenses	-	-	37	24
563 Overhead lines expense	33	33	38	21
564 Underground lines expenses	-	-	-	-
565 Transmission of electricity by others	13,861	15,330	13,767	14,757
566 Miscellaneous transmission expenses	728	903	418	676
567 Rents	-	1,112	1,037	724
Total operation	\$ 15,799	\$ 18,774	\$ 15,948	\$ 16,910
Maintenance				
568 Maintenance supervision and engineering	\$ 995	\$ 1,030	\$ 845	\$ 770
569 Maintenance of structures	59	466	339	298
570 Maintenance of station equipment	234	1,712	2,036	1,705
571 Maintenance of overhead lines	-	7,097	3,964	4,388
572 Maintenance of underground lines	-	-	-	0
573 Maintenance of miscellaneous transmission plant	505	564	304	196
Total maintenance	\$ 1,793	\$ 10,869	\$ 7,489	\$ 7,357
Total transmission expenses	\$ 17,592	\$ 29,643	\$ 23,436	\$ 24,267

**Metropolitan Edison Company  
 Comparative Income Statements**

FERC Account	December 31,				
	2017	2016	2015	2014	
<i>(In thousands)</i>					
<b>Regional Market Expenses</b>					
Operation					
575	Operation-regional market expense	\$ -	\$ -	\$ 21	\$ 37
	Total operation	\$ -	\$ -	\$ 21	\$ 37
Maintenance					
576	Maintenance-regional market expense	\$ -	\$ -	\$ -	\$ -
	Total maintenance	\$ -	\$ -	\$ -	\$ -
	Total regional market expenses	\$ -	\$ -	\$ 21	\$ 37
<b>Distribution Expenses</b>					
Operation					
580	Operation supervision and engineering	\$ 374	\$ 265	\$ 123	\$ 82
581	Load dispatching	342	286	234	271
582	Station expenses	678	869	852	858
583	Overhead lines expense	2,037	37	53	18
584	Underground lines expenses	576	576	(185)	752
585	Street lighting and signal system expenses	-	-	-	-
586	Meter expenses	564	576	554	542
587	Customer installation expenses	-	-	-	-
588	Miscellaneous expenses	5,320	6,205	6,416	5,822
589	Rents	541	541	537	563
	Total operation	\$ 10,432	\$ 9,357	\$ 8,584	\$ 8,909
Maintenance					
590	Maintenance supervision and engineering	\$ 364	\$ 345	\$ 485	\$ 290
591	Maintenance of structures	20	12	12	13
592	Maintenance of station equipment	7,237	4,399	3,682	2,628
593	Maintenance of overhead lines	22,423	17,177	19,276	33,881
594	Maintenance of underground lines	2,123	1,658	2,081	1,623
595	Maintenance of line transformers	269	262	178	0
596	Maintenance of street lighting and signal systems	259	251	911	601
597	Maintenance of meters	1,570	1,554	2,255	1,798
598	Maintenance of miscellaneous distribution plant	632	2,552	2,201	1,690
	Total maintenance	\$ 34,899	\$ 28,209	\$ 31,080	\$ 42,524
	Total distribution expenses	\$ 45,331	\$ 37,565	\$ 39,665	\$ 51,433
<b>Customer Account Expenses</b>					
Operation					
901	Supervision	\$ -	\$ -	\$ 0	\$ 1
902	Meter reading expenses	5,673	5,772	5,244	4,352
903	Customer records and collection expenses	5,924	6,347	6,816	6,390
904	Uncollectible accounts	19,733	18,190	17,817	14,788
905	Miscellaneous customer accounts expense	1,789	631	528	213
	Total customer accounts expense	\$ 33,118	\$ 30,941	\$ 30,405	\$ 25,745

**Metropolitan Edison Company  
 Comparative Income Statements**

FERC Account	December 31,				
	2017	2016	2015	2014	
<i>(In thousands)</i>					
<b>Customer Service and Informational Expenses</b>					
Operation					
907	Supervision	\$ 332	\$ 322	\$ 298	\$ 237
908	Customer assistance expenses	36,650	34,509	28,870	30,306
909	Informational and instructional expenses	130	30	9	0
910	Miscellaneous customer service and informational expenses	5,553	5,538	5,335	5,376
	Total customer service and informational expense	<u>\$ 42,665</u>	<u>\$ 40,400</u>	<u>\$ 34,512</u>	<u>\$ 35,919</u>
<b>Sales Expenses</b>					
Operation					
911	Supervision	\$ 68	\$ 67	\$ 11	\$ -
912	Demonstrating and selling expenses	-	-	-	-
913	Advertising expenses	25	25	28	29
916	Miscellaneous sales expenses	-	-	-	-
	Total sales expenses	<u>\$ 93</u>	<u>\$ 92</u>	<u>\$ 39</u>	<u>\$ 29</u>
<b>Administrative and general expenses</b>					
Operation					
920	Administrative and general salaries	\$ (749)	\$ (524)	\$ 310	\$ 1,252
921	Office supplies and expense	3,354	2,623	2,227	2,760
922	Administrative expenses transferred-credit	-	-	(8,117)	(5,779)
923	Outside services employed	33,007	35,668	36,111	34,691
924	Property insurance	271	281	230	192
925	Injuries and damages	1,364	1,474	1,559	926
926	Employee pensions and benefits	88	762	11,244	34,234
927	Franchise requirements	-	-	-	-
928	Regulatory commission expenses	2,613	2,920	2,734	2,600
929	Duplicate charges - credit	-	-	-	-
930.1	General advertising expenses	189	178	146	42
930.2	Miscellaneous general expenses	695	1,365	778	1,647
931	Rents	282	129	245	1,541
	Total administrative and general expenses	<u>\$ 41,113</u>	<u>\$ 44,876</u>	<u>\$ 47,468</u>	<u>\$ 74,107</u>
Maintenance					
935	Maintenance and general plant	\$ 1,303	\$ 1,426	\$ 1,905	\$ 1,188
	Total maintenance	<u>\$ 1,303</u>	<u>\$ 1,426</u>	<u>\$ 1,905</u>	<u>\$ 1,188</u>
	Total administrative and general expenses	<u>\$ 42,416</u>	<u>\$ 46,303</u>	<u>\$ 49,373</u>	<u>\$ 75,295</u>
	Total electric operation and maintenance expenses	<u>\$ 509,329</u>	<u>\$ 525,463</u>	<u>\$ 540,294</u>	<u>\$ 565,290</u>





METROPOLITAN EDISON COMPANY

FILING REQUIREMENT VI-C:

“Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

C. Plant in service.”

RESPONSE:

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7, Exhibit JJS-13.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT VI-D:

“Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

D. Accumulated depreciation.”

RESPONSE:

See the direct testimony and exhibits of John J. Spanos in Met-Ed Statement No. 7, Exhibit JJS-14.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT I-A-4:

“Whenever a major generating plant is placed in operating service or removed from operating service the utility shall separately indicate the effect of the plant addition or removal from service upon rate base, revenue, expense, tax, income and revenue requirement as it affects the test year.”

RESPONSE:

This base rate case filing requirement is not applicable to the Company's filing.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT I-B-2:

“Provide a description of the property of the utility and an explanation of the system’s operation, and supply the following, using available projections if actual data is unavailable

a. A schedule of generating capability showing for the test year, and for the two consecutive 12-month periods prior to the test year, net dependable capacity in KW by unit, plant capacity factor by unit, and total fuel consumption by type and cost for each unit, if available, or for each station, and operation and maintenance expenses by station.

b. A schedule showing for the test year and for the 12-month period immediately prior to the test year the scheduled and unscheduled outages—in excess of 48 hours—for each station, the equipment or unit involved, the date the outage occurred, duration of the outage, maintenance expenses incurred for each outage, if available, and amounts reimbursable from suppliers or insurance companies.

c. A schedule for each unit retired during the test year or subsequent to the end of the test year, which shows the unit’s KW capacity, hours of operation during the test year, net output generated, cents/KWH of maintenance and fuel expenses, and date of retirement

d. A schedule showing latest projections of capacity additions and retirements—costs and KW—and reserve capacity at the time of peak for at least 10 years beyond the test year, including the in-service dates—actual or expected—and AFDC cutoff dates—if different from in-service dates—for all new generating units coming on line during or subsequent to the test year, if claimed.”

RESPONSE:

This base rate case filing requirement is not applicable to the Company’s filing.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT III-B-5:

“Describe long-term debt reacquisition by issue by Company and Parent as follows:

- a. Reacquisition by issue by year.
- b. Total gain or loss on reacquisitions by issue by year.
- c. Accounting for gain or loss for income tax and book purposes.
- d. Proposed treatment of gain or loss on such reacquisition for ratemaking purposes.”

RESPONSE:

- a. Please see Met-Ed Exhibit RAD-60 Attachment A.
- b. Please see Met-Ed Exhibit RAD-60 Attachment A.

c. Tax Accounting:

Gains attributable to the reacquisition of long-term debt are recognized currently for income tax purposes in the year of reacquisition, which creates book-tax temporary differences. As a result of these temporary differences, the Company records deferred income taxes by means of debits to Account 190, Accumulated Deferred Income Tax Asset and credits to Account 411.1, Provision for Deferred Income Tax, Cr. - Utility Operating Income. Amounts recorded to Account 190 are reversed over the remaining life of the respective security issue consistent with book amortization of the gain by means of debits to Account 410.1 Provision for Deferred Income Taxes – Debit, Utility Operating Income

Gains and Losses on the reacquisition of long-term debt are deducted currently for income tax purposes in the year of reacquisition, which creates book-tax temporary differences. As a result of these temporary differences, the Company records deferred income taxes by means of debits to Account 410.1, Provision for Deferred Income Taxes, Utility Operating Income, with corresponding credits to Account 283, Accumulated Deferred Income Tax Liability. Amounts recorded in Account 283 are reversed over the remaining life of the respective security issue consistent with book amortization of the loss by means of credits to Account 411.1, Provision for Deferred Income Taxes – Credit, Utility Operating Income.

Book Accounting:

In accordance with General Instruction 17 of the Uniform System on Accounts, gains on reacquired debt are placed in Account No. 257 “Unamortized Gain on Reacquired Debt”. The gains are then amortized to Account No. 429.1 “Amortization of Gain on Reacquired Debt-Credit” over the remaining lives of the respective issues (old original debt).

In accordance with General Instruction 17 of the Uniform System of Accounts, losses on reacquired debt are placed in Account No. 189 “Unamortized Loss on Reacquired Debt”. The losses are then amortized to Account No 428.1 Amortization

of Loss on Reacquired Debt" over the remaining lives of the respective issues (old original debt).

- d. The gain on long-term debt reacquisitions are amortized to ratepayers over the remaining lives of the respective issues in accordance with the current accounting treatment as directed in General Instruction 17 of the Uniform System of Accounts, Met-Ed Exhibit RAD-2 reflects the appropriate adjustment for the fully projected test year, the twelve months ending December 31, 2017.

METROPOLITAN EDISON COMPANY

FILING REQUIREMENT III-B-5

Line No.	Description	Amount	ACTUAL		PROJECTED		
			Total Gain (Loss) On Recacquired Debt	Unamortized Gain (Loss) as of December 31, 2015	Unamortized Gain (Loss) as of December 31, 2016	Unamortized Gain (Loss) as of December 31, 2017	
	<b>2003</b>						
1	7.65% First Mortgage Bond series due 5/31/2023	\$ 30,000,000	\$ (1,103,306.63)	(409,142.94)	\$ (353,977.60)	\$ (298,812.26)	
2	6.97% First Mortgage Bond series due 9/30/2023	30,000,000	(2,967,551.70)	(1,149,926.20)	(1,001,548.63)	(853,171.06)	
	<b>2005</b>						
3	6.10% Medium Term Note Due 7/15/2021	28,500,000	1,652,569.08	588,188.37	482,049.11	375,909.85	
	<b>2008</b>						
4	Var% SR 2005A BCIDA due 7/15/21	28,500,000	(306,749.60)	(129,057.08)	(105,768.58)	(82,480.08)	
	<b>2011</b>						
5	5.95% FMB due 5/15/2027	13,690,000	601,610.32	426,529.06	389,032.00	351,534.94	
	<b>2014</b>						
6	Var% SR 2005A BCIDA due 7/15/21	28,500,000	(150,388.25)	(114,204.61)	(93,584.13)	(72,963.55)	
	<b>TOTAL</b>						
				\$ (787,613.40)	\$ (683,797.83)	\$ (579,982.26)	





METROPOLITAN EDISON COMPANY

“Filing of information and materials – Whenever a public utility proposes a change in rates under section 1308 (relating to voluntary changes in rates), the public utility shall file with the commission a listing of each type of advertising prepared, distributed or presented by the public utility or to be prepared, distributed or presented during the test year utilized by the public utility in discharging its burden of proof, and a listing of each type of advertising prepared, distributed or presented by the utility during the year immediately preceding the test year, as well as an accounting of the expenditures by the public utility for such advertising, to the extent such advertising is proposed to be included as operating expense for ratemaking purposes. The filing requirements imposed by this subsection shall not be construed to limit the right of any party to discovery under this or any other provision of law.”

Summary of Advertising Expenses

Section 1316 of Title 66, Pa. Consolidated Statutes, addresses recovery of advertising expenses. In accordance with the filing requirements specified in § 1316(c), following is a listing of the types of advertising comprising the total advertising expenses for the fully future test year and the immediately preceding 2 years.

Metropolitan Edison Company  
 Summary of Advertising Expenses  
 (000's)

Line No	Description	12 months ended		
		December 31. 2017 Budget	December 31. 2016 Budget	December 31. 2015 Actual
	Customer Service			
	Informational &			
1	Instructional Advertising	\$ 130	\$ 30	\$ 9
2	Sales Advertising	25	25	28
3	A&G Advertising - General	10	10	18
4	Agency Support	165	154	22
5	Public relations	-	-	86
6	Printing	14	14	16
7	Miscellaneous	-	-	4
8	Total advertising	\$ 344	\$ 233	\$ 183



METROPOLITAN EDISON COMPANY

PUC STATEMENT OF POLICY – TITLE 52, SECTION 69.36

“The Pennsylvania Public Utility Commission intends to examine specific factors in rate proceedings of electric and gas utilities regarding the action or failure to act to encourage development of cost effective energy supply alternatives. Specifically, the Commission will review utilities’ efforts to meet the criteria in this section when determining just and reasonable rates in future rate proceedings and may consider those efforts in other proceedings instituted by the Commission

(1) *Information.* At least twice annually utilities should provide customers with information on specific means of utilizing their energy services more effectively and efficiently. Topic areas should include insulation, lighting efficiencies, appliance efficiencies, conservation practices, load management techniques or other relevant information that informs the customer of the efficient use of energy.

(2) *Energy surveys.* Class A utilities should offer onsite energy surveys to the residential, commercial and industrial classes on an ongoing basis. Surveys should be conducted by trained personnel and the results of the survey, upon written request of the customer, be delivered in writing with a clear explanation of the resulting components.

(3) *Cogeneration and small power production.* Electric utilities for which a need for capacity is projected should establish effective programs to explore and encourage the development of additional cogeneration and small power production facilities within their respective service territories.

(4) *Least cost planning.* Gas and electric utilities should actively pursue a least-cost strategy by acquiring and developing the resources necessary to effectively meet their customers’ future energy needs, consistent with established availability and reliability criteria. Utilities should make a reasonable effort to promote the utilization of practical and economical energy conservation and demand management through cost effective programs.

(5) *Evaluation.* Class A utilities should demonstrate progressive work regarding development of a reliable customer data base, including, but not limited to:

- (i) End-use applications for each class of customer in terms of energy and demand.
- (ii) Customer behavior with regard to the decision-making process.
- (iii) The impact of program decisions or strategies and how they effect the overall planning process.

6) *Natural gas co-firing.* Electric utilities should explore the potential for increasing capacity and output at coal-fired generating stations through gas co-firing”

RESPONSE:

- 1) Customer service representatives discuss these “Energy Efficient” topics with customers by referring to the “100 Ways to Improve Your Electric Bill” and “Understanding Electric Usage & Costs” brochures which provide energy saving information for most household electrical appliances and equipment. Representatives offer to either email or mail a copy of the brochures to customers. These “Energy Efficient” topics are also fully described and available 24/7 on the FirstEnergy website under the “Saving Energy” section at the following location:

[http://www.firstenergycorp.com/help/saving\\_energy.html](http://www.firstenergycorp.com/help/saving_energy.html)

In addition, on October 15, 2008, Governor Rendell signed HB 2200 into law as Act 129 of 2008<sup>1</sup>, with an effective date of November 14, 2008. The Act imposes requirements on electric distribution companies (EDCs), with the overall goal of reducing energy consumption and demand. Act 129 directed all EDCs with at least 100,000 customers to develop and file an energy efficiency and conservation plan. The Company has filed and obtained approval for an Energy Efficiency and Conservation (“EE&C”) Plan that complies with Commission Orders<sup>2</sup>. The EE&C plan contains numerous programs that are designed to promote, educate and achieve energy efficiency and conservation across all customer segments. Essential to the success of these programs are marketing and educational campaigns and outreach activities specific to each program that: (i) builds awareness and interest in the programs; (ii) communicates ways that customers may participate; and (iii) explains expected benefits and reasons for participating. Information about the EE&C programs available to customers is provided using a number of marketing channels such as, but not limited to, bill inserts, advertisements and through the Company’s website at:

[http://www.firstenergycorp.com/save\\_energy/save\\_energy\\_pennsylvania.html](http://www.firstenergycorp.com/save_energy/save_energy_pennsylvania.html)

- 2) Residential home energy surveys are conducted at no additional cost for income-eligible customers as part of the Low Income Usage Reduction Program known as “WARM” (Chapter 58). Met-Ed income eligible customers who have lived at their residence at least 6 months are eligible for WARM. The WARM program home energy survey addresses ways to save electricity for customers who have electric heat, electric water heat, air conditioning or base load use. These surveys are

<sup>1</sup> 66 Pa.C.S. §§ 2806.1 and 2806.2

<sup>2</sup> Docket Nos. M-2009-2092222 and M-2012-2334387

conducted by Building Performance Institute Certified contractors hired by Met-Ed. The program is open to both homeowners and renters with landlord agreement. As part of the home energy survey, contractors may perform pressure diagnostic testing using a blower door and manometers to determine where there is air leakage in the home. They also test ducts, conduct combustion safety testing and monitor electricity use of various appliances such as refrigerators and freezers for possible replacement. A personalized partnership agreement and energy-saving strategy for the home and occupants are provided as part of the program.

In addition, residential customers may also participate in the Company's Act 129 energy audit program. Under this program, comprehensive home energy audits are conducted by trained local contractors hired by the Company's Conservation Service Provider for a fee up to \$350. Customers who participate in this program receive a comprehensive home energy audit which is designed to provide information on how to reduce their energy usage and increase their home's comfort and energy efficiency. Participating customer's qualify for up to \$250 in rebates towards the cost of a comprehensive residential energy audit and qualified retrofits.

Residential customers can also complete the Company's Home Energy Analyzer online tool at [http://www.firstenergycorp.com/content/customer/save\\_energy/save\\_energy\\_pennsylvania/for\\_your\\_home/pa\\_home\\_energy\\_analyzer.html](http://www.firstenergycorp.com/content/customer/save_energy/save_energy_pennsylvania/for_your_home/pa_home_energy_analyzer.html) to save energy and money. The tool enables customers to gain a better understanding of their household energy use and identify ways to improve their efficiency.

Similar to residential customers, business customers can complete the Business Energy Analyzers online tool at [https://www.firstenergycorp.com/content/customer/save\\_energy/save\\_energy\\_pennsylvania/for\\_your\\_business/pennsylvania\\_businessenergyanalyzer.html](https://www.firstenergycorp.com/content/customer/save_energy/save_energy_pennsylvania/for_your_business/pennsylvania_businessenergyanalyzer.html). The tool will enable business customers to gain a better understanding of their energy use and identify ways to improve their efficiency.

The Company also promotes detailed energy audits for commercial and industrial customers under the Company's Act 129 programs. Customers who implement recommended building and/or system improvements are eligible for incentives towards the cost of the third party audit and qualifying audit recommended improvements.

- 3) Met-Ed's Rider Q – Renewable Energy Development Rider is currently available to residential and non-residential customers. This rider encourages the installation and operation of qualifying renewable energy generation projects to operate in parallel with the Company's electrical system.
- 4) Met-Ed's least-cost strategy is detailed in its Annual Resource Planning Report filed with the Commission pursuant to the requirements of 52 Pa. Code §§ 57.141-57.153.

Met-Ed's most recent filing, dated April 30, 2015, will be provided upon request to interested parties.

- 5) See the direct testimony of Kevin M. Siedt, Met-Ed Statement No. 3.
- 6) This filing requirement is not applicable to the Company's filing.

METROPOLITAN EDISON COMPANY  
Distribution Storm Costs  
2011 – 2017

<u>Line No.</u>	<u>Year</u>		<u>Storm Costs</u>
1	2011	Actual	34,827,259
2	2012	Actual	32,594,558
3	2013	Actual	1,208,183
4	2014	Actual	25,093,779
5	2015	Actual	6,050,692
6	2016	Forecast	6,017,620
7	2017	Forecast	6,827,028



**Metropolitan Edison Company  
 Updated Legacy Meters and Associated Cost of Removal to be Recovered**

<u>Line No.</u>		<u>Met-Ed</u>
1	Legacy Meters currently in Base Rates	\$ 50,163
2	Cost of Removal of Legacy Meters currently in Base Rates	<u>3,631</u>
3	Total Legacy Meters and Cost of Removal in Base Rates (Line 1 + Line 2)	\$ 53,794
4	Total Legacy Meters currently in Regulatory Assets	\$ 60,634
5	Legacy Meters costs to be included in these Base Rate Cases (Line 4 - Line 1)	\$ 10,471
6	Additional Cost of Removal of Legacy Meters to be included in these Base Rate Cases	<u>75</u>
7	Additional Legacy Meters and Cost of Removal in these Base Rate Cases (Line 5 + Line 6)	\$ 10,546
8	Total Legacy Meters and Cost of Removal to be recovered in rates by April 2020 (Line 3 + Line 7)	\$ 64,340
9	Amount Amortized by January 2017*	<u>18,828</u>
10	Total Unrecovered Legacy Meters and Cost of Removal at December 2016 to be recovered in these Base Rate Cases by April 2020 (Line 8 - Line 9)	\$ 45,512
11	Annual Amortization of Legacy Meters and Cost of Removal in Regulatory Assets (Line 10 / 39 X 12)	<u>\$ 14,004</u>
12	Less: Amortization of Legacy Meters in Budget	\$ 10,759
13	Normalized Amortization for Legacy Meters and COR	<u>\$ 3,245</u>

\* when proposed rates are expected to be implemented

**Metropolitan Edison Company  
 Bonus Depreciation Tax Adjustments  
 Year 2015, 2016, 2017**

The Pennsylvania adjustment decreases state taxable income on prior bonus depreciation vintages and increases state taxable income on the current vintage bonus depreciation amount taken on the federal return. In the prior rate case bonus depreciation was not projected in the outer years since bonus depreciation rules were not extended at the time. In 2015 bonus depreciation rules were extended through 2019 and is reflected in the budget. The bonus amount projected for the current year vintage in tax years 2015, 2016, and 2017 is greater than the additional Pennsylvania tax depreciation being calculated on the prior year bonus vintages creating a net increase to state taxable income. The prior case only had additional Pennsylvania tax depreciation being calculated on the prior year bonus vintages creating a decrease to state taxable income.

Line No.	Year (1)	Addition to State Taxable Income				Subtraction to State Taxable Income			Additional PA Depreciation plus Adj for Sale (8) = (5) + (6) + (7)
		Federal Depreciation 168(K) Property (2)	Current Year Bonus Depreciation (3)	Total Bonus Depreciation (4) = (2) - (3)	Additional PA Depreciation (5) = (4) X (3/7)	Other Adj (6)	Adj for Sale of 168(k) Property (7)		
1	2015	\$ 93,761,899	\$ 66,242,941	\$ 27,518,958	\$ 11,793,839	\$ -	\$ -	\$ 11,793,839	
2	2016	88,263,592	56,690,295	31,573,297	13,531,413	-	-	13,531,413	
3	2017	60,041,889	30,360,882	29,681,007	12,720,432	-	-	12,720,432	



Metropolitan Edison Company  
Comparative Income Statements  
Budget to Actuals  
(In thousands)

FERC Account	Budget Filed in 2014	Actuals for	Current	Total	Difference for	
	General Base Rate Case for 12 months ending April 30, 2016 (1)	10 months ending February 29, 2016 (2)	Budget for 2 months ending April 30, 2016 (3)	12 months ending April 30, 2016 (4) = (2) + (3)	12 months ending April 30, 2016 (5) = (4) - (1)	
<b>Operating Expenses</b>						
401-2	Operation and maintenance expense					
	Power production expenses	\$ 275,734	\$ 298,641	\$ 52,108	\$ 350,749	\$ 75,015
	Transmission expenses	21,154	19,115	4,368	23,483	2,329
	Regional market expenses	54	3	-	3	(51)
	Distribution expenses	37,980	34,766	6,259	41,025	3,046
	Customer accounts expense	23,271	23,359	5,508	28,867	5,595
	Customer service & information expense	40,696	28,835	6,707	35,542	(5,154)
	Sales expenses	25	38	15	53	28
	Administrative & general expenses	41,116	43,796	7,868	51,465	10,348
	Subtotal	\$ 440,030	\$ 448,554	\$ 82,632	\$ 531,186	\$ 91,157
403	Depreciation expense	\$ 59,721	\$ 54,065	\$ 10,052	\$ 64,117	\$ 4,397
404-5	Amortization and depletion of utility plant	4,710	3,795	1,156	4,951	241
406	Amortization and utility plant acq. adjustment	-	-	-	-	-
407	Amortization of property losses	-	-	-	-	-
407.3	Regulatory debits	22,920	52,572	9,717	62,290	39,369
407.4	Regulatory credits	15,407	(5,372)	(2,861)	(8,233)	(23,640)
408.1	Taxes other than income taxes	45,795	45,084	7,964	53,047	7,252
411.1	Accretion expense	49	(0)	-	(0)	(49)
411.8	Gains from disposition allowance	-	-	-	-	-
	Total operating expenses before federal and state income taxes	\$ 598,632	\$ 598,698	\$ 108,660	\$ 707,359	\$ 118,727
	Net operating income before income taxes	\$ 152,987	\$ 156,900	\$ 27,686	\$ 184,586	\$ 31,599
<b>Power Production Expenses</b>						
<b>Steam Power Generation</b>						
Operation						
501	Fuel	\$ -	\$ -	\$ -	\$ -	\$ -
514	Maintenance of miscellaneous steam plant	3,357	340	107	446	(2,910)
	Total operation	\$ 3,357	\$ 340	\$ 107	\$ 446	\$ (2,910)
	Total steam power generation	\$ 3,357	\$ 340	\$ 107	\$ 446	\$ (2,910)
<b>Nuclear Power Generation</b>						
Operation						
518	Fuel	\$ -	\$ -	\$ -	\$ -	\$ -
	Miscellaneous nuclear power expenses	-	-	-	-	-
	Total operation	\$ -	\$ -	\$ -	\$ -	\$ -
	Total nuclear power generation	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Power Generation</b>						
Operation						
549	Miscellaneous other power generation expenses	\$ -	\$ -	\$ -	\$ -	\$ -
	Total operation	\$ -	\$ -	\$ -	\$ -	\$ -
	Total other power generation	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Power Supply Expenses</b>						
555	Purchased Power	\$ 278,084	\$ 310,720	\$ 52,622	\$ 363,341	\$ 85,258
556	System control and load dispatching	-	-	-	-	-
557	Other expenses	(5,707)	(12,418)	(621)	(13,039)	(7,332)
	Total other power supply expenses	\$ 272,377	\$ 298,302	\$ 52,001	\$ 350,303	\$ 77,926
	Total power production expenses	\$ 275,734	\$ 298,641	\$ 52,108	\$ 350,749	\$ 75,015
<b>Transmission Expenses</b>						
Operation						
560	Operation supervision and engineering	\$ 58	\$ 32	\$ 3	\$ 36	\$ (22)
561	Load dispatching	1,208	418	221	640	(568)
562	Station expenses	174	45	-	45	(129)
563	Overhead lines expense	33	46	11	57	24
564	Underground lines expenses	-	-	-	-	-
565	Transmission of electricity by others	11,776	10,351	2,562	12,913	1,137
566	Miscellaneous transmission expenses	1,198	534	143	677	(521)
567	Rents	472	927	185	1,112	639
	Total operation	\$ 14,920	\$ 12,353	\$ 3,126	\$ 15,479	\$ 560
Maintenance						
568	Maintenance supervision and engineering	\$ 920	\$ 688	\$ 157	\$ 845	\$ (75)
569	Maintenance of structures	224	252	79	336	112
570	Maintenance of station equipment	2,650	1,911	254	2,165	(486)
571	Maintenance of overhead lines	2,347	3,639	660	4,299	1,952
572	Maintenance of underground lines	-	0	-	0	0
573	Maintenance of miscellaneous transmission plant	93	261	98	359	267
	Total maintenance	\$ 6,234	\$ 6,761	\$ 1,242	\$ 8,003	\$ 1,769
	Total transmission expenses	\$ 21,154	\$ 19,115	\$ 4,368	\$ 23,483	\$ 2,329

Metropolitan Edison Company  
 Comparative Income Statements  
 Budget to Actuals  
 (In thousands)

FERC Account	Budget Filed in 2014 General Base Rate Case for 12 months ending	Actuals for 10 months ending	Current Budget for 2 months ending	Total 12 months ending	Difference for 12 months ending	
	April 30, 2016 (1)	February 29, 2016 (2)	April 30, 2016 (3)	April 30, 2016 (4) = (2) + (3)	April 30, 2016 (5) = (4) - (1)	
<b>Regional Market Expenses</b>						
Operation						
575	Operation-regional market expense	\$ 54	\$ 3	\$ -	\$ 3	\$ (51)
	Total operation	\$ 54	\$ 3	\$ -	\$ 3	\$ (51)
Maintenance						
576	Maintenance-regional market expense	\$ -	\$ -	\$ -	\$ -	\$ -
	Total maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
	Total regional market expenses	\$ 54	\$ 3	\$ -	\$ 3	\$ (51)
<b>Distribution Expenses</b>						
Operation						
580	Operation supervision and engineering	\$ 97	\$ 103	\$ 41	\$ 145	\$ 48
581	Load dispatching	339	182	43	225	(114)
582	Station expenses	615	648	138	786	170
583	Overhead lines expense	37	56	4	59	22
584	Underground lines expenses	576	(192)	96	(96)	(672)
585	Street lighting and signal system expenses	-	-	-	-	-
586	Meter expenses	771	461	96	557	(214)
587	Customer installation expenses	-	-	-	-	-
588	Miscellaneous expenses	4,949	5,009	969	5,978	1,029
589	Rents	541	441	90	531	(10)
	Total operation	\$ 7,928	\$ 6,709	\$ 1,477	\$ 8,185	\$ 260
Maintenance						
590	Maintenance supervision and engineering	\$ 390	\$ 379	\$ 51	\$ 430	\$ 40
591	Maintenance of structures	16	10	2	12	(4)
592	Maintenance of station equipment	4,043	3,197	740	3,937	(106)
593	Maintenance of overhead lines	20,233	17,994	3,017	21,011	778
594	Maintenance of underground lines	2,048	1,664	265	1,929	(119)
595	Maintenance of line transformers	-	177	44	221	221
596	Maintenance of street lighting and signal systems	260	829	43	872	622
597	Maintenance of meters	1,645	2,017	217	2,234	589
598	Maintenance of miscellaneous distribution plant	1,428	1,791	404	2,195	767
	Total maintenance	\$ 30,054	\$ 28,057	\$ 4,783	\$ 32,840	\$ 2,786
	Total distribution expenses	\$ 37,980	\$ 34,766	\$ 6,259	\$ 41,025	\$ 3,046
<b>Customer Account Expenses</b>						
Operation						
901	Supervision	\$ -	\$ 0	\$ -	\$ 0	\$ 0
902	Meter reading expenses	5,026	4,571	972	5,542	516
903	Customer records and collection expenses	5,856	5,651	1,045	6,696	838
904	Uncollectible accounts	12,136	12,616	3,389	16,004	3,868
905	Miscellaneous customer accounts expense	251	522	102	624	373
	Total customer accounts expense	\$ 23,271	\$ 23,359	\$ 5,508	\$ 28,867	\$ 5,595
<b>Customer Service and Informational Expenses</b>						
Operation						
907	Supervision	\$ 304	\$ 246	\$ 50	\$ 296	\$ (8)
908	Customer assistance expenses	34,566	24,253	5,750	30,003	(4,563)
909	Informational and instructional expenses	130	9	-	9	(121)
910	Miscellaneous customer service and informational expenses	5,696	4,327	907	5,234	(462)
	Total customer service and informational expense	\$ 40,696	\$ 28,835	\$ 6,707	\$ 35,542	\$ (5,154)
<b>Sales Expenses</b>						
Operation						
911	Supervision	\$ -	\$ 15	\$ 11	\$ 26	\$ 26
912	Demonstrating and selling expenses	-	-	-	-	-
913	Advertising expenses	-	23	4	27	27
916	Miscellaneous sales expenses	-	-	-	-	-
	Total sales expenses	\$ 25	\$ 38	\$ 15	\$ 53	\$ 28
<b>Administrative and general expenses</b>						
Operation						
920	Administrative and general salaries	\$ (524)	\$ (865)	\$ (4)	\$ (869)	\$ (346)
921	Office supplies and expense	3,155	1,607	249	1,855	(1,299)
922	Administrative expenses transferred-credit	(3,082)	(5,460)	-	(5,460)	(2,378)
923	Outside services employed	35,388	26,517	6,137	32,654	(2,734)
924	Property insurance	242	214	46	261	19
925	Injuries and damages	930	1,519	220	1,739	809
926	Employee pensions and benefits	(745)	14,937	17	14,954	15,699
927	Franchise requirements	-	-	480	480	480
928	Regulatory commission expenses	2,632	2,104	-	2,104	(528)
929	Duplicate charges - credit	-	-	-	-	-
930.1	General advertising expenses	10	160	4	164	154
930.2	Miscellaneous general expenses	698	1,284	223	1,507	809
931	Rents	1,612	114	50	1,644	(1,448)
	Total administrative and general expenses	\$ 40,316	\$ 42,132	\$ 7,421	\$ 49,553	\$ 9,238
Maintenance						
935	Maintenance and general plant	\$ 801	\$ 1,664	\$ 247	\$ 1,911	\$ 1,111
	Total maintenance	\$ 801	\$ 1,664	\$ 247	\$ 1,911	\$ 1,111
	Total administrative and general expenses	\$ 41,116	\$ 43,796	\$ 7,668	\$ 51,465	\$ 10,348
	Total electric operation and maintenance expenses	\$ 440,030	\$ 448,554	\$ 82,632	\$ 531,186	\$ 91,157

**Metropolitan Edison Company**  
**Comparison of Plant Additions from Base Rate Case West Penn Exhibit RAD-46**  
**vs. Actuals for May 2015 - February 2016 plus Updated Budget for March-April 2016 (10 +2)**  
**At April 30, 2016**

Line No.	FERC Account	Description	10 months Actual plus 2 months Budget (1)	12 months 2014 Rate Case Budget (2)	Differences (3) = (1) - (2)
<b>NONDEPRECIABLE PLANT</b>					
<b>Intangible Plant</b>					
1	301	Organization	\$ -	\$ -	\$ -
2	302	Franchise And Consents	-	-	-
3		Total Intangible Plant	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Land</b>					
4	350.11	Transmission Substations	\$ 26,124	\$ -	\$ 26,124
5	350.21	Transmission Lines	-	-	-
6	360.11	Distribution Substations.	-	-	-
7	360.21	Distribution Lines	-	-	-
8	389.1	General	-	-	-
9		Total Land	<u>\$ 26,124</u>	<u>\$ -</u>	<u>\$ 26,124</u>
10		TOTAL NON-DEPRECIABLE PLANT	<u>\$ 26,124</u>	<u>\$ -</u>	<u>\$ 26,124</u>
<b>INTANGIBLE PLANT</b>					
11	303	Misc. Intangible Plant	\$ 8,771,393	\$ 16,259,071	\$ (7,487,678)
12	303	Smart Meter Software	6,941,511	10,853,984	(3,912,473)
13		TOTAL INTANGIBLE PLANT	<u>\$ 15,712,904</u>	<u>\$ 27,113,055</u>	<u>\$ (11,400,151)</u>
<b>NUCLEAR PRODUCTION</b>					
Nuclear Production					
14	326	Asset Retirement Costs Nuclear	\$ -	\$ -	\$ -
15		TOTAL NUCLEAR PRODUCTION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TRANSMISSION PLANT</b>					
TRANSMISSION PLANT					
16	350.12	Easements - Trans. Subs.	\$ -	\$ -	\$ -
17	350.22	Easements - Trans. Lines	-	-	-
18	352.1	Structures, Improvements	-	-	-
19	352.2	Clearing, Grading Of Land	(793,654)	-	(793,654)
20	353	Station Equipment	8,135,795	17,706,171	(9,570,376)
21	354	Towers And Fixtures	(2,526)	-	(2,526)
22	355	Poles And Fixtures	7,470,699	-	7,470,699
23	356.1	Overhd Conductr, Devices	10,545,446	5,143,215	5,402,231
24	356.2	Clearing, Grading of Land	928,490	-	928,490
25	358	Undergrmd Conductr,Devices	1,026	-	1,026
26	359	Roads And Trails	-	-	-
27	359.1	ARC Transmission	-	-	-
28		TOTAL TRANSMISSION PLANT	<u>\$ 26,285,276</u>	<u>\$ 22,849,386</u>	<u>\$ 3,435,890</u>
<b>DISTRIBUTION PLANT</b>					
DISTRIBUTION PLANT					
29	360.12	Easements - Dist. Subs.	\$ -	\$ -	\$ -
30	360.22	Easements - Dist. Lines	-	-	-
31	361.1	Structures, Improvements	38,011	-	38,011
32	361.2	Clearing, Grading of Land	35,287	-	35,287
33	362	Station Equipment	9,603,867	3,916,600	5,687,267
34	364	Poles, Towers And Fixtures	11,065,149	-	11,065,149
35	365	Overhd Conductr, Devices	17,093,481	-	17,093,481
36	365.1	Clearing, Grading of Land	3,686,916	-	3,686,916
37	366	Underground Conduilt	445,857	-	445,857
38	367	Undergrmd Conductr,Devices	14,733,235	-	14,733,235
39	368	Line Transformers	11,641,101	53,715,097	(42,073,997)
40	369	Services	2,610,129	-	2,610,129
41	369	Unground Services	-	-	-
42	370	Meters	3,704,080	-	3,704,080
43	370	Smart Meters 10 yr	9,508,287	10,166,426	(658,139)
44	370	Smart Meters 15 yr	-	-	-
45	371	Inst. On Cust. Prem.	24,768	-	24,768
46	373.1	Street Light - Oh, Ug Lines	700,242	-	700,242
47	374	ARC Distribution	-	-	-
48		TOTAL DISTRIBUTION PLANT	<u>\$ 84,890,409</u>	<u>\$ 67,798,124</u>	<u>\$ 17,092,286</u>
<b>GENERAL PLANT</b>					
GENERAL PLANT					
49	389.2	Easements	\$ -	\$ -	\$ -
50	390.1	Structures, Improvements	212,068	442	211,627
51	390.2	Clearing, Grading of Land	-	-	-
52	390.3	Struct Impv, Leasehold Imp	-	-	-
53	391.1	Office Furn., Mech. Equip.	(63)	-	(63)
54	391.15	Office Machines	-	-	-
55	391.2	Data Processing Equipment	162,486	-	162,486
56	391.25	Data Proc Smart Meters	-	3,106,583	(3,106,583)
57	391.25	Information System	2,531,680	-	2,531,680
58	392	Transportation Equipment	(441)	1,013,658	(1,014,099)
59	393	Stores Equipment	-	-	-
60	394	Tools, Shop, Garage Equip.	622,168	-	622,168
61	395	Laboratory Equipment	(155)	-	(155)
62	396	Power Operated Equipment	-	-	-
63	397	Communication Equipment	5,163,633	-	5,163,633
64	398	Misc. Equipment	(63)	-	(63)
65	399.1	ARC General Plant	-	-	-
66		TOTAL GENERAL PLANT	<u>\$ 8,691,313</u>	<u>\$ 4,120,682</u>	<u>\$ 4,570,631</u>
67		TOTAL	<u>\$ 135,606,026</u>	<u>\$ 121,881,247</u>	<u>\$ 13,724,779</u>









**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**METROPOLITAN EDISON COMPANY  
DOCKET NO. R-2016-2537349**

**Direct Testimony  
of  
Kevin M. Siedt**

**List of Topics Addressed**

**Sales and Revenue Normalization  
Rate Design  
Customer Impact Analysis  
Proof of Revenue Analysis and Bill Comparisons  
Tariff Revisions**

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**DIRECT TESTIMONY  
OF  
KEVIN M. SIEDT**

4 **I. INTRODUCTION AND BACKGROUND**

5 **Q. Please state your name and business address.**

6 A. My name is Kevin M. Siedt. My business address is 2800 Pottsville Pike, Reading,  
7 Pennsylvania 19612.

8 **Q. By whom are you employed and in what capacity?**

9 A. I am employed by FirstEnergy Service Company as a Consultant in the Rates and  
10 Regulatory Affairs Department – Pennsylvania.

11 **Q. What are your responsibilities as a Consultant?**

12 A. Generally, the Rates and Regulatory Affairs Department – Pennsylvania provides  
13 regulatory support for the Pennsylvania electric utility subsidiaries of FirstEnergy Corp.  
14 (“FirstEnergy”), which include Metropolitan Edison Company (“Met-Ed” or the  
15 “Company”). As a Consultant in the Rates and Regulatory Affairs Department, my  
16 responsibilities with respect to Met-Ed are to support the development, preparation, and  
17 presentation of the Company’s retail electric rate design and related rules and regulations,  
18 and ensure the uniform administration and interpretation in all the Company’s rate-  
19 related matters before the Pennsylvania Public Utility Commission (“Commission”). I  
20 also am responsible for, among other things, default service plan development and  
21 implementation, recovery of non-utility generation costs, regulatory program cost  
22 recovery and other financial matters.

1 **Q. What is your educational background and work experience?**

2 A. I obtained a Master's Degree in Business Administration from Moravian College in 1994.  
3 I am also a graduate of Rowan University where I received a Bachelor of Science Degree  
4 with a major in Accounting and Finance in 1984. My work experience is more fully  
5 described in Appendix A to this testimony.

6 **Q. On whose behalf are you testifying in this proceeding?**

7 A. I am testifying on behalf of Met-Ed.

8 **Q. What is the purpose of your direct testimony?**

9 A. My testimony addresses: (i) the annualization and normalization of sales and revenues  
10 used in the Company's cost of service studies; (ii) the rate design methodology used to  
11 develop the distribution rates proposed in this proceeding; (iii) a customer impact  
12 analysis, which compares bills at current and proposed rates; (iv) a proof of revenue  
13 analysis; and (v) changes to Met-Ed's Electric Service tariff.

14 **Q. Have you prepared and are you sponsoring exhibits to accompany your testimony?**

15 A. Yes. As discussed in more detail later in my testimony, I am sponsoring Exhibits KMS-1  
16 through KMS-8 for the Company, which were prepared by me or under my supervision.  
17 The subjects addressed in each of these exhibits are summarized below:

- 18 **KMS-1** This exhibit consists of Attachments A, B and C, reflecting normalized  
19 sales and revenues for the test years ending December 31, 2017,  
20 December 31, 2016, and December 31, 2015, respectively
- 21 **KMS-2** Summary of Present and Proposed Distribution Revenues
- 22 **KMS-3** Customer Charge Analysis

- 1           **KMS-4**   Proof of Revenues Analyses
- 2           **KMS-5**   Customer Impact Analyses
- 3           **KMS-6**   Cost and Proposed Base Rate Revenue Curves
- 4           **KMS-7**   Matrix of Tariff changes
- 5           **KMS-8**   Responses to the certain Commission filing requirements as specified
- 6                            by 52 Pa. Code §§ 53.52 and 53.53.

7           In addition, I am sponsoring modifications to the rate schedules and to certain of the  
8           riders in the Company’s proposed tariff, which are discussed further in this testimony.

9   **II.   ENERGY SALES AND REVENUE NORMALIZATIONS**

10 **Q.   What was the basis for developing the Company’s claims for energy sales, demand**  
11 **and base rate revenue for the fully projected future test year (“FPFTY”)?**

12 A.   The starting point for the Company’s claims was the budget forecast of energy sales,  
13 demand and base rate revenue for the twelve months ending December 31, 2017. The  
14 budget forecast was developed by reviewing current customer consumption data,  
15 conducting appliance saturation surveys and analyzing actual historical customer usage  
16 for the past several years to identify patterns and trends. That information was used to  
17 develop detailed projections of the actual billing determinants (number of customers,  
18 demand (in kilowatts (“kW”)) and energy (in kilowatt hours (“kWh”)) for each rate  
19 schedule. The actual charges for each component of each rate schedule were applied to  
20 the applicable billing determinants (customers, kW or kWh) to project the revenue to be  
21 billed under each rate schedule by month for the FPFTY. This detailed process assures  
22 that revenue under proposed rates can be directly tied in to the billing determinants  
23 underlying the Company’s revenues under existing rates that are used to calculate its  
24 revenue deficiency in this case.

1 **Q. In developing the Company’s revenue claims in this case, were the budget**  
2 **projections and, specifically, the application of rates to the projected billing**  
3 **determinants reviewed for computational accuracy?**

4 A. Yes. The budget forecasts were found to be very accurate. Met-Ed only made  
5 normalization adjustments that were consistent with the Commission’s filing  
6 requirements.

7 **Q. Did you make any other adjustment to reflect normalized sales?**

8 A. Yes, I made an adjustment to reflect the impact of the expanding use of light-emitting  
9 diode (“LED”) street lighting. In its last base rate case, the Company proposed and the  
10 Commission approved a new service offering and rate schedule for the installation of  
11 LED street lighting. As I previously explained, the 2017 budget, which formed the basis  
12 for the FPFTY level of energy sales, demand and base rate revenue, reflects the effects of  
13 the current level of LED street lighting installations. Nonetheless, based on the current  
14 pace at which LED installations are taking place, it is anticipated that there will be a  
15 materially larger number of LED fixtures installed by the end of the FPFTY than is  
16 reflected in the 2017 budget forecast. To a very large extent, the LED fixtures are  
17 replacing existing sodium vapor and mercury vapor street lighting fixtures. Because  
18 LED lighting distribution rates were set at a price lower than the distribution rates for the  
19 lights that are being replaced, it is necessary to make a normalization adjustment to  
20 reflect the lower level of revenue that will result from the expanded use of LED street  
21 lighting.

22

1 **Q. Were any adjustments made to the budget forecast data to present energy sales,**  
2 **demand and base rate revenue on a ratemaking basis?**

3 A. Yes. Adjustments for ratemaking purposes were made to annualize and normalize the  
4 budget data. Annualization is the process of adjusting budgeted sales and revenues  
5 projected to be billed over a full test year to reflect the level of sales and revenues as of  
6 the end of the test year. In that way, pro forma sales and revenues are stated on a basis  
7 that properly reflects sales and revenues to be experienced going forward. Normalization  
8 is the process of adjusting budgeted sales and revenues to remove outliers and anomalies  
9 from the test year data. Thus, unusual events and one-time effects are “normalized” to  
10 reflect ongoing conditions.

11 **Q. Have you prepared an exhibit setting forth annualized and normalized sales and**  
12 **revenues?**

13 A. Yes, I have. Annualized and normalized sales and revenues are presented in Attachments  
14 A through C of Exhibit KMS-1 for the twelve months ending December 31, 2017,  
15 December 31, 2016, and December 31, 2015, respectively. Summaries of the Company’s  
16 distribution revenues under existing and proposed rates are provided in Exhibit KMS-2.  
17 The principal adjustments to the budget forecast data were made to annualize the sales  
18 and revenue effect of customers added during the test year and to normalize and  
19 annualize sales levels to reflect reductions attributable to measures that have been or will  
20 be implemented under the Company’s Commission-approved Phase III Energy



1 Efficiency and Conservation (“EE&C”) Plans, which were adopted pursuant to Section  
2 2806.1 of the Pennsylvania Public Utility Code.<sup>1</sup>

3 **Q. Please describe the adjustment made to budget forecast data for the twelve months**  
4 **ending December 31, 2017 to annualize revenues for changes in the number of**  
5 **customers.**

6 A. In accordance with the Commission’s filing requirements, an adjustment was made to  
7 annualize energy usage and demand for the difference between the monthly average  
8 number of customers forecasted for the FPFTY and the number of customers forecasted  
9 for the end of the FPFTY. Usage (kWh) and demand (kW) forecasted for the FPFTY  
10 were divided by the monthly average number of customers at mid-month (for each  
11 month) to calculate the average usage and average billed demand per customer. The  
12 average usage (in kWh) and average demand (in kW) per customer were multiplied by  
13 the difference between the monthly average number of customers and the number of  
14 customers forecasted for the end of the test year to determine the additional kWh and kW  
15 to be added to the budget forecast to annualize sales and revenue.

16 The additional revenues attributable to the customer annualization were calculated by  
17 multiplying the additional billing determinants (customers, kW or kWh) derived from the  
18 customer annualization by the applicable customer, demand or energy charges. This  
19 calculation is shown in Exhibit KMS-1, Attachment A, page 3, column 12.

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<sup>1</sup> 66 Pa.C.S. § 101, et seq.

1 **Q. Please describe the adjustments made to budget forecast data for the twelve months**  
2 **ending December 31, 2017 to normalize and annualize revenues for conservation**  
3 **measures implemented or to be implemented pursuant to the Company's EE&C**  
4 **Phase III Plan.**

5 A. The energy sales that were forecasted by rate schedule for the FPFTY reflect anticipated  
6 usage reductions from energy efficiency measures implemented in accordance with the  
7 Company's Commission-approved Phase III EE&C Plan. The forecasted reductions are  
8 reflected by month from January 1, 2017 through December 31, 2017. The revenue  
9 reductions for the entire FPFTY were calculated by annualizing the usage reduction  
10 targets that the Company must achieve by the end of its Phase III EE&C Plan (May 31,  
11 2021). The annualized amount was netted against the monthly savings already included  
12 in the FPFTY sales forecast to derive the additional energy efficiency normalization  
13 adjustment. The same approach was used to annualize and normalize behind-the-meter  
14 generation to derive a total energy efficiency normalization adjustment. The revenue  
15 effect of the annualization was calculated by multiplying the annualized energy  
16 efficiency sales reductions by the average rate per customer by rate schedule.

17 **III. RATE DESIGN**

18 **Q. What considerations, concepts and objectives underlie the rate designs proposed by**  
19 **the Company?**

20 A. The following general principles were employed in designing the proposed rates:

- 21 • Rates must be designed to produce revenues equal to the Company's revenue  
22 requirement at the appropriate billing determinants.

- 1           • Rates should be designed to properly reflect cost causation and, in that regard, the  
2           results of a cost of service study are used as a guide.
- 3           • Rates generally should be designed, if practicable, to move revenues for each rate  
4           schedule (or in some instances, customer classes consisting of aggregated rate  
5           schedules) toward that schedule's cost of service, giving due regard to factors  
6           such as gradualism, economic efficiency, relative ease or difficulty of  
7           administration, and customer understandability.

8           In addition to the general principles I just described, the Company determined that in  
9           developing its proposed rates, it should strive to achieve the following objectives:

- 10          • There should be a unified distribution rate design for all four of the FirstEnergy  
11          electric utilities that furnish service in Pennsylvania, given that the Companies are  
12          managed on a consistent basis with a uniform set of business processes.
- 13          • The rate design should give due consideration to the fact that distribution service  
14          has now been fully unbundled for ratemaking purposes.
- 15          • All else being equal, distribution rates should reflect customer demand rather than  
16          energy usage. This is because distribution costs are driven predominantly by  
17          investment in fixed assets, which does not vary with a customer's energy usage.
- 18          • With the implementation of the Company's Commission-approved Smart Meter  
19          Deployment Plan and the significant investment in smart meter technology that  
20          the Plan requires, the Company's rate design should incorporate the functionality  
21          that smart meters provide to accurately measure demand.

- 1           • Reconcilable adjustment clauses, set forth in riders to the Company’s base rates,  
2           should be used to recover certain costs that are volatile in nature and generally not  
3           under the Company’s control, consistent with the criteria for adjustment clauses  
4           established under Section 1307 of the Public Utility Code.

5 **Q.    What role did the results of the cost of service study play in designing the proposed**  
6 **distribution rates?**

7 A.    The cost of service study for the Company was prepared by Thomas Dolezal and is  
8       described in Met-Ed Statement No. 4. The results of the cost of service study were the  
9       starting point for designing the proposed distribution rates. However, the final rate  
10      designs for the distribution rates that I am recommending also incorporate the rate design  
11      principles and objectives that I previously described, as well as my experience in  
12      designing utility rates.

13 **Q.    How did you design the proposed distribution rates?**

14 A.    I began by reviewing the rates of return produced by the various rate schedules under  
15      current rates and the FPFTY level of revenue requirement. The rate schedules exhibit a  
16      range of returns from positive to negative. The divergent class returns provide an  
17      indication, based on a snapshot at a specific moment in time, of the general magnitude of  
18      interclass subsidies that exist among rate classes under current rates. Based upon the  
19      Company’s overall retail rate of return, the cost of service study shows that certain rate  
20      schedules are producing less than the Company’s overall rate of return, while others are  
21      producing rates of return in excess of it.

1 Next, I reviewed the revenue that each rate schedule would have to produce to achieve a  
2 rate of return equal to the Company's overall rate of return under the proposed  
3 distribution rates. This level of revenue shows the magnitude of the rate changes  
4 necessary to move each rate schedule to its cost of service as indicated by the cost of  
5 service study.

6 While movement toward cost of service is an important element in designing rates, it is  
7 not the only factor that must be considered. For instance, the impact on customers' bills  
8 from implementing a range of potential rate increases must be carefully evaluated.

9 Establishing rates for each rate schedule that produce a retail rate of return equal to the  
10 Company's overall rate of return is the theoretical target of the rate design process.

11 However, the Company understands that bringing some of the rate schedules to their  
12 indicated cost of service would impose rate decreases for some and/or potentially  
13 disruptive rate increases for others. The proposed rate design, therefore, properly applies  
14 the principle of gradualism to mitigate customer impact.

15 **Q. Has a table been prepared that shows the rates of return under existing and**  
16 **proposed rates by rate schedule for the Company?**

17 A. Yes. Such tables are set forth in Mr. Dolezal's direct testimony. That table also shows  
18 the unitized rates of return ("UROR") for each rate schedule. The UROR of a rate class  
19 is the class rate of return divided by the Company's overall average rate of return. A  
20 class UROR greater than 1.0 indicates that the class revenue exceeds the class cost of  
21 service. A class UROR less than 1.0 indicates that the class revenue is less than the class  
22 cost of service. URORs are used as a guide to measure the progress that changes in rates

1 will achieve in moving classes toward a UROR of 1.0 or “unity,” which is generally  
2 accepted as a desirable goal in rate design, subject to those other rate design factors that I  
3 previously discussed.

4 **Q. Were any specific criteria used in determining how much progress should be made**  
5 **in moving specific rate schedules toward unity, or cost of service?**

6 A. Yes. In order to implement the concept of gradualism as applied to the guidance  
7 provided by the results of the Company’s cost of service study, two general criteria were  
8 developed. The first criterion was that no customer class would experience, on average,  
9 an increase of more than 20% of total revenue assuming customers were taking default  
10 service. The second criterion was a benchmark calculated by reference to total  
11 distribution revenues. Specifically, for each rate schedule, the Company calculated two  
12 percentages, as follows: (1) revenue equal to the rate schedule’s cost of service divided  
13 by total-Company distribution revenue under existing rates; and (2) revenue under the  
14 rate schedule’s existing rates divided by total-Company distribution revenue under  
15 existing rates. The average of those two percentages became a target, such that revenue  
16 produced by each rate schedule under the proposed rates, expressed as a percentage of  
17 total-Company distribution revenue under proposed rates, would approximate the target  
18 percentage.

19 **Q. Turning to the design of specific rates, please describe, in general, the changes the**  
20 **Company proposes to its existing Residential rate schedules.**

21 A. The Residential rates were designed to recover the targeted level of revenues for that  
22 class. The Company proposes that the customer charge be increased by a larger

1 percentage than the overall revenue increase for the class to better reflect actual  
2 customer-related costs. The amount of the increase is based on the analysis of customer-  
3 related costs that has been prepared and is provided as Met-Ed Exhibit KMS-3. The  
4 Company's customer-related cost analysis was performed in the same manner as the  
5 comparable customer-cost analysis presented by PPL Electric Company in its 2012  
6 electric base rate case, where that analysis was approved and used as the basis for the  
7 increase in customer charges that the Administrative Law Judge and the Commission  
8 adopted.<sup>2</sup>

9 Once the customer charge was established, customer charge revenue was deducted from  
10 the total revenue target for the class to determine the revenues to be recovered in the  
11 variable charge. The variable charge was then increased to recover the non-customer  
12 charge revenue for the class.

13 **Q. Was the same general approach to rate design that you explained above for the**  
14 **Residential class employed for the other rate classes?**

15 A. Yes, it was. Customer charges were increased to better reflect customer-related costs and  
16 the non-customer charges of each rate schedule were increased to recover the remaining  
17 revenue in order to reach the class revenue target. The non-residential customer charges  
18 were increased by approximately the same percentage as the distribution percentage  
19 increase for each non-residential rate.

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<sup>2</sup> *Pa. P.U.C. v. PPL Elec. Util. Corp.*, Docket No. R-2012-2290597, Recommended Decision (Oct. 19, 2012), pp. 118-120, and Final Order (Dec. 28, 2012), p. 131.

1 **Q. What impact, if any, will this base rate case have on riders that are in place, or are**  
2 **expected to be in place shortly, for the Company?**

3 A. There is a relationship between this case and the Company's existing riders (the Smart  
4 Meter Technology Charge ("SMT-C") Rider, the Universal Service Cost ("USC") Rider,  
5 the Default Service Support ("DSS") Rider and the Hourly Pricing Default Service  
6 ("HP") Rider) as well as the Distribution System Improvement Charge ("DSIC") that is  
7 currently pending approval from the Commission.<sup>3</sup> I will discuss the DSIC first.

8 On February 16, 2016, the Company filed a Petition requesting Commission approval to  
9 implement a DSIC rider and to begin to charge an initial DSIC rate effective July 1, 2016.  
10 Pursuant to the applicable provisions of the Public Utility Code, the DSIC will recover  
11 the fixed costs of eligible property (as defined in the Code) placed in service since the  
12 end of the FPFTY in the Company's last base rate case. The eligible property that will  
13 form the basis for the Company's DSIC rates in effect from July 1, 2016 through the end  
14 of the future test year ("FTY") in this case (the twelve months ending December 31,  
15 2016) are part of the plant in service that is included in the proposed rate base in this  
16 case. Therefore, the fixed costs of that plant will be recovered in the new base rates when  
17 they become effective. Accordingly, the "C-Factor" of the DSIC will be reset to zero on  
18 the effective date of new base rates, and the "E-Factor" will remain only to true-up prior  
19 period DSIC costs and revenues.

20 Additionally, Met-Ed has a SMT-C. While the SMT-C currently has a charge of zero, the  
21 Company expects that the SMT-C will be updated to a positive charge during the

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<sup>3</sup> I would note that the Company's State Tax Adjustment Charge is zero and is expected to remain at zero through to the effective date of the new base rates established in this case.



1 suspension period of this case to reflect smart meter expenditures that exceed the level  
2 included in the Company's existing base rates. The costs to be recovered under the SMT-  
3 C have been included in developing the FPFTY revenue requirement in this case and,  
4 therefore, would be recovered in the new base rates when they become effective.  
5 Accordingly, the "C-Factor" of the SMT-C will be reset to zero on the effective date of  
6 new base rates, and the "E-Factor" will remain only to true-up prior period DSIC costs  
7 and revenues.

8 In addition to the impacts on the Riders explained above, the Company is proposing in  
9 this case to update the charges imposed under its DSS and HP Riders to reflect an  
10 increase in uncollectible accounts expense, as explained by Laura W. Gifford in Met-Ed  
11 Statement No. 6.

12 **IV. PROOF OF REVENUE ANALYSIS AND BILL COMPARISONS**

13 **Q. What is a proof of revenue analysis?**

14 A. A proof of revenue analysis provides the total billing units for a specified period (January  
15 1, 2017 through December 31, 2017, for the FPFTY), including pro forma ratemaking  
16 adjustments, summarized by rate components for each rate schedule and multiplied by  
17 the applicable unit rates to derive the base rate revenues that proposed rates will produce.  
18 Exhibit KMS-4 contains the Company's proof of revenue analysis.

19 **Q. Have you prepared an analysis of the rates in the Company's proposed tariff  
20 supplements showing their impact upon various customer classes?**

21 A. Yes. Exhibit KMS-5 sets forth the Company's comparison of bills at current and  
22 proposed rates for the Company's residential, commercial and industrial customers at

1 selected ranges of usage. The exhibit shows, among other things, the percentage impact  
2 on a customer's total electric service bill based on the proposed rates. For example, as  
3 shown on page 1 of Met-Ed Exhibit KMS-5, a residential customer of Met-Ed that  
4 receives service under Rate Schedule RS and uses 1000 kWh per month would pay  
5 \$157.43 under the proposed rates, which represents an increase of 12.52% in the  
6 customer's total bill.

7 **Q. Please explain what is shown in Exhibit KMS-6.**

8 A. Filing Requirement IV-E-2 requires that the Company provide a comparison showing  
9 costs, as defined by the cost of service study, and the proposed base rate revenues and  
10 usage for all rate schedules. Exhibit KMS-6 depicts that comparison graphically for  
11 representative rate schedules.

12 **V. TARIFF REVISIONS**

13 **A. Is the Company proposing any changes to its existing tariff in addition to changing**  
14 **the rates for service in the manner you previously described?**

15 A. Yes. The Company is proposing certain technical, non-substantive revisions that are  
16 shown in the matrix of changes set forth in Exhibit KMS-7. Those changes are also  
17 summarized below:

- 18 1) Description of Service Territory – The description of the Company's service  
19 territory has been revised to conform to the Company's actual service territory.
- 20 2) Modification of the Definitions of Applicant and Customer(s) – The definitions  
21 were modified to state that an Applicant or Customer must be at least 18 years  
22 old, consistent with 52 Pa. Code § 56.2.

- 1           3)     Rule 2 – The phrase “in the amount that is equal to one-sixth (1/6) of the  
2                   Applicant’s/Customer’s estimated annual bill” is being replaced with “in an  
3                   amount that conforms to the requirements of 52 Pa. Code § 56.51.”
- 4           4)     Rule 7 – Currently, Rule 7 establishes standard wiring, apparatus, and installation  
5                   obligations for the Company and the customer. This rule is being modified to  
6                   adopt power factor requirements that are consistent with the Company’s resource  
7                   planning documents.
- 8           5)     Rule 10 – “Kilovar” is being changed to “kilovar.”
- 9           6)     Rule 22 – Rule 22 deals with the transfer of customers between electric  
10                   generation suppliers (“EGSs”). The rule is being updated to conform to new  
11                   regulations.<sup>4</sup>
- 12          7)     LED Street Lighting – The existing tariff requires a minimum installation of  
13                   twelve LED lights per customer. A modification is proposed so that this  
14                   requirement will not apply to new installations.
- 15          8)     Street Lighting Schedules – The rate schedules are being revised to establish a  
16                   replacement/removal fee.
- 17          9)     Rate Schedule Availability – A number of rate schedules currently require that a  
18                   customer be transferred to another rate schedule if the customer exceeds a  
19                   specified usage or demand threshold in two consecutive months. The availability  
20                   section of the applicable rate schedules is being revised to provide that a review  
21                   for compliance will be performed once per year, and a customer will be deemed

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<sup>4</sup> 52 Pa. Code Chapter 57, Subchapter M, Standards for Changing a Customer’s Electricity Generation Supplier.

1 out of compliance if it exceeded the specified threshold in two consecutive  
2 months during the preceding twelve-month review period.

3 10) Rider L – Rider L is the Partial Service Rider. Language was added to expressly  
4 state that the General Monthly charges listed in Rider L are in addition to the  
5 charges included in the applicable rate schedule, which makes the tariff language  
6 clearly reflect the existing manner in which those charges have been applied.

7 11) Definition of On-Peak hours – For purposes of determining billing demand for  
8 Commercial and Industrial customers, the customer must select an on-peak period  
9 of either 6 a.m. to 6 p.m., 7 a.m. to 7 p.m., 8 a.m. to 8 p.m., 9 a.m. to 9 p.m., or 10  
10 a.m. to 10 p.m. The definition is being modified by adding that, if the customer  
11 does not select an on-peak period within 30 days of the receipt of notice to do so,  
12 the on-peak hours will default to 8 a.m. to 8 p.m.

13 12) Determination of Billing Demand, Rate Schedules GS Medium, GS Large, and  
14 GP – Eliminate “non-interval” from the sentence that designates the customers to  
15 whom the on-peak and off-peak provisions apply.

16 **Q. Please explain the proposed changes to eliminate certain options under existing**  
17 **street lighting and outdoor lighting rate schedules.**

18 A. The Company proposes to eliminate certain street lighting sizes and general provisions  
19 within the lighting schedules that have become obsolete through restrictions  
20 (grandfathering) to existing customers on certain lighting schedules and a result of  
21 migration to newer technology. The Company proposes to eliminate those options that  
22 are part of the rate schedules that are grandfathered for continued use only by existing  
23 customers in the existing tariff; have been replaced by newer technologies (such as

1 replacing mercury vapor with high pressure sodium vapor lamps); and have no customers  
2 currently on the specific option. A listing of all of the sizes and provisions proposed to  
3 be eliminated is set forth on the last page Exhibit KMS-6.

4  
5 **VI. MISCELLANEOUS MATTERS**

6 **Q. Please describe the provisions of 52 Pa. Code § 69.36.**

7 A. This section of the Commission’s regulations is a Statement of Policy expressing the  
8 Commission’s intent to examine in electric and gas rate proceedings actions taken by  
9 utilities to encourage the development of cost effective energy supply alternatives. I am  
10 responding only to 52 Pa. Code § 69.36(5), which requires utilities to demonstrate  
11 “progressive work regarding the development of a reliable customer data base.”

12 **Q. Please address the Company’s efforts to develop a reliable customer data base in**  
13 **accordance with 52 Pa. Code § 69.36(5).**

14 A. The Company has completed substantial work in this area. The Company’s Customer  
15 Care System currently contains data for each customer regarding billing, usage and  
16 usage-related revenue, demand and demand-related revenue, rate categories and a  
17 “premises” code. The premises code keeps track of all data associated with a location,  
18 even if the customer at that location changes its name, moves, etc. More recently, the  
19 Company has developed a “business warehouse” data base that allows the Company to  
20 query customer-specific data. In addition to this data base, the Company routinely  
21 completes residential customer surveys, which produce additional information  
22 concerning customers’ characteristics, such as appliance usage and air conditioning  
23 saturation. Also, each year the Company conducts a Large Power Customer contact

1 survey. Throughout the year, Company representatives routinely meet with large  
2 customers to discuss their current and long-term needs and other factors related to their  
3 electric service. These contacts provide information regarding programs, services, rates  
4 and other information which might affect their businesses.

5 From these data bases, surveys and other contacts with customers, the Company has  
6 amassed a substantial amount of information about customers' end-use applications and  
7 their behavior and decision-making processes. This information is routinely factored into  
8 the Company's planning for furnishing service and conducting their operations.

9 **VII. CONCLUSION**

10 **Q. Does this complete your direct testimony?**

11 **A. Yes, it does.**

**Resume: Education and Experience of Kevin M. Siedt**

Education:

1984 Bachelor of Science Degree- Accounting/Finance, Rowan University,  
Glassboro, New Jersey  
1994 Masters of Business Administration Degree, Moravian College, Bethlehem,  
PA

Experience:

1984 – 1987 Commercial Credit Analyst – First Fidelity Bank  
1987 – 1993 Financial Analyst, Corporate Finance Department – Foster Wheeler  
Corporation  
1993 – 1996 Senior Financial Analyst, Corporate and Project Finance – Foster Wheeler  
Corporation  
1996 – 1997 Manager of Financial Analysis, Corporate and Project Finance - Foster  
Wheeler Corporation  
1997 – 1998 Director of Financial Analysis, Corporate and Project Finance – Foster  
Wheeler Corporation  
1998 – 2001 Financial Consultant, Treasury Department – GPU Corporation  
2001 – 2002 Consultant, Market Economics – GPU Corporation  
2002 – 2010 Staff Business Analyst, Rates and Regulatory Affairs – FirstEnergy Service  
Company  
2010 – 2014 Rate Analyst V, Rates and Regulatory Affairs – FirstEnergy Service  
Company  
2014 – Present Consultant, Rates and Regulatory Affairs – FirstEnergy Corporation

Prepared and presented testimony in the following rate-related cases:

Pa. P.U.C. Cases: Docket Nos. P-00072259  
P-2010-2157862  
M-2011-2250561  
M-2011-2259298  
M-2011-2250682  
P-2012-2292284  
C-2012-2284617  
C-2012-2295306  
M-2012-2312766  
M-2012-2312767  
M-2012-2312769  
M-2012-2312772

M-2012-2312633  
M-2012-2312770  
M-2012-2334387  
M-2012-2334392  
M-2012-2334395  
M-2012-2334398  
P-2013-2391368  
P-2013-2391372  
P-2013-2391375  
P-2013-2391378  
R-2014-2428745  
R-2014-2428743  
R-2014-2428744  
R-2014-2428742  
M-2015-2514768

NJ BPU Cases: Docket Nos. ER05121018  
EM02030152  
EM03060438  
EM04010045  
EM05040314  
EM12040309

Assisted in development and preparation of the following rate cases:

Pa. P.U.C. Cases: Docket Nos. R-00061366  
R-00061367  
P-0072305  
M-2008-2069887  
P-2008-20066692  
P-2009-2093053  
P-2009-2093054  
R-00974008  
R-00974009  
M-2009-2092222  
M-2009-2112952  
M-2009-2552956  
P-2009-2093053  
P-2009-2093054  
M-A-2010-2176520



A-2010-2176732  
P-2011-2273650  
P-2011-2273668  
P-2011-2273669  
P-2011-2273670  
M-2012-2289411





Metropolitan Edison Company  
 Sales and Distribution Revenue Normalization  
 Fully Projected Future Test Year Twelve Months Ending December 2017

Basic Input Factors

Line No.	Rate Group (1)	Number of Customers End of Period (2)	Monthly Average (3)	Billed Usage (KWH) (4)	Billed Demand* Units (5)	Billed Revenue (\$ (6)	Incremental Rate (\$/KWH) (7)	Incremental Rate (\$/Customer) (8)	Incremental Rate (\$/Demand*) (9)	Added Customers (10)	Added Customer Usage (KWH) (11)	Added Customer Demands* (12)	Specific Energy Adjustment (13)	Specific Demand* Adjustment (14)	Added Customer Use Revenue (15)	Specific Revenue Adjustment (16)
1	RS	494,692	493,857	5,034,968,280	18,586	242,001,059	3.599¢	\$ 10,250	\$ 2,590	835	8,512,825	0	(144,508,690)	(533)	409,082	(5,202,248)
2	G5V	265	264	11,244,185	21,458	492,760	3.599¢	\$ 10,250	\$ 2,590	1	42,592	81	(323,395)	(617)	1,866	(13,237)
3	G5S	40,128	40,067	176,277,821	0	12,671,910	2.680¢	\$ 16,530	N/A	61	268,400	0	(5,432,945)	0	19,293	(145,603)
4	G5M	24,779	24,741	2,737,645,847	10,115,676	50,564,322	0.000¢	\$ 27,068	\$ 4,204	38	4,204,776	15,542	(84,376,342)	(311,773)	77,682	(1,310,694)
5	MS	51	53	3,649,460	0	117,337	2.613¢	\$ 34,370	N/A	(2)	(137,716)	0	(108,069)	0	(4,423)	(2,824)
6	OL	1,024	1,024	5,805,221	0	751,476	0.000¢	\$ 61,155	N/A	0	0	0	(178,647)	0	0	0
7	BORD	55	55	802,154	0	30,932	2.960¢	\$ 10,891	N/A	0	0	0	(24,665)	0	0	(731)
8	GSL	363	363	921,715,932	3,524,191	7,744,437	0.000¢	\$ 143,310	\$ 2,021	0	0	0	(24,091,221)	(92,113)	0	(186,160)
9	GP	512	512	2,767,976,176	7,307,114	18,032,675	0.000¢	\$ 748,370	\$ 1,839	0	0	0	(72,347,589)	(190,989)	0	(351,229)
10	TP	21	21	1,678,335,378	3,631,482	3,249,178	0.000¢	\$ 3,530,000	\$ 0.648	0	0	0	(43,867,255)	(94,917)	0	(61,506)
11	QF	3	3	0	695,173	107,130	0.000¢	\$ 79,280	\$ 0.150	0	0	0	0	0	0	0
12	STLT	601	601	29,052,143	0	5,164,660	0.001¢	\$ 716,085	N/A	0	0	0	(230,865)	0	0	0
13	TOTAL PA	562,494	561,561	13,367,472,597	25,313,680	340,927,876				933	12,890,877	15,623	(375,489,703)	(690,942)	503,500	(7,274,232)

\*Includes billed kW, minimum kW, rKVA, and standby kW

Metropolitan Edison Company  
 Sales and Distribution Revenue Normalization  
 Fully Projected Future Test Year Twelve Months Ending December 2017  
 Energy Usage and Adjustments

Line No.	Rate Group (1)	Number of Customers End of Period (2)	Monthly Average (3)	Added Customers (2)-(3) (4)	Billed Usage (KWH) (5)	Billed Demand* Units (6)	KWH per Customer (5)/(3) (7)	Demand* per Customer (6)/(3) (8)	Added Customer KWH Usage (4)*(7) (9)	Added Customer Demands* (4)*(8) (10)	Specific Energy Adjust (KWH) (11)	Specific Demand* Adjustment (10)/(6)/(6) (12)	Total Energy Adjustment (9)-(11) (13)	Total Demand* Adjustment (10)-(12) (14)	Normalized Energy (KWH) (5)-(13) (15)	Normalized Demands* (6)-(14) (16)
1	RS	494,692	493,857	835	5,034,968,280	18,566	10,195	0	8,512,825	0	(144,508,690)	(533)	(135,995,865)	(533)	4,898,372,415	18,053
2	GSS	265	254	1	11,244,185	21,458	42,592	81	42,592	81	(323,395)	(617)	(280,803)	(536)	10,963,382	20,922
3	GSS	40,128	40,067	61	176,277,821	0	4,400	0	286,400	0	(5,432,945)	0	(5,164,545)	0	171,113,276	0
4	GSM	24,779	24,741	38	2,737,645,847	10,115,676	110,652	409	4,204,776	15,542	(84,376,342)	(311,773)	(80,171,566)	(296,231)	2,657,474,281	9,819,445
5	MS	51	53	(2)	3,649,460	0	68,858	0	(137,716)	0	(108,069)	0	(245,785)	0	3,403,675	0
6	OL	1,024	1,024	0	5,805,221	0	5,669	0	0	0	(178,647)	0	(178,647)	0	5,626,574	0
7	BORD	55	55	0	802,154	0	14,585	0	0	0	(24,665)	0	(24,665)	0	777,469	0
8	GSL	363	363	0	921,715,932	3,524,191	2,538,162	9,709	0	0	(24,091,221)	(92,113)	(24,091,221)	(92,113)	897,624,711	3,432,078
9	GP	512	512	0	2,767,976,176	7,307,114	5,406,203	14,272	0	0	(72,347,589)	(190,989)	(72,347,589)	(190,989)	2,695,628,587	7,116,125
10	TP	21	21	0	1,676,335,378	3,631,482	79,920,732	172,928	0	0	(43,867,255)	(94,917)	(43,867,255)	(94,917)	1,634,468,123	3,536,565
11	OF	3	3	0	0	695,173	0	0	0	0	0	0	0	0	0	695,173
12	STLT	601	601	0	29,052,143	0	48,340	0	0	0	(230,865)	0	(230,865)	0	28,821,278	0
13	TOTAL PA	562,494	561,561	933	13,367,472,597	25,313,680	12,890,877	15,623	12,890,877	15,623	(375,489,703)	(690,942)	(362,598,826)	(675,319)	13,004,873,771	24,638,361

\*Includes billed kW, minimum kW, rKVA, and standby kW

Metropolitan Edison Company  
 Sales and Distribution Revenue  
 Fully Projected Future Test Year Twelve Months Ending December 2017

Line No.	Rate Group (1)	Billed Usage (KWH) (2)	Billed Revenue (\$) (3)	Added Customers (4)	Added Customer KWH Usage (5)	Added Customer Demands* (6)	Specific Energy Adjustment (7)	Specific Demand* Adjustment (8)	Incremental Rate (\$/KWH) (9)	Incremental Rate (\$/Customer) (10)	Incremental Rate (\$/Demand*) (11)	Added Customer Use Revenue (100)*(9)*(11) (12)	Specific Revenue Adjustment (7)*(9)/(10)*(6)*(11) (13)	Other Revenue Adjustment (14)	Total Revenue Adjustment (12)+(13)+(14) (15)	Normalized Revenue (3)+(15) (16)	DSIC Charges (17)	Subtotal Base Dist. Rev. plus Rider Changes (18)
1	RS	5,034,988,280	242,001,059	835	8,512,825	0	(144,598,650)	(533)	3.5994	\$ 10,250	\$ 2,590	409,082	(5,202,248)	0	(4,793,166)	237,207,893	567,924	237,775,817
2	GSV	11,244,185	492,760	1	42,592	81	(323,395)	(617)	3.5994	\$ 1,250	\$ 2,590	1,866	(13,237)	0	(11,371)	481,389	1,153	482,542
3	GSS	176,277,821	12,671,910	61	266,400	0	(9,432,945)	0	2.6004	\$ 15,530	N/A	19,293	(145,603)	0	(126,310)	12,545,600	30,037	12,575,637
4	GSM	2,737,645,847	50,564,322	38	4,204,776	15,542	(84,376,342)	(311,773)	2.8194	\$ 27,058	\$ 4,204	77,682	(1,310,694)	0	(1,233,012)	49,331,310	118,109	49,449,419
5	MS	3,649,460	117,337	(2)	(137,716)	0	(108,059)	0	2.8194	\$ 34,370	N/A	(4,423)	(2,824)	0	(7,247)	110,090	264	110,354
6	OL	5,805,221	751,476	0	0	0	(176,647)	0	0.0004	\$ 61,155	N/A	0	0	0	0	751,476	1,799	753,275
7	BORD	802,154	30,932	0	0	0	(24,665)	0	2.9604	\$ 10,891	N/A	0	(731)	0	(731)	30,201	-	30,201
8	GSL	921,715,932	7,744,437	0	0	0	(24,691,221)	(92,113)	0.0004	\$ 143,310	\$ 2,021	0	(186,160)	0	(186,160)	7,558,277	18,096	7,576,373
9	GP	2,767,976,176	16,032,675	0	0	0	(72,347,559)	(196,989)	0.0004	\$ 748,370	\$ 1,839	0	(351,229)	0	(351,229)	17,681,446	42,333	17,723,779
10	TP	1,678,335,378	3,249,178	0	0	0	(43,667,256)	(84,917)	0.0004	\$ 3,530,000	\$ 0,648	0	(61,506)	0	(61,506)	3,187,672	-	3,187,672
11	QF	0	107,130	0	0	0	0	0	0.0004	\$ 79,280	\$ 0,150	0	0	0	0	107,130	-	107,130
12	STLT	29,052,143	5,164,690	0	0	0	(230,865)	0	0.0014	\$ 716,085	N/A	0	0	(18,598)	(18,598)	5,146,062	12,321	5,158,383
13	TOTAL PA	13,367,472,597	340,927,876	933	12,890,877	15,623	(375,489,703)	(690,942)				503,500	(7,274,232)	(18,598)	(6,789,330)	334,138,546	792,036	334,930,582

\*Includes billed kW, minimum kW, kVA, and standby kW



Metropolitan Edison Company  
 Sales and Distribution Revenue Normalization  
 Future Test Year Twelve Months Ending December 2016

Basic Input Factors

Line No.	Rate Group (1)	Number of Customers End of Period (2)	Monthly Average (3)	Billed Usage (KWH) (4)	Billed Demand* Units (5)	Billed Revenue (\$) (6)	Incremental Rate (\$/KWH) (7)	Incremental Rate (\$/Customer) (8)	Incremental Rate (\$/Demand*) (9)	Added Customers (10)	Added Customer Usage (KWH) (11)	Added Customer Demands* (12)	Specific Energy Adjustment (13)	Specific Demand* Adjustment (14)	Added Customer Use Revenue (15)	Specific Revenue Adjustment (16)
1	RS	493,862	492,963	5,183,637,343	19,129	247,243,139	3,599	10,250	2,590	899	9,452,985	0	(211,914,579)	(782)	450,790	(7,628,831)
2	GVS	264	264	11,573,125	22,092	506,181	3,599	10,250	2,590	0	0	0	(472,265)	(902)	0	(19,333)
3	GSS	39,993	39,926	176,066,332	0	12,637,990	2,680	16,530	N/A	67	295,470	0	(7,006,704)	0	21,209	(187,780)
4	GSM	24,654	24,654	2,733,948,328	10,101,888	50,441,886	0.000	26,946	4,204	41	4,546,613	16,810	(108,804,244)	(402,030)	83,927	(1,690,134)
5	MS	56	59	4,959,378	0	153,844	2,613	34,370	N/A	(3)	(252,171)	0	(187,024)	0	(7,827)	(4,887)
6	OL	1,024	1,024	5,876,611	0	751,476	0.000	61,155	N/A	0	0	0	(233,486)	0	0	0
7	BORD	55	55	802,154	0	30,932	2,960	10,891	N/A	0	0	0	(31,871)	0	0	(943)
8	GSL	362	362	921,967,950	3,525,166	7,744,690	0.000	143,310	2,021	0	0	0	(30,458,888)	(116,460)	0	(235,366)
9	GP	511	510	2,768,717,715	7,308,886	18,022,887	0.000	748,370	1,839	1	5,428,868	14,331	(91,648,976)	(241,936)	35,335	(444,920)
10	TP	21	21	1,659,242,706	3,589,617	3,215,658	0.000	3,530,000	0.647	0	0	0	(54,616,100)	(118,590)	0	(76,728)
11	QF	3	3	0	695,173	107,130	0.000	79,280	0.154	0	0	0	0	0	0	0
12	STLT	601	601	29,069,306	0	5,155,872	0.001	714,867	N/A	0	0	0	(230,865)	0	0	0
13	TOTAL PA	561,447	560,442	13,495,850,948	25,261,951	346,011,685				1,005	19,471,755	31,141	(505,805,002)	(880,700)	583,434	(10,288,922)

\*Includes billed KW, minimum KW, and standby KW



Metropolitan Edison Company  
 Sales and Distribution Revenue Normalization  
 Future Test Year Twelve Months Ending December 2016

Energy Usage and Adjustments

Line No.	Rate Group (1)	Number of Customers End of Period (2)	Monthly Average (3)	Added Customers (2)-(3) (4)	Billed Usage (KWH) (5)	Billed Demand* Units (6)	KWH per Customer (5)/(3) (7)	Demand* per Customer (6)/(3) (8)	Added Customer KWH Usage (4)*(7) (9)	Added Customer Demands* (4)*(8) (10)	Specific Energy Adjust (KWH) (11)	Specific Demand* Adjustment (10)*(6)/(5) (12)	Total Energy Adjustment (9)*(11) (13)	Total Demand* Adjustment (10)*(12) (14)	Normalized Energy (KWH) (5)-(13) (15)	Normalized Demands* (9)-(14) (16)
1	RS	483,862	492,963	899	5,183,637,343	19,129	10,515	0	9,452,985	0	(211,914,579)	(782)	(202,461,594)	(782)	4,981,175,749	18,347
2	GSV	264	264	0	11,573,125	22,092	43,838	84	0	0	(472,265)	(902)	(472,265)	(902)	11,100,860	21,190
3	GSS	39,953	39,926	67	176,056,332	0	4,410	0	295,470	0	(7,006,704)	0	(6,711,234)	0	169,345,098	0
4	GSM	24,695	24,654	41	2,733,948,328	10,101,888	110,893	410	4,546,613	16,810	(108,804,244)	(402,030)	(104,257,631)	(385,220)	2,629,690,697	9,716,668
5	MS	56	59	(3)	4,959,378	0	84,057	0	(252,171)	0	(187,024)	0	(439,195)	0	4,520,183	0
6	OL	1,024	1,024	0	5,876,611	0	5,739	0	0	0	(233,486)	0	(233,486)	0	5,643,125	0
7	BORD	55	55	0	802,154	0	14,585	0	0	0	(31,871)	0	(31,871)	0	770,283	0
8	GSL	362	362	0	921,997,950	3,525,166	2,546,873	9,738	0	0	(30,458,888)	(116,460)	(30,458,888)	(116,460)	891,509,062	3,408,706
9	GP	511	510	1	2,768,717,715	7,308,886	5,428,858	14,331	5,428,858	14,331	(91,648,978)	(241,936)	(86,220,118)	(227,605)	2,682,497,597	7,081,281
10	TP	21	21	0	1,659,242,706	3,589,617	79,011,557	170,934	0	0	(54,816,100)	(118,590)	(54,816,100)	(118,590)	1,604,426,606	3,471,027
11	OF	3	3	0	0	695,173	0	0	0	0	0	0	0	0	0	695,173
12	STLT	601	601	0	29,069,306	0	48,368	0	0	0	(230,865)	0	(230,865)	0	28,838,441	0
13	TOTAL PA	561,447	560,442	1,005	13,495,850,948	25,261,951	19,471,755	31,141	19,471,755	31,141	(505,805,002)	(880,700)	(486,333,247)	(849,559)	13,009,517,701	24,412,392

\*Includes billed kW, minimum kW, and standby kW

Metropolitan Edison Company  
 Sales and Distribution Revenue  
 Future Test Year Twelve Months Ending December 2016

Line No.	Rate Group (1)	Billed Usage (KWH) (2)	Billed Revenue (\$) (3)	Added Customers (4)	Added Customer KWH Usage (5)	Added Customer Demands* (6)	Specific Energy Adjustment (7)	Specific Demand* Adjustment (8)	Incremental (¢/KWH) (9)	Incremental Rate (¢/Customer) (10)	Incremental Rate (\$/Demand*) (11)	Added Customer Use Revenue (4)*(10)+(9)*(11) (12)	Specific Revenue Adjustment (7)*(9)+(10)*(8)+(11) (13)	Other Revenue Adjustment (14)	Total Revenue Adjustment (12)+(13)+(14) (15)	Normalized Revenue (3)+(15) (16)	DSIC Charges (17)	Subtotal Base Dist. Rev plus Rider, Chant (18)
1	RS	5,183,637,343	247,243,139	899	9,452,985	0	(211,914,579)	(782)	4	10	3	450,790	(7,628,831)	0	(7,178,041)	240,065,098	646,447	240,711,545
2	GSV	11,573,125	506,181	0	0	0	(472,265)	(902)	4	10	3	0	(19,333)	0	(19,333)	486,848	685	487,533
3	GSS	176,056,332	12,637,990	67	295,470	0	(7,006,704)	0	3	17	N/A	21,209	(186,571)	0	(186,571)	12,471,419	45,906	12,517,325
4	GSM	2,733,948,328	50,441,886	41	4,546,613	16,810	(108,804,244)	(402,030)	0	27	N/A	83,927	(1,690,134)	0	(1,690,207)	48,835,679	68,228	48,903,907
5	MS	4,959,378	153,844	(3)	(252,171)	0	(187,024)	0	3	34	N/A	(7,827)	(4,887)	0	(12,714)	141,130	151	141,281
6	OL	5,876,611	751,476	0	0	0	(233,486)	0	0	61	N/A	0	0	0	0	751,476	721	752,197
7	BORD	802,154	30,932	0	0	0	(31,871)	0	3	11	N/A	0	(943)	0	(943)	29,989	0	29,989
8	GSL	921,967,950	7,744,690	0	0	0	(30,438,888)	(116,480)	0	143	2	0	(235,366)	0	(235,366)	7,509,324	7,555	7,516,879
9	GP	2,768,717,715	18,022,887	1	5,428,858	14,331	(91,648,976)	(241,936)	0	748	1	35,335	(444,920)	0	(444,920)	17,613,302	17,390	17,630,692
10	TP	1,659,242,706	3,215,658	0	0	0	(54,816,100)	(118,590)	0	3,530	0	0	(76,728)	0	(76,728)	3,138,930	18	3,156,948
11	QF	0	107,130	0	0	0	0	0	0	79	0	0	0	0	0	107,130	0	107,130
12	STLT	29,069,306	5,156,872	0	0	0	(230,865)	0	0	715	N/A	0	0	(18,598)	(18,598)	5,137,274	4,935	5,142,209
13	TOTAL PA	13,495,850,948	346,011,585	1,005	19,471,755	31,141	(505,805,002)	(880,700)	0	715	N/A	563,434	(10,288,922)	(18,598)	(8,724,086)	336,287,599	792,036	337,079,635

\*Includes billed kW, minimum kW, and standby kW



Metropolitan Edison Company  
 Sales and Distribution Revenue Normalization  
 Historic Test Year Twelve Months Ending December 2015

Basic Input Factors

Line No.	Rate Group (1)	Number of Customers End of Period (2)	Monthly Average (3)	Billed Usage (KWH) (4)	Billed Demand* Units (5)	Billed Revenue (\$ (6)	Incremental Rate (\$/KWH) (7)	Incremental Rate (\$/Customer) (8)	Incremental Rate (\$/Demand*) (9)	Added Customers (10)	Added Customer Usage (KWH) (11)	Added Customer Demands* (12)	Specific Energy Adjustment (13)	Specific Demand* Adjustment (14)	Added Customer Use Revenue (15)	Specific Revenue Adjustment (16)
1	RS	493,793	491,850	5,622,581,297	20,804	262,908,133	3.599¢	\$ 10.250	\$ 2.590	1,943	22,210,433	0	(487,792,806)	(1,805)	1,038,342	(17,560,338)
2	GSV	263	264	12,611,592	22,601	544,900	3.599¢	\$ 10.250	\$ 2.590	(1)	(47,771)	(86)	(1,085,698)	(1,946)	(2,065)	(44,114)
3	GSS	39,172	39,553	175,395,897	0	12,546,343	2.680¢	\$ 16.530	N/A	(381)	(1,689,354)	0	(12,351,968)	0	(120,850)	(331,033)
4	GSM	25,581	25,023	2,798,626,408	10,072,802	50,473,930	2.680¢	\$ 27.068	\$ 4.204	558	62,407,836	224,874	(203,443,125)	(732,231)	1,126,618	(3,078,299)
5	MS	62	64	6,301,052	0	191,043	2.613¢	\$ 34.370	N/A	(2)	(196,908)	0	(434,055)	0	(5,970)	(11,342)
6	OL	991	1,013	5,906,792	0	743,400	2.960¢	\$ 61.155	N/A	(22)	(128,282)	0	(410,900)	0	(16,145)	0
7	BORD	55	55	844,241	0	32,178	2.960¢	\$ 10.891	N/A	0	0	0	(60,032)	0	0	(1,777)
8	GSL	361	359	894,077,593	3,423,180	7,535,626	2.960¢	\$ 143.310	\$ 2.021	2	4,980,934	19,070	(34,030,365)	(130,293)	41,980	(263,322)
9	GP	504	506	2,744,798,926	7,383,408	18,122,190	2.960¢	\$ 748.370	\$ 1.839	(2)	(10,849,008)	(29,184)	(103,483,045)	(278,366)	(71,630)	(511,915)
10	TP	21	19	1,745,307,634	3,637,761	3,162,109	0.001¢	\$ 3,530.000	\$ 0.648	2	183,716,594	382,922	(73,015,713)	(152,187)	332,853	(98,617)
11	QF	4	5	0	692,336	108,607	0.001¢	\$ 79.280	\$ 0.150	(1)	0	0	0	0	(951)	0
12	STLT	601	600	28,862,120	0	5,156,101	0.001¢	\$ 716.085	N/A	1	48,104	0	(230,865)	0	717	0
13	TOTAL PA	561,408	559,311	14,035,313,552	25,252,892	361,524,560				2,097	260,452,578	597,596	(916,338,572)	(1,266,828)	2,322,899	(21,900,757)

\*includes billed kW, minimum kW, and standby kW

Metropolitan Edison Company  
 Sales and Distribution Revenue Normalization  
 Historic Test Year Twelve Months Ending December 2015

Energy Usage and Adjustments

Line No.	Rate Group (1)	Number of Customers End of Period (2)	Monthly Average (3)	Added Customers (2)-(3) (4)	Billed Usage (KWH) (5)	Billed Demand* Units (6)	KWH per Customer (5)/(3) (7)	Demand* per Customer (6)/(3) (8)	Added Customer KWH Usage (4)*(7) (9)	Added Customer Demands* (4)*(8) (10)	Specific Energy Adjust (KWH) (11)	Specific Demand* Adjustment (10)/(6)/(5) (12)	Total Energy Adjustment (9)+(11) (13)	Total Demand* Adjustment (10)+(12) (14)	Normalized Energy (KWH) (5)+(13) (15)	Normalized Demands* (9)+(14) (16)
1	RS	483,793	491,350	1,943	5,622,551,297	20,804	11,431	0	22,210,433	0	(487,792,806)	(1,805)	(465,592,373)	(1,805)	5,156,998,924	18,599
2	G5V	263	264	(1)	12,611,592	22,601	47,771	86	(47,771)	(86)	(1,085,698)	(1,946)	(1,133,469)	(2,032)	11,478,123	20,569
3	G5S	39,172	39,553	(381)	175,395,897	0	4,434	0	(1,689,354)	0	(12,351,968)	0	(14,041,322)	0	161,354,575	0
4	G5M	25,561	25,023	538	2,798,626,408	10,072,802	111,842	403	62,407,836	224,874	(203,443,129)	(732,231)	(141,035,269)	(507,357)	2,657,591,119	9,566,445
5	MS	62	64	(2)	6,301,052	0	98,454	0	(196,908)	0	(434,055)	0	(630,963)	0	5,670,089	0
6	OL	991	1,013	(22)	5,906,792	0	5,831	0	(128,282)	0	(410,900)	0	(539,182)	0	5,367,610	0
7	BORD	55	55	0	844,241	0	15,350	0	0	0	(60,032)	0	(60,032)	0	794,209	0
8	G5L	361	359	2	894,077,593	3,423,180	2,490,467	9,535	4,980,934	19,070	(34,030,365)	(130,293)	(29,049,431)	(111,223)	865,028,162	3,311,957
9	GP	504	506	(2)	2,744,796,926	7,383,408	5,424,504	14,582	(10,849,008)	(29,184)	(103,483,045)	(278,366)	(114,332,053)	(307,550)	2,630,466,873	7,075,858
10	TP	21	19	2	1,745,307,634	3,637,761	91,868,297	191,461	183,716,594	382,922	(73,015,713)	(162,187)	110,700,881	230,735	1,856,008,515	3,868,496
11	QF	4	5	(1)	0	692,336	0	0	0	0	0	0	0	0	0	692,336
12	STLT	601	600	1	28,862,120	0	48,104	0	48,104	0	(230,865)	0	(182,761)	0	28,679,359	0
13	TOTAL PA	561,408	559,311	2,097	14,035,313,552	25,252,832	260,452,578	597,596	(1,296,828)	(655,865,994)	(916,338,572)	(1,296,828)	(655,865,994)	(699,232)	13,379,427,558	24,553,660

\*Includes billed kW, minimum kW, and standby kW

Metropolitan Edison Company  
 Sales and Distribution Revenue  
 Historic Test Year Twelve Months Ending December 2015

Line No.	Rate Group (1)	Billed Usage (KWH) (2)	Billed Revenue (\$) (3)	Added Customers (4)	Added Customer KWH Usage (5)	Added Customer Demands* (6)	Specific Energy Adjustment (7)	Specific Demand* Adjustment (8)	Incremental Rate (\$/KWH) (9)	Incremental Rate (\$/Customer) (10)	Incremental Rate (\$/Demand*) (11)	Added Customer Use Revenue (12)	Specific Revenue Adjustment (7)*(9)/(10)+(8)/(11) (13)	Other Revenue Adjustment (14)	Total Revenue Adjustment (12)+(13)+(14) (15)	Normalized Revenue (9)/(15) (16)
1	RS	5,622,581,287	262,908,133	1,943	22,210,433	0	(487,792,806)	(1,805)	3,599¢	\$ 10,250	\$ 2,590	1,038,342	(17,560,338)	0	(16,521,996)	246,386,137
2	GSV	12,611,592	544,900	(1)	(47,771)	(86)	(1,065,698)	(1,346)	3,599¢	\$ 10,250	\$ 2,590	(2,065)	(44,114)	0	(46,179)	488,721
3	GSS	175,395,897	12,546,343	(381)	(1,689,354)	0	(12,351,968)	0	2,680¢	\$ 16,530	N/A	(120,850)	(331,033)	0	(451,883)	12,094,460
4	GSM	2,798,628,408	50,473,930	568	62,407,836	224,874	(203,443,125)	(732,231)	2,615¢	\$ 27,068	\$ 4,204	1,126,618	(3,078,298)	0	(1,951,681)	48,522,249
5	MS	6,301,052	191,043	(2)	(196,908)	0	(434,055)	0	2,615¢	\$ 34,370	N/A	(9,970)	(11,342)	0	(17,312)	173,731
6	OL	5,906,792	743,400	(22)	(128,282)	0	(410,900)	0	2,960¢	\$ 61,155	N/A	(16,145)	0	0	(16,145)	727,255
7	BORD	844,241	32,178	0	0	0	(60,032)	0	2,960¢	\$ 10,891	N/A	0	(1,777)	0	(1,777)	30,401
8	GSL	894,077,593	7,535,626	2	4,980,934	19,070	(34,030,365)	(130,293)	2,021	\$ 143,310	\$ 2,021	41,980	(283,322)	0	(221,342)	7,314,284
9	GP	2,744,098,926	18,122,190	(2)	(10,848,008)	(29,184)	(103,483,045)	(278,366)	1,839	\$ 748,370	\$ 1,839	(71,630)	(511,915)	0	(583,545)	17,538,645
10	TP	1,745,307,634	3,162,109	2	183,716,594	382,922	(73,015,713)	(152,187)	0,648	\$ 3,530,000	\$ 0,648	332,853	(98,617)	0	234,236	3,396,345
11	QF	108,607	0	(1)	0	0	0	0	0,001¢	\$ 79,280	\$ 0,150	(951)	0	0	(951)	107,656
12	STLT	28,862,120	5,156,101	1	48,104	0	(230,865)	0	0,001¢	\$ 716,085	N/A	717	0	(18,598)	(17,881)	5,138,220
13	TOTAL PA	14,035,313,552	361,524,560	2,097	260,452,578	597,596	(916,338,572)	(1,296,828)				2,322,899	(21,900,757)	(18,598)	(19,596,456)	341,928,104

\*Includes billed kW, minimum kW, and Standby kW



Metropolitan Edison Company  
Summary of Distribution of Revenues  
Tariff Pa. PUC No. 52 as Compared to Tariff Pa. PUC No. 52, Supplemental No. XX

Line No.	Rate Group (1)	End of Period Customers (2)	Normalized Sales (MWH) (3)	Normalized Demand (KW) (4)	Normalized Base Revenues (5)	Present Rates			Proposed Rates				Net Overall Increase (17)				
						DSIC Charges (6)	Subtotal Base Dist. Rev. plus Rider Changes (7)	Other Rider Charges (8)	Total Present Rates (9)	Base Rev Percent Increase (10)	Base Revenue After Increase (11)	Base Revenues After Increase (12)		DSIC Charges (13)	Subtotal Base Dist. Rev. plus Rider Changes (14)	Other Rider Changes (15)	Total Revenue After Increase (16)
1	RS	494,692	4,998,972	18,053	\$ 237,207,893	\$ 567,924	\$ 237,775,817	\$ 463,054,284	\$ 700,830,101	37.13%	\$ 88,290,663	\$ 326,066,480	\$ -	\$ 326,066,480	\$ 468,252,801	\$ 794,319,281	13.34%
2	GSV	265	10,963	20,922	\$ 481,389	\$ 1,153	\$ 482,542	\$ 1,010,687	\$ 1,493,229	25.95%	\$ 125,218	\$ 607,760	\$ -	\$ 607,760	\$ 1,022,321	\$ 1,630,081	9.16%
3	GSS	40,128	171,113	0	\$ 12,545,800	\$ 30,037	\$ 12,575,837	\$ 14,658,649	\$ 27,234,286	46.36%	\$ 5,829,548	\$ 18,405,185	\$ -	\$ 18,405,185	\$ 14,671,605	\$ 33,076,790	21.45%
4	GSM	24,779	2,857,474	9,819,445	\$ 49,351,310	\$ 118,109	\$ 49,469,419	\$ 226,337,886	\$ 275,787,305	22.07%	\$ 10,914,914	\$ 60,364,333	\$ -	\$ 60,364,333	\$ 226,539,095	\$ 286,903,428	4.03%
5	MS	51	3,404	0	\$ 110,090	\$ 264	\$ 110,354	\$ 303,375	\$ 413,729	21.53%	\$ 23,757	\$ 134,111	\$ -	\$ 134,111	\$ 303,633	\$ 437,744	5.80%
6	OL	1,024	5,627	0	\$ 751,476	\$ 1,799	\$ 753,275	\$ 470,500	\$ 1,223,775	39.01%	\$ 293,826	\$ 1,047,101	\$ -	\$ 1,047,101	\$ 470,926	\$ 1,518,027	24.04%
7	BORD	55	777	0	\$ 30,201	\$ -	\$ 30,201	\$ 16,199	\$ 46,400	58.92%	\$ 17,795	\$ 47,996	\$ -	\$ 47,996	\$ 18,258	\$ 66,254	36.89%
8	GSL	363	897,625	3,432,078	\$ 7,558,277	\$ 18,096	\$ 7,576,373	\$ 73,794,669	\$ 81,311,042	95.36%	\$ 7,224,983	\$ 14,801,356	\$ -	\$ 14,801,356	\$ 73,742,874	\$ 88,544,230	8.90%
9	GP	512	2,695,629	7,116,125	\$ 17,681,446	\$ 42,333	\$ 17,723,779	\$ 215,945,302	\$ 233,669,081	101.86%	\$ 18,053,656	\$ 35,777,635	\$ -	\$ 35,777,635	\$ 215,969,942	\$ 251,747,577	7.74%
10	TP	21	1,634,468	3,536,565	\$ 3,187,672	\$ -	\$ 3,187,672	\$ 138,262,640	\$ 141,450,312	44.59%	\$ 1,421,524	\$ 4,609,196	\$ -	\$ 4,609,196	\$ 138,277,580	\$ 142,886,716	1.02%
11	Rider L	3	0	695,173	\$ 107,130	\$ -	\$ 107,130	\$ -	\$ 107,130	51.91%	\$ 55,614	\$ 162,744	\$ -	\$ 162,744	\$ -	\$ 162,744	51.91%
12	STLT	601	28,821	0	\$ 5,146,062	\$ 12,321	\$ 5,158,383	\$ 2,425,185	\$ 7,583,568	43.16%	\$ 2,226,132	\$ 7,384,515	\$ -	\$ 7,384,515	\$ 2,427,367	\$ 9,811,882	29.38%
13	TOTAL PA	562,494	13,004,873	24,638,361	\$ 334,138,546	\$ 792,036	\$ 334,930,582	\$ 1,136,221,377	\$ 1,471,151,959	40.15%	\$ 134,477,830	\$ 469,408,412	\$ -	\$ 469,408,412	\$ 1,141,696,403	\$ 1,611,104,815	9.51%
14	INCREASE IN LATE PAYMENT CHARGES								\$ -		\$ 295,810	\$ -	\$ 295,810	\$ -	\$ 295,810		
15	TOTAL								\$ 1,471,151,959		\$ 134,773,640	\$ 469,704,222	\$ -	\$ 469,704,222	\$ 1,141,696,403	\$ 1,611,400,625	9.53%
16											\$ 5,475,025		\$ 5,475,025				
17																	

Increase in uncollectibles in DSS & HPS riders  
Total Increase

140,248,666



**Metropolitan Edison Company  
Customer Charge Analysis**

	<b>Rates</b>	<b>Total</b>	<b>Demand</b>	<b>Customer</b>
<i>Current Revenue</i>				
Tariff Revenue - Current Rates		\$ 237,776	\$ 141,394	\$ 96,382
Other Revenue		\$ 13,364	\$ 4,308	\$ 9,056
Total Revenue		\$ 251,140	\$ 147,808	\$ 103,332
<i>Deductions</i>				
O&M Expenses		\$ 85,722	\$ 32,410	\$ 53,312
Depreciation Expense		\$ 46,183	\$ 35,848	\$ 10,335
Average Net Salvage		\$ 3,734	\$ 3,113	\$ 621
Amortization & Accretion		\$ 19,848	\$ 8,761	\$ 11,087
General Taxes Gross Receipts		\$ 16,898	\$ 10,824	\$ 6,074
General Taxes Other		\$ 2,319	\$ 1,379	\$ 940
Total Deductions		\$ 174,703	\$ 92,335	\$ 82,368
<i>Income Before Income Taxes</i>				
Operating Income Before Income Taxes		\$ 125,321	\$ 95,426	\$ 29,895
Interest Charges		\$ 20,550	\$ 16,795	\$ 3,754
Net Income before Income Taxes		\$ 104,771	\$ 78,631	\$ 26,141
<i>Income Adjustments</i>				
Book Average net salvage		\$ 8,240	\$ 6,870	\$ 1,370
Adj. of Book Depreciation to Tax Basis		\$ 1,448	\$ 1,207	\$ 241
Tax Cost of Removal / Salvage		\$ (4,240)	\$ (3,535)	\$ (705)
Adjust Cash Pension		\$ 6,985	\$ 2,944	\$ 4,041
Net Adjustment		\$ 12,433	\$ 7,487	\$ 4,947
<i>Income Taxes</i>				
Income Subject to State Income Tax		\$ 117,204	\$ 86,117	\$ 31,087
State Income Tax	0.00%	\$ 11,709	\$ 8,603	\$ 3,106
Federal Taxable Income		\$ 105,496	\$ 77,514	\$ 27,982
Federal Income Tax	0.00%	\$ 36,923	\$ 27,130	\$ 9,794
<i>Proposed Revenue</i>				
Operating Expense		\$ 223,335	\$ 128,068	\$ 95,268
Net Operating Income		\$ 38,350	\$ 31,344	\$ 7,006
Rate Base		\$ 801,668	\$ 655,205	\$ 146,463
Rate of Return		4.78%	4.78%	4.78%
Debt Ratio		48.83%	48.83%	48.83%
Cost of Debt		5.25%	5.25%	5.25%
Weighted Average Cost of Capital		8.14%	8.14%	8.14%
Tariff Revenue - Proposed Rates		\$ 286,660	\$ 183,453	\$ 103,207
Number of Customers				493,793
Customer Charge				\$ 17.42

**Metropolitan Edison Company  
 Rate RS - Residential Service  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Description	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX			
		Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)	Current Revenue (3)	Proposed Revenue (6)=(4)x(5)
<b><u>DISTRIBUTION CHARGES</u></b>							
1	<b>CUSTOMER CHARGE</b> Customer Charge	\$10.25	5,936,304	\$17.42	5,936,304	\$60,847,117	\$103,410,416
2	<b>DEMAND CHARGES</b> kW	\$2.59	18,053	\$2.59	18,053	\$46,757	\$46,757
3	<b>ENERGY CHARGES</b> kWh	\$0.03599	4,898,972,415	\$0.04544	4,898,972,415	\$176,314,019	\$222,609,307
4	<b>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</b>					<b>\$237,207,893</b>	<b>\$326,066,480</b>
5	Smart Meter Technologies Charge (Per Bill)	\$0	5,936,304	\$0	5,936,304	\$0	\$0
6	Distribution System Improvement Charge	0.194%	4,898,972,415	0.000%	4,898,972,415	\$567,924	\$0
7	<b>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</b>					<b>\$237,775,817</b>	<b>\$326,066,480</b>
<b><u>RIDER CHARGES</u></b>							
8	NUG	(\$0.00102)	4,898,972,415	(\$0.00102)	4,898,972,415	\$119,303	\$119,303
9	Default Service Support Charge	\$0.00496	4,898,972,415	\$0.00597	4,898,972,415	\$13,995,430	\$19,193,947
10	Universal Service Charge	\$0.00382	4,898,972,415	\$0.00382	4,898,972,415	\$23,840,991	\$23,840,991
11	Solar Photovoltaic Requirements Charge	\$0.00033	4,898,972,415	\$0.00033	4,898,972,415	\$1,661,540	\$1,661,540
12	Phase II Energy Efficiency and Conservation Charge	\$0.00242	4,898,972,415	\$0.00242	4,898,972,415	\$16,577,361	\$16,577,361
13	PTC*	\$0.08305	4,898,972,415	\$0.08305	4,898,972,415	\$406,859,659	\$406,859,659
14	STAS	0%		0%		\$0	\$0
15	Total Energy and Revenue		4,898,972,415		4,898,972,415	<b>\$700,830,101</b>	<b>\$794,319,281</b>
16	Avg rate per kWh					<b>\$0.14306</b>	<b>\$0.16214</b>
17	Proposed Increase						\$93,489,180
18	Percent Increase						13.34%

\* Total wires kWh used for illustrative purposes

**Metropolitan Edison Company  
 Rate GS - Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.		Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX	
		Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)
		Revenue		Revenue	
		(3)		(6)=(4)x(5)	
<b><u>DISTRIBUTION CHARGES</u></b>					
<b><u>CUSTOMER CHARGES</u></b>					
1	Customer Charge	\$10.25	3,180	\$17.42	3,180
					\$55,396
<b><u>DEMAND CHARGES</u></b>					
2	kW	\$2.59	20,922	\$2.59	20,922
					\$54,188
<b><u>ENERGY CHARGES</u></b>					
3	All kWh	\$0.03599	10,963,382	\$0.04544	10,963,382
					\$498,176
<b><u>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</u></b>					
4					<b>\$607,760</b>
<b><u>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</u></b>					
5	Smart Meter Technologies Charge (Per Bill)	\$0	3,180	\$0	3,180
					\$0
6	Distribution System Improvement Charge	0.194%	10,963,382	0.000%	10,963,382
					\$0
7					<b>\$607,760</b>
<b><u>RIDER CHARGES</u></b>					
<b><u>NUG</u></b>					
8		\$0.00129	10,963,382	\$0.00129	10,963,382
					\$216
9	RS - Default Service Support Charge	\$0.00496	10,963,382	\$0.00597	10,963,382
					\$42,622
10	Universal Service Charge	\$0.00382	10,963,382	\$0.00382	10,963,382
					\$53,259
11	Solar Photovoltaic Requirements Charge	\$0.00033	10,963,382	\$0.00033	10,963,382
					\$3,711
12	Phase II Energy Efficiency and Conservation Charge	\$0.01170	10,963,382	\$0.01170	10,963,382
					\$12,004
13	PTC*	\$0.08305	10,963,382	\$0.08305	10,963,382
					\$910,509
14	STAS	0%		0%	
					\$0
15	Total Energy and Revenue		10,963,382		10,963,382
					<b>\$1,630,081</b>
16	Avg rate per kWh				<b>\$0.14868</b>
17	Proposed Increase				\$136,852
18	Percent Increase				9.16%

\* Total wires kWh used for illustrative purposes

**Metropolitan Edison Company  
 Rate GS-Small - General Service Small  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Tariff 52, Supplement No. XX			Tariff 52, Supplement No. XX		
	Current Rate (1)	Billing Units (2)	Billed Revenue (3)	Proposed Rate (4)	Billing Units (5)	Proposed Revenue (6)=(4)(5)
<b><u>DISTRIBUTION CHARGES</u></b>						
<b><u>CUSTOMER CHARGES</u></b>						
1	\$16.53	481,536	\$7,959,774	\$23.02	481,536	\$11,084,959
<b><u>DEMAND CHARGES</u></b>						
	\$0	0	\$0	\$0	0	\$0
<b><u>ENERGY CHARGES</u></b>						
2	\$0.02680	171,113,276	\$4,585,826	\$0.04278	171,113,276	\$7,320,226
<b><u>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</u></b>						
3			\$12,545,600			\$18,405,185
<b><u>RIDER CHARGES</u></b>						
4	\$0	481,536	\$0	\$0	481,536	\$0
5	0.194%	171,113,276	\$30,037	0.000%	171,113,276	\$0
<b><u>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</u></b>						
6			\$12,575,637			\$18,405,185
<b><u>ENERGY CHARGES</u></b>						
7	\$0.00129	171,113,276	\$4,228	\$0.00129	171,113,276	\$4,228
8	\$0.00392	171,113,276	\$360,879	\$0.00399	171,113,276	\$373,835
9	\$0.00033	171,113,276	\$58,172	\$0.00033	171,113,276	\$58,172
10	(\$0.00007)	171,113,276	\$335,839	(\$0.00007)	171,113,276	\$335,839
11	\$0.08123	171,113,276	\$13,899,531	\$0.08123	171,113,276	\$13,899,531
12	0%		\$0	0%		\$0
13		171,113,276	\$27,234,286		171,113,276	\$33,076,790
14			\$0.15916			\$0.19330
15						5,842,504
16						21.45%

\* Total wires kWh used for illustrative purposes

**Metropolitan Edison Company  
 Rate GS-Medium - General Service Medium  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Description	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX		Proposed Revenue (6)=(4)x(5)
		Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)	
<b><u>DISTRIBUTION CHARGES</u></b>						
<b><u>CUSTOMER CHARGES</u></b>						
1	Single Phase	\$18.91	139,625	\$25.32	139,625	\$3,535,305
2	Three Phase	\$34.29	157,723	\$45.19	157,723	\$7,127,502
<b><u>DEMAND CHARGES</u></b>						
3	Single Phase (Per kW)	\$4.45	1,855,491	\$5.36	1,855,491	\$9,945,432
4	Three Phase (Per kW)	\$4.45	7,395,989	\$5.36	7,395,989	\$39,642,501
5	Three Phase (Per kVA)	\$0.20	567,965	\$0.20	567,965	\$113,593
<b><u>ENERGY CHARGES</u></b>						
6	Single Phase	\$0	609,428,306	\$0	609,428,306	\$0
7	Three Phase	\$0	2,048,045,975	\$0	2,048,045,975	\$0
8	<b><u>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</u></b>					<b>\$60,364,333</b>
<b><u>RIDER CHARGES</u></b>						
9	Smart Meter Technologies Charge (Per Bill)	\$0	297,348	\$0	297,348	\$0
10	Distribution System Improvement Charge	0.194%	2,657,474,281	0.000%	2,657,474,281	\$0
11	<b><u>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</u></b>					<b>\$60,364,333</b>
<b><u>RIDER CHARGES</u></b>						
12	NUG	\$0.00129	2,657,474,281	\$0.00129	2,657,474,281	\$57,246
13	Default Service Support Charge	\$0.00396	2,657,474,281	\$0.00403	2,657,474,281	\$4,519,849
14	Solar Photovoltaic Requirements Charge	\$0.00033	2,657,474,281	\$0.00033	2,657,474,281	\$903,423
15	Phase II Energy Efficiency and Conservation Charge	(\$0.00007)	2,657,474,281	(\$0.00007)	2,657,474,281	\$5,191,941
16	PTC*	\$0.08123	2,657,474,281	\$0.08123	2,657,474,281	\$215,866,636
17	STAS	0.00%		0.00%		\$0
18	Total Energy and Revenue		2,657,474,281		2,657,474,281	<b>\$286,903,428</b>
19	Avg rate per kWh					<b>\$0.10796</b>
20	Proposed Increase					11,116,123
21	Percent Increase					4.03%

\* Total wires kWh used for illustrative purposes

**Metropolitan Edison Company  
 Rate GS-Large - General Service Large  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Description	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX	
		Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)
		Billed Revenue (3)		Proposed Revenue (6)=(4)x(5)	
<b><u>DISTRIBUTION CHARGES</u></b>					
<b><u>CUSTOMER CHARGES</u></b>					
1	Customer Charge	\$143.31	4,356	\$270.12	4,356
					\$1,176,643
<b><u>DEMAND CHARGES</u></b>					
2	All kW	\$3.02	2,215,462	\$6.04	2,215,462
					\$13,381,390
3	All kVa	\$0.20	1,216,616	\$0.20	1,216,616
					\$243,323
<b><u>ENERGY CHARGES</u></b>					
4	All kWh	\$0	897,624,711	\$0	897,624,711
					\$0
5	<b>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</b>				<b>\$14,801,356</b>
6	Smart Meter Technologies Charge (Per Bill)	\$0	4,356	\$0	4,356
					\$0
7	Distribution System Improvement Charge	0.194%	897,624,711	0.000%	897,624,711
					\$0
8	<b>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</b>				<b>\$14,801,356</b>
<b><u>RIDER CHARGES</u></b>					
9	Default Service Support Charge (Per kW NSPL)	\$1.732	1,965,156	\$1.732	1,965,156
					\$1,162,408
10	Phase II Energy Efficiency and Conservation Charge (Per kW PLC)	\$0.34	1,997,280	\$0.34	1,997,280
					\$1,041,684
11	NUG	\$0.00129	897,624,711	\$0.00129	897,624,711
					\$17,843
12	Hourly Priced Generation*	\$0.07933	897,624,711	\$0.07934	897,624,711
					\$71,216,773
13	Solar Photovoltaic Requirements Charge	\$0.00033	897,624,711	\$0.00033	897,624,711
					\$304,166
14	STAS	0%		0%	
					\$0
15	Total Energy and Revenue		897,624,711		897,624,711
					<b>\$88,544,230</b>
16	Avg rate per kWh				<b>\$0.09864</b>
17	Proposed Increase				\$7,233,188
18	Percent Increase				8.90%

\* Total wires kWh used for illustrative purposes. Generation rates vary hourly based on hourly pricing, price based on December 2015 average.

**Metropolitan Edison Company  
 Rate GP - General Primary Service  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.		Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX		Proposed Revenue (6)=(4)-(5)
		Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)	
	<b><u>DISTRIBUTION CHARGES</u></b>					
	<b><u>CUSTOMER CHARGES</u></b>					
1	Customer Charge	\$748.37	6,144	\$1,377.19	6,144	\$8,461,455
	<b><u>DEMAND CHARGES</u></b>					
2	All kW	\$2.04	6,325,653	\$4.29	6,325,653	\$27,137,051
3	All kVa	\$0.20	790,472	\$0.20	790,472	\$158,094
4	Backup Demand kW					\$21,035
	<b><u>ENERGY CHARGES</u></b>					
5	All kWh	\$0.00000	2,695,628,587	\$0.00000	2,695,628,587	\$0
6	<b><u>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</u></b>					<b>\$35,777,635</b>
7	Smart Meter Technologies Charge (Per Bill)	\$0	6,144	\$0	6,144	\$0
8	Distribution System Improvement Charge	0.194%	2,695,628,587	0.000%	2,695,628,587	\$0
9	<b><u>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</u></b>					<b>\$35,777,635</b>
	<b><u>RIDER CHARGES</u></b>					
10	Default Service Support (Per kW NSPL)	\$1.686	4,954,830	\$1.686	4,954,830	\$2,930,828
11	Phase II Energy Efficiency (Per kW PLC)	\$0.34	5,132,826	\$0.34	5,132,826	\$2,677,033
12	NUG	(\$0.0012)	2,695,628,587	(\$0.0012)	2,695,628,587	\$54,537
13	Hourly Priced Generation*	\$0.07767	2,695,628,587	\$0.07768	2,695,628,587	\$209,394,112
14	Solar Photovoltaic Requirements Charge	\$0.00033	2,695,628,587	\$0.00033	2,695,628,587	\$913,432
15	STAS	0%		0%		\$0
16	Total Energy and Revenue		2,695,628,587		2,695,628,587	\$251,747,577
17	Avg rate per kWh					<b>\$0.09339</b>
18	Proposed Increase					\$18,078,496
19	Percent Increase					7.74%

\* Total wires kWh used for illustrative purposes. Generation rates vary hourly based on hourly pricing, price based on December 2015 average.

**Metropolitan Edison Company  
 Rate TP - Transmission Power Service  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Description	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX		Proposed Revenue (6)=(4)-(5)
		Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)	
<b><u>DISTRIBUTION CHARGES</u></b>						
<b><u>CUSTOMER CHARGES</u></b>						
1	Customer Charge	\$3,530.00	252	\$5,462.26	252	\$1,376,490
<b><u>DEMAND CHARGES</u></b>						
2	All kW	\$0.74	3,536,565	\$1.04	3,536,565	\$3,678,028
3	115 KV Discount (Per kW)	(\$0.53)	601,787	(\$0.74)	601,787	(\$445,322)
<b><u>ENERGY CHARGES</u></b>						
4	All kWh	\$0.00	1,634,468,123	\$0.00	1,634,468,123	\$0
5	<b>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</b>			<b>\$3,187,672</b>		<b>\$4,609,196</b>
6	Smart Meter Technologies Charge (Per Bill)	\$0	252	\$0	252	\$0
7	<b>TOTAL DISTRIBUTION INCLUDING RIDER CHANGES</b>			<b>\$3,187,672</b>		<b>\$4,609,196</b>
<b><u>RIDER CHARGES</u></b>						
8	Default Service Support (Per kW NSPL)	\$1.655	2,727,660	\$1.655	2,727,660	\$1,613,436
9	Phase II Energy Efficiency (Per kW PLC)	\$0.340	2,899,326	\$0.34	2,899,326	\$1,512,148
10	NUG	(\$0.00110)	1,634,468,123	(\$0.00110)	1,634,468,123	\$33,789
11	Hourly Priced Generation*	\$0.08232	1,634,468,123	\$0.08233	1,634,468,123	\$134,564,356
12	Solar Photovoltaic Requirements Charge	\$0.00033	1,634,468,123	\$0.00033	1,634,468,123	\$553,851
13	STAS	0%		0%		\$0
14	Total Energy and Revenue		1,634,468,123		1,634,468,123	<b>\$142,886,776</b>
15	Avg rate per kWh					<b>\$0.08654</b>
16	Proposed Increase					\$1,436,464
17	Percent Increase					1.02%

\* Total wires kWh used for illustrative purposes. Generation rates vary hourly based on hourly pricing, price based on December 2015 average.



**Metropolitan Edison Company  
 Rider L - Partial Service  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX	
	Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)
	Billed Revenue (3)		Proposed Revenue (6)=(4)x(5)	
<b><u>DISTRIBUTION CHARGES</u></b>				
<b><u>CUSTOMER CHARGES</u></b>				
1	\$79.28	36	\$79.28	36
				\$2,854
<b><u>DEMAND CHARGES</u></b>				
2	\$2.33	0	\$4.53	0
3	\$1.87	0	\$3.62	0
4	\$1.53	0	\$3.22	0
5	\$1.22	0	\$2.57	0
6	\$0.15	695,173	\$0.23	695,173
7	\$0.13	0	\$0.18	0
8				\$159,890
				\$0
				\$162,744
<b><u>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</u></b>				
9	0%		0%	\$0
10		0		0
				\$162,744
11				\$0.00000
12				\$55,614
13				51.91%

**Metropolitan Edison Company  
 Rate MS - Municipal Service  
 Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX		Proposed Revenue (6)=(4)x(5)
	Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)	
<b><u>DISTRIBUTION CHARGES</u></b>					
<b><u>CUSTOMER CHARGES</u></b>					
1	MS	612	\$34.37	612	\$21,057
<b><u>DEMAND CHARGES</u></b>					
<b><u>ENERGY CHARGES</u></b>					
2	All KWH	3,403,675	\$0.02613	3,403,675	\$89,033
3	<b><u>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</u></b>				<b>\$110,090</b>
4	Smart Meter Technologies Charge (Per Bill)	612	\$0	612	\$0
5	Distribution System Improvement Charge	3,403,675	0.194%	3,403,675	\$264
6	<b><u>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</u></b>				<b>\$110,354</b>
<b><u>RIDER CHARGES</u></b>					
7	NUG	3,403,675	\$0.00129	3,403,675	\$96
8	Default Service Support Charge	3,403,675	\$0.00384	3,403,675	\$5,899
9	Solar Photovoltaic Requirements Charge	3,403,675	\$0.00033	3,403,675	\$1,204
10	Phase II Energy Efficiency and Conservation Charge	3,403,675	\$0.01170	3,403,675	\$19,695
11	PTC*	3,403,675	\$0.08123	3,403,675	\$276,481
12	STAS		0%		\$0
13	Total Energy and Revenue	3,403,675		3,403,675	\$413,729
14	Avg rate per kWh				\$0.12155
15	Proposed Increase				\$0.1286%
16	Percent Increase				5.80%

\* Total wires kWh used for illustrative purposes

**Metropolitan Edison Company**

**Borderline Service**

**Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX		Proposed Revenue (6)=(4)x(5)
	Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)	
<b><u>DISTRIBUTION CHARGES</u></b>					
<b><u>CUSTOMER CHARGES</u></b>					
<b><u>ENERGY CHARGES</u></b>					
1	All kWh	777,469	\$0.02960	777,469	\$36,572
2	Company Investment Charges	0	\$0	0	\$11,424
3	<b>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</b>				<b>\$47,996</b>
4	<b>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</b>				<b>\$47,996</b>
<b><u>RIDER CHARGES</u></b>					
5	NUG Charge	777,469	\$0.00129	777,469	\$17
6	Default Service Support Charge	777,469	\$0.00382	777,469	\$1,322
7	PTC*	777,469	\$0.08123	777,469	\$16,654
8	Solar Photovoltaic Requirements Charge	777,469	\$0.00033	777,469	\$265
9	STAS		0%		\$0
10	Total Energy and Revenue	777,469		777,469	<b>\$66,254</b>
11	Avg rate per kWh				<b>\$0.08522</b>
12	Proposed Increase				\$17,854
13	Percent Increase				36.89%

\* Total wires kWh used for illustrative purposes

**Metropolitan Edison Company**  
**Outdoor Area Lighting Service**  
**Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Description	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX		Proposed Revenue (6)=(4)+(5)
		Current Rate (1)	Billing Units (2)	Proposed Rate (4)	Billing Units (5)	
<b>LAMPS</b>						
1	175 W MERCURY VAPOR	\$6.47	34,185	\$9.01	34,185	\$308,168
2	100 W SODIUM VAPOR	\$18.92	18,680	\$26.37	18,680	\$492,567
3	250 W SODIUM VAPOR	\$10.25	6,672	\$14.28	6,672	\$95,307
4	400 W SODIUM VAPOR	\$6.59	11,484	\$9.19	11,484	\$105,520
<b>POLES</b>						
5	POLE CHARGE	\$7.15	4,572	\$9.96	4,572	\$45,539
6	<b>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</b>					<b>\$1,047,101</b>
7	Distribution System Improvement Charge	0.194%	5,626,574	0.000%	5,626,574	\$0
8	<b>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</b>					<b>\$1,047,101</b>
<b>RIDER CHARGES</b>						
9	NUG	\$0.00129	5,626,574	\$0.00129	5,626,574	\$83
10	Default Service Support Charge	\$0.00341	5,626,574	\$0.00348	5,626,574	\$6,550
11	Solar Photovoltaic Requirements Charge	\$0.00033	5,626,574	\$0.00033	5,626,574	\$1,916
12	Phase II Energy Efficiency and Conservation Charge	\$0.00560	5,626,574	\$0.00560	5,626,574	\$5,331
13	PTC*	\$0.08123	5,626,574	\$0.08123	5,626,574	\$457,047
14	STAS	0%		0%		\$0
15	Total Revenue					<b>\$1,518,027</b>
16	Proposed Increase					\$294,252
17	Percent Increase					24.04%

\* Total wires kWh used for illustrative purposes

**Metropolitan Edison Company**  
**Street Lighting Service**  
**Revenue Effects of Proposed Rates - FTY 12/31/17**

Line No.	Description	Tariff 52, Supplement No. XX		Tariff 52, Supplement No. XX		Proposed Revenue (6) = (4) x (5)	Proposed Rate (4)	Billing Units (5)	Processed Revenue (6) = (4) x (5)
		Current Rate (1)	Billing Units (2)	Billed Revenue (3)	Billing Units (5)				
<b>SODIUM VAPOR</b>									
1	70 WATTS	\$6.32	43686	\$275,096	43686	\$9.04	\$9.04	43686	\$394,921
2	100 WATTS	\$6.19	214891	\$1,329,319	214891	\$8.96	\$8.96	214891	\$1,901,365
3	150 WATTS	\$6.73	122198	\$745,247	122198	\$8.73	\$8.73	122198	\$1,066,701
4	200 WATTS	\$6.48	265	\$1,718	265	\$8.20	\$8.20	265	\$2,173
5	250 WATTS	\$6.48	52907	\$342,838	52907	\$9.27	\$9.27	52907	\$490,448
6	400 WATTS	\$6.35	12702	\$80,658	12702	\$9.09	\$9.09	12702	\$115,461
7	800 WATTS	\$6.10	0	\$0	0	\$8.75	\$8.75	0	\$0
<b>MERCURY VAPOR</b>									
8	100 WATTS	\$6.40	476	\$3,046	476	\$9.16	\$9.16	476	\$4,360
9	175 WATTS	\$6.20	7260	\$45,012	7260	\$8.87	\$8.87	7260	\$64,396
10	250 WATTS	\$5.91	1015	\$5,999	1015	\$8.46	\$8.46	1015	\$8,587
11	400 WATTS	\$5.30	2235	\$11,846	2235	\$7.59	\$7.59	2235	\$16,964
12	1000 WATTS	\$4.06	19	\$77	19	\$5.80	\$5.80	19	\$110
<b>INCANDESCENT</b>									
13	105 WATTS	\$6.30	701	\$4,416	701	\$9.02	\$9.02	701	\$6,323
14	205 WATTS	\$5.99	48	\$288	48	\$8.89	\$8.89	48	\$412
15	327 WATTS	\$5.60	0	\$0	0	\$8.04	\$8.04	0	\$0
16	660 WATTS	\$4.16	0	\$0	0	\$6.00	\$6.00	0	\$0
<b>METAL HALIDE</b>									
17	175 WATTS	\$6.41	1421	\$9,109	1421	\$9.17	\$9.17	1421	\$13,031
18	250 WATTS	\$6.11	1060	\$6,795	1060	\$9.17	\$9.17	1060	\$9,720
19	400 WATTS	\$6.28	4408	\$27,682	4408	\$8.99	\$8.99	4408	\$39,628
20	OVERHEAD A.I. TECHNOLOGY LIGHTING	\$6.19	6432	\$39,814	6432	\$8.86	\$8.86	6432	\$56,988
<b>POST TOP INCANDESCENT</b>									
21	2,500 LUMENS	\$44.37	412	\$18,280	412	\$63.50	\$63.50	412	\$26,162
22	6,000 LUMENS	\$35.00	0	\$0	0	\$50.24	\$50.24	0	\$0
<b>COMPANY O&amp;M OF CONVENTIONAL LUMIN.</b>									
23	SODIUM VAPOR LAMPS	\$2.23	339775	\$757,699	339775	\$3.19	\$3.19	339775	\$1,083,882
24	MERCURY VAPOR LAMPS	\$0.91	4659	\$4,240	4659	\$1.30	\$1.30	4659	\$6,057
25	INCANDESCENT LAMPS	\$2.50	701	\$1,753	701	\$3.38	\$3.38	701	\$2,510
<b>COMPANY OWNERSHIP OF CONVENTIONAL LUM. FACILITIES</b>									
26	CHARGES PER MONTH PER LIGHT	\$2.14	336905	\$720,761	336905	\$3.06	\$3.06	336905	\$1,030,623
27	CHARGES PER MONTH PER POLE	\$6.91	1474	\$10,136	1474	\$12.75	\$12.75	1474	\$18,794
<b>UNDERGROUND FEED TO ST LIGHTS</b>									
<b>DEMAND AND ENERGY LAMP SIZE</b>									
<b>SODIUM VAPOR</b>									
28	70 WATTS	\$0.08	4,673	\$374	4,673	\$0.11	\$0.11	4,673	\$514
29	100 WATTS	\$0.12	44,865	\$5,384	44,865	\$0.17	\$0.17	44,865	\$7,627
30	150 WATTS	\$0.18	33,535	\$6,036	33,535	\$0.26	\$0.26	33,535	\$8,719
31	250 WATTS	\$0.30	15,838	\$4,751	15,838	\$0.43	\$0.43	15,838	\$6,810
32	400 WATTS	\$0.47	6,005	\$2,822	6,005	\$0.67	\$0.67	6,005	\$4,023
33	600 WATTS	\$0.94	0	\$0	0	\$1.34	\$1.34	0	\$0
<b>MERCURY VAPOR</b>									
34	105 WATTS	\$0.12	0	\$0	0	\$0.17	\$0.17	0	\$0
35	205 WATTS	\$0.22	3,983	\$876	3,983	\$0.31	\$0.31	3,983	\$1,235
36	327 WATTS	\$0.31	576	\$179	576	\$0.44	\$0.44	576	\$253
37	400 WATTS	\$0.47	1,750	\$822	1,750	\$0.67	\$0.67	1,750	\$1,173
38	700 WATTS	\$0.81	0	\$0	0	\$1.17	\$1.17	0	\$0
39	800 WATTS	\$0.94	0	\$0	0	\$1.34	\$1.34	0	\$0
40	1000 WATTS	\$1.22	9	\$11	9	\$1.75	\$1.75	9	\$16
<b>INCANDESCENT</b>									
41	105 WATTS	\$0.13	0	\$0	0	\$0.19	\$0.19	0	\$0
42	205 WATTS	\$0.24	0	\$0	0	\$0.35	\$0.35	0	\$0
43	327 WATTS	\$0.39	0	\$0	0	\$0.55	\$0.55	0	\$0
44	448 WATTS	\$0.53	0	\$0	0	\$0.76	\$0.76	0	\$0
45	690 WATTS	\$0.60	0	\$0	0	\$0.84	\$0.84	0	\$0
46	860 WATTS	\$1.11	0	\$0	0	\$1.45	\$1.45	0	\$0
47	1720 WATTS	\$2.01	0	\$0	0	\$2.89	\$2.89	0	\$0
<b>METAL HALIDE</b>									
48	175 WATTS	\$0.21	1,421	\$298	1,421	\$0.30	\$0.30	1,421	\$426

**Metropolitan Edison Company**  
**Street Lighting Service**  
**Revenue Effects of Proposed Rates - FTY 12/31/17**

	Tariff E2, Supplement No. XX		Tariff E2, Supplement No. XX		Proposed Rate (4)	Billing Units (5)	Proposed Revenue (6)	Billing Units (6)	Proposed Revenue (6)=(4)(5)	
	Current Rate (1)	Billing Units (2)	Current Revenue (3)	Proposed Revenue (6)						
49 250 WATTS	\$0.30	1,060	\$318	\$0.43	\$0.43	1,060	\$456	\$456	\$456	
50 400 WATTS	\$0.47	4,408	\$2,072	\$0.67	\$0.67	4,408	\$2,953	\$2,953	\$2,953	
51 <b>PROVISION C. MONTHLY MINIMUM CHARGE</b> <b>ALL FIXTURES</b>	\$0.12	118,123	\$14,175	\$0.17	\$0.17	118,123	\$20,081	\$20,081	\$20,081	
52 <b>COMPANY O&amp;M OF CONVENTIONAL LUMIN.</b>										
53 SODIUM VAPOR LAMPS	\$2.66	91,490	\$245,363	\$3.81	\$3.81	91,490	\$348,577	\$348,577	\$348,577	
54 MERCURY VAPOR LAMPS	\$1.51	6,169	\$9,316	\$2.16	\$2.16	6,169	\$13,325	\$13,325	\$13,325	
54 INCANDESCENT LAMPS	\$2.62	0	\$0	\$3.76	\$3.76	0	\$0	\$0	\$0	
55 <b>COMPANY OWNERSHIP OF ORNAMENTAL LUMINAIRE</b> <b>CHARGES PER LIGHT</b>	\$5.08	25,768	\$130,900	\$7.27	\$7.27	25,768	\$187,333	\$187,333	\$187,333	
56 <b>COMPANY OWNERSHIP OF ORNAMENTAL STANDARDS</b>										
57 STANDARD MONTHLY CHARGE	\$9.56	23,847	\$227,973	\$13.68	\$13.68	23,847	\$326,227	\$326,227	\$326,227	
57 CONVERSIONS	\$3.23	0	\$0	\$4.63	\$4.63	0	\$0	\$0	\$0	
58 <b>UNDERGROUND ALT. TECHNOLOGY LIGHTING</b>										
58 MINIMUM FIXTURE CHARGE	\$0.13	1,831	\$238	\$0.19	\$0.19	1,831	\$342	\$342	\$342	
60 KWH CHARGE	\$0.00220	114,445	\$252	\$0.00316	\$0.00316	114,445	\$362	\$362	\$362	
<b>LED Streetlights</b>										
<b>DEMAND AND ENERGY/LAMP SIZE</b>										
61 <b>COBRA HEAD</b>										
61 50 WATTS	\$6.87	3,364	\$23,447	\$13.30	\$13.30	3,364	\$44,741	\$44,741	\$44,741	
62 90 WATTS	\$8.61	1,556	\$13,397	\$15.47	\$15.47	1,556	\$24,071	\$24,071	\$24,071	
63 130 WATTS	\$9.15	644	\$5,893	\$16.44	\$16.44	644	\$10,587	\$10,587	\$10,587	
64 260 WATTS	\$14.14	155	\$2,192	\$25.41	\$25.41	155	\$3,959	\$3,959	\$3,959	
65 Colonial	\$10.95	374	\$4,098	\$19.69	\$19.69	374	\$7,364	\$7,364	\$7,364	
65 50 WATTS	\$2.95	173	\$508	\$21.65	\$21.65	173	\$3,745	\$3,745	\$3,745	
67 Arcor	\$18.19	0	\$0	\$26.11	\$26.11	0	\$0	\$0	\$0	
68 90 WATTS	\$19.22	0	\$0	\$27.59	\$27.59	0	\$0	\$0	\$0	
69 <b>TOTAL BASE NORMALIZED DISTRIBUTION REVENUES</b>			\$5,146,062			28,821,278	\$7,384,515	\$7,384,515	\$7,384,515	
70 Distribution System Improvement Charge	0.194%	28,821,278	\$12,321	0.000%	0.000%	28,821,278	\$0	\$0	\$0	
71 <b>TOTAL DISTRIBUTION INCLUDING RIDER CHARGES</b>			\$5,158,383			28,821,278	\$7,384,515	\$7,384,515	\$7,384,515	
72 <b>RIDER CHARGES</b>										
72 NUG	\$0.00129	28,821,278	\$164	\$0.00129	\$0.00129	28,821,278	\$164	\$164	\$164	
73 Default Service Support Charge	\$0.00341	28,821,278	\$43,936	\$0.00348	\$0.00348	28,821,278	\$46,118	\$46,118	\$46,118	
74 Solar Photovoltaic Requirements Charge	\$0.00033	28,821,278	\$9,587	\$0.00033	\$0.00033	28,821,278	\$9,587	\$9,587	\$9,587	
75 Phase II Energy Efficiency and Conservation Charge	\$0.00560	28,821,278	\$30,346	\$0.00560	\$0.00560	28,821,278	\$30,346	\$30,346	\$30,346	
76 PTC*	\$0.08123	28,821,278	\$2,341,152	\$0.08123	\$0.08123	28,821,278	\$2,341,152	\$2,341,152	\$2,341,152	
77 STAS	0%		\$0	0%	0%		\$0	\$0	\$0	
78 Total Revenue			\$7,571,247				\$9,811,882	\$9,811,882	\$9,811,882	
79 Proposed Increase							\$2,240,635	\$2,240,635	\$2,240,635	
80 Percent Increase							28.59%	28.59%	28.59%	

\* Total wires kWh used for illustrative purposes



**METROPOLITAN EDISON COMPANY  
COMPARISON BETWEEN PRESENT AND PROPOSED RATES**

	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
<b>ENERGY USAGE</b>																
All kWh	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
Total Energy Usage	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
<b>UNBUNDLED RATES - CURRENT</b>																
<b>RUG Charge</b>																
All kWh @ -0.102 €/kWh	\$ -	\$ (0.05)	\$ (0.10)	\$ (0.26)	\$ (0.51)	\$ (0.77)	\$ (0.92)	\$ (1.02)	\$ (1.53)	\$ (2.04)	\$ (2.55)	\$ (3.06)	\$ (3.57)	\$ (4.08)	\$ (4.59)	\$ (5.10)
<b>Distribution</b>																
Distribution Charge @ \$10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25
All kWh @ 3.599 €/kWh	\$ -	\$ 1.80	\$ 3.60	\$ 9.00	\$ 18.00	\$ 26.99	\$ 32.39	\$ 35.99	\$ 53.99	\$ 71.98	\$ 89.98	\$ 107.97	\$ 125.97	\$ 143.96	\$ 161.96	\$ 179.95
<b>Sub-Total</b>	\$ 10.25	\$ 12.05	\$ 13.85	\$ 19.25	\$ 28.25	\$ 37.24	\$ 42.64	\$ 46.24	\$ 64.24	\$ 82.23	\$ 100.23	\$ 118.22	\$ 136.22	\$ 154.21	\$ 172.21	\$ 190.20
<b>Riders</b>																
Universal Service Charge @ 0.382 €/kWh	\$ -	\$ 0.19	\$ 0.38	\$ 0.96	\$ 1.91	\$ 2.87	\$ 3.44	\$ 3.82	\$ 5.73	\$ 7.64	\$ 9.55	\$ 11.46	\$ 13.37	\$ 15.28	\$ 17.19	\$ 19.10
Phase II Energy Efficiency Charge @ 0.242 €/kWh	\$ -	\$ 0.12	\$ 0.24	\$ 0.61	\$ 1.21	\$ 1.82	\$ 2.18	\$ 2.42	\$ 3.63	\$ 4.84	\$ 6.05	\$ 7.26	\$ 8.47	\$ 9.68	\$ 10.89	\$ 12.10
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ 0.496 €/kWh	\$ -	\$ 0.25	\$ 0.50	\$ 1.24	\$ 2.48	\$ 3.72	\$ 4.46	\$ 4.96	\$ 7.44	\$ 9.92	\$ 12.40	\$ 14.88	\$ 17.36	\$ 19.84	\$ 22.32	\$ 24.80
Solar Photovoltaic Requirements Charge @ 0.033 €/kWh	\$ -	\$ 0.02	\$ 0.03	\$ 0.08	\$ 0.17	\$ 0.25	\$ 0.30	\$ 0.33	\$ 0.50	\$ 0.66	\$ 0.83	\$ 0.99	\$ 1.16	\$ 1.32	\$ 1.49	\$ 1.65
<b>Sub-Total</b>	\$ -	\$ 0.58	\$ 1.15	\$ 2.88	\$ 5.77	\$ 8.65	\$ 10.38	\$ 11.53	\$ 17.30	\$ 23.06	\$ 28.83	\$ 34.59	\$ 40.36	\$ 46.12	\$ 51.89	\$ 57.65
<b>DSIC @ 0.194 %</b>	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.09	\$ 0.10	\$ 0.11	\$ 0.16	\$ 0.20	\$ 0.25	\$ 0.29	\$ 0.34	\$ 0.38	\$ 0.43	\$ 0.47
<b>PTC Charge</b>																
All kWh @ \$ 0.06305 /kWh	\$ -	\$ 4.15	\$ 8.31	\$ 20.76	\$ 41.53	\$ 62.29	\$ 74.75	\$ 83.05	\$ 124.58	\$ 166.10	\$ 207.63	\$ 249.15	\$ 290.68	\$ 332.20	\$ 373.73	\$ 415.25
<b>Sub-Total</b>	\$ 10.27	\$ 16.75	\$ 23.23	\$ 42.68	\$ 75.09	\$ 107.50	\$ 126.95	\$ 139.91	\$ 204.73	\$ 269.55	\$ 334.37	\$ 399.19	\$ 464.01	\$ 528.83	\$ 593.65	\$ 658.47
<b>Total Bill</b>	\$ 10.27	\$ 16.75	\$ 23.23	\$ 42.68	\$ 75.09	\$ 107.50	\$ 126.95	\$ 139.91	\$ 204.73	\$ 269.55	\$ 334.37	\$ 399.19	\$ 464.01	\$ 528.83	\$ 593.65	\$ 658.47

	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
<b>ENERGY USAGE</b>																
All kWh	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
Total Energy Usage	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
<b>UNBUNDLED RATES - PROPOSED</b>																
<b>RUG Charge</b>																
All kWh @ -0.102 €/kWh	\$ -	\$ (0.05)	\$ (0.10)	\$ (0.26)	\$ (0.51)	\$ (0.77)	\$ (0.92)	\$ (1.02)	\$ (1.53)	\$ (2.04)	\$ (2.55)	\$ (3.06)	\$ (3.57)	\$ (4.08)	\$ (4.59)	\$ (5.10)
<b>Distribution</b>																
Distribution Charge @ \$17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42
All kWh @ 4.544 €/kWh	\$ -	\$ 2.27	\$ 4.54	\$ 11.36	\$ 22.72	\$ 34.08	\$ 40.90	\$ 45.44	\$ 68.16	\$ 90.88	\$ 113.80	\$ 136.92	\$ 159.04	\$ 181.76	\$ 204.48	\$ 227.20
<b>Sub-Total</b>	\$ 17.42	\$ 19.69	\$ 21.96	\$ 28.78	\$ 40.14	\$ 51.50	\$ 58.32	\$ 62.86	\$ 85.58	\$ 108.30	\$ 131.02	\$ 153.74	\$ 176.46	\$ 199.18	\$ 221.90	\$ 244.62
<b>Riders</b>																
Universal Service Charge @ 0.382 €/kWh	\$ -	\$ 0.19	\$ 0.38	\$ 0.96	\$ 1.91	\$ 2.87	\$ 3.44	\$ 3.82	\$ 5.73	\$ 7.64	\$ 9.55	\$ 11.46	\$ 13.37	\$ 15.28	\$ 17.19	\$ 19.10
Phase II Energy Efficiency Charge @ 0.242 €/kWh	\$ -	\$ 0.12	\$ 0.24	\$ 0.61	\$ 1.21	\$ 1.82	\$ 2.18	\$ 2.42	\$ 3.63	\$ 4.84	\$ 6.05	\$ 7.26	\$ 8.47	\$ 9.68	\$ 10.89	\$ 12.10
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ 0.597 €/kWh	\$ -	\$ 0.30	\$ 0.60	\$ 1.49	\$ 2.99	\$ 4.48	\$ 5.37	\$ 5.97	\$ 8.96	\$ 11.94	\$ 14.93	\$ 17.91	\$ 20.90	\$ 23.88	\$ 26.87	\$ 29.85
Solar Photovoltaic Requirements Charge @ 0.033 €/kWh	\$ -	\$ 0.02	\$ 0.03	\$ 0.08	\$ 0.17	\$ 0.25	\$ 0.30	\$ 0.33	\$ 0.50	\$ 0.66	\$ 0.83	\$ 0.99	\$ 1.16	\$ 1.32	\$ 1.49	\$ 1.65
<b>Sub-Total</b>	\$ -	\$ 0.63	\$ 1.25	\$ 3.14	\$ 6.27	\$ 9.41	\$ 11.29	\$ 12.54	\$ 18.81	\$ 25.08	\$ 31.35	\$ 37.62	\$ 43.89	\$ 50.16	\$ 56.43	\$ 62.70
<b>DSIC @ 0.000 %</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PTC Charge</b>																
All kWh @ \$ 0.06305 /kWh	\$ -	\$ 4.15	\$ 8.31	\$ 20.76	\$ 41.53	\$ 62.29	\$ 74.75	\$ 83.05	\$ 124.58	\$ 166.10	\$ 207.63	\$ 249.15	\$ 290.68	\$ 332.20	\$ 373.73	\$ 415.25
<b>Sub-Total</b>	\$ 17.42	\$ 24.42	\$ 31.42	\$ 52.42	\$ 87.43	\$ 122.43	\$ 143.43	\$ 157.43	\$ 227.44	\$ 297.44	\$ 367.45	\$ 437.45	\$ 507.46	\$ 577.46	\$ 647.47	\$ 717.47
<b>Total Bill</b>	\$ 17.42	\$ 24.42	\$ 31.42	\$ 52.42	\$ 87.43	\$ 122.43	\$ 143.43	\$ 157.43	\$ 227.44	\$ 297.44	\$ 367.45	\$ 437.45	\$ 507.46	\$ 577.46	\$ 647.47	\$ 717.47
% Increase	68.52%	45.78%	35.24%	22.83%	16.43%	13.89%	12.98%	12.82%	11.09%	10.35%	9.89%	9.58%	9.36%	9.20%	9.06%	8.96%



METROPOLITAN EDISON COMPANY  
 COMPARISON BETWEEN PRESENT AND PROPOSED RATES  
 RATE GS-V

ENERGY USAGE	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
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	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
<b>UNBUNDLED RATES - CURRENT</b>																
<b>NUG Charge</b>																
All kWh @ 0.129 /kWh	\$ -	\$ 0.06	\$ 0.13	\$ 0.32	\$ 0.65	\$ 0.97	\$ 1.16	\$ 1.29	\$ 1.94	\$ 2.58	\$ 3.23	\$ 3.87	\$ 4.52	\$ 5.16	\$ 5.81	\$ 6.45
<b>Distribution</b>																
Distribution Charge @ \$10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25
All kWh @ 3.595 /kWh	\$ -	\$ 1.80	\$ 3.60	\$ 9.00	\$ 18.00	\$ 26.99	\$ 32.39	\$ 35.99	\$ 53.99	\$ 71.98	\$ 89.98	\$ 107.97	\$ 125.97	\$ 143.96	\$ 161.96	\$ 179.95
<b>Sub-Total</b>	\$ 10.25	\$ 12.05	\$ 13.85	\$ 19.25	\$ 28.25	\$ 37.24	\$ 42.64	\$ 46.24	\$ 64.24	\$ 82.23	\$ 100.23	\$ 118.22	\$ 136.22	\$ 154.21	\$ 172.21	\$ 190.20
<b>Riders</b>																
Universal Service Charge @ 0.382 /kWh	\$ -	\$ 0.19	\$ 0.38	\$ 0.96	\$ 1.91	\$ 2.87	\$ 3.44	\$ 3.82	\$ 5.73	\$ 7.64	\$ 9.55	\$ 11.46	\$ 13.37	\$ 15.28	\$ 17.19	\$ 19.10
Phase II Energy Efficiency Charge @ 1.170 /kWh	\$ -	\$ 0.59	\$ 1.17	\$ 2.93	\$ 5.85	\$ 8.78	\$ 10.53	\$ 11.70	\$ 17.55	\$ 23.40	\$ 29.25	\$ 35.10	\$ 40.95	\$ 46.80	\$ 52.65	\$ 58.50
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ 0.496 /kWh	\$ -	\$ 0.25	\$ 0.50	\$ 1.24	\$ 2.48	\$ 3.72	\$ 4.46	\$ 4.96	\$ 7.44	\$ 9.92	\$ 12.40	\$ 14.88	\$ 17.36	\$ 19.84	\$ 22.32	\$ 24.80
Solar Photovoltaic Requirements Charge @ 0.033 /kWh	\$ -	\$ 0.02	\$ 0.03	\$ 0.08	\$ 0.17	\$ 0.25	\$ 0.30	\$ 0.33	\$ 0.50	\$ 0.66	\$ 0.83	\$ 0.99	\$ 1.16	\$ 1.32	\$ 1.49	\$ 1.65
<b>Sub-Total</b>	\$ -	\$ 1.04	\$ 2.08	\$ 5.20	\$ 10.41	\$ 15.61	\$ 18.73	\$ 20.81	\$ 31.22	\$ 41.62	\$ 52.03	\$ 62.43	\$ 72.84	\$ 83.24	\$ 93.65	\$ 104.05
DSIC @ 0.194 %	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.05	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.13	\$ 0.19	\$ 0.25	\$ 0.30	\$ 0.36	\$ 0.41	\$ 0.47	\$ 0.53	\$ 0.58
<b>PTC Charge</b>																
All kWh @ \$ 0.08305 /kWh	\$ -	\$ 4.15	\$ 8.31	\$ 20.76	\$ 41.53	\$ 62.29	\$ 74.75	\$ 83.05	\$ 124.58	\$ 166.10	\$ 207.63	\$ 249.15	\$ 290.68	\$ 332.20	\$ 373.73	\$ 415.25
<b>Sub Total</b>	\$ 10.27	\$ 17.33	\$ 24.40	\$ 45.58	\$ 80.90	\$ 116.21	\$ 137.40	\$ 151.52	\$ 222.15	\$ 292.78	\$ 363.40	\$ 434.03	\$ 504.65	\$ 575.28	\$ 645.91	\$ 716.53
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Bill</b>	\$ 10.27	\$ 17.33	\$ 24.40	\$ 45.58	\$ 80.90	\$ 116.21	\$ 137.40	\$ 151.52	\$ 222.15	\$ 292.78	\$ 363.40	\$ 434.03	\$ 504.65	\$ 575.28	\$ 645.91	\$ 716.53

	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
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	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
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	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
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	0	50	100	250	500	750	900	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000
<b>UNBUNDLED RATES - PROPOSED</b>																
<b>NUG Charge</b>																
All kWh @ 0.129 /kWh	\$ -	\$ 0.06	\$ 0.13	\$ 0.32	\$ 0.65	\$ 0.97	\$ 1.16	\$ 1.29	\$ 1.94	\$ 2.58	\$ 3.23	\$ 3.87	\$ 4.52	\$ 5.16	\$ 5.81	\$ 6.45
<b>Distribution</b>																
Distribution Charge @ \$17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42
All kWh @ 4.544 /kWh	\$ -	\$ 2.27	\$ 4.54	\$ 11.36	\$ 22.72	\$ 34.08	\$ 40.90	\$ 45.44	\$ 68.16	\$ 90.88	\$ 113.60	\$ 136.32	\$ 159.04	\$ 181.76	\$ 204.48	\$ 227.20
<b>Sub-Total</b>	\$ 17.42	\$ 19.69	\$ 21.96	\$ 28.78	\$ 40.14	\$ 51.50	\$ 58.32	\$ 62.86	\$ 85.58	\$ 108.30	\$ 131.02	\$ 153.74	\$ 176.46	\$ 199.18	\$ 221.90	\$ 244.62
<b>Riders</b>																
Universal Service Charge @ 0.382 /kWh	\$ -	\$ 0.19	\$ 0.38	\$ 0.96	\$ 1.91	\$ 2.87	\$ 3.44	\$ 3.82	\$ 5.73	\$ 7.64	\$ 9.55	\$ 11.46	\$ 13.37	\$ 15.28	\$ 17.19	\$ 19.10
Phase II Energy Efficiency Charge @ 1.170 /kWh	\$ -	\$ 0.59	\$ 1.17	\$ 2.93	\$ 5.85	\$ 8.78	\$ 10.53	\$ 11.70	\$ 17.55	\$ 23.40	\$ 29.25	\$ 35.10	\$ 40.95	\$ 46.80	\$ 52.65	\$ 58.50
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ 0.597 /kWh	\$ -	\$ 0.30	\$ 0.60	\$ 1.49	\$ 2.99	\$ 4.48	\$ 5.37	\$ 5.97	\$ 8.96	\$ 11.94	\$ 14.93	\$ 17.91	\$ 20.90	\$ 23.88	\$ 26.87	\$ 29.85
Solar Photovoltaic Requirements Charge @ 0.033 /kWh	\$ -	\$ 0.02	\$ 0.03	\$ 0.08	\$ 0.17	\$ 0.25	\$ 0.30	\$ 0.33	\$ 0.50	\$ 0.66	\$ 0.83	\$ 0.99	\$ 1.16	\$ 1.32	\$ 1.49	\$ 1.65
<b>Sub-Total</b>	\$ -	\$ 1.09	\$ 2.16	\$ 5.46	\$ 10.91	\$ 16.37	\$ 19.64	\$ 21.82	\$ 32.73	\$ 43.64	\$ 54.55	\$ 65.46	\$ 76.37	\$ 87.28	\$ 98.19	\$ 109.10
DSIC @ 0.000 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PTC Charge</b>																
All kWh @ \$ 0.08305 /kWh	\$ -	\$ 4.15	\$ 8.31	\$ 20.76	\$ 41.53	\$ 62.29	\$ 74.75	\$ 83.05	\$ 124.58	\$ 166.10	\$ 207.63	\$ 249.15	\$ 290.68	\$ 332.20	\$ 373.73	\$ 415.25
<b>Sub Total</b>	\$ 17.42	\$ 25.00	\$ 32.58	\$ 55.32	\$ 93.22	\$ 131.12	\$ 153.86	\$ 169.02	\$ 244.82	\$ 320.62	\$ 396.42	\$ 472.22	\$ 548.02	\$ 623.82	\$ 699.62	\$ 775.42
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Bill</b>	\$ 17.42	\$ 25.00	\$ 32.58	\$ 55.32	\$ 93.22	\$ 131.12	\$ 153.86	\$ 169.02	\$ 244.82	\$ 320.62	\$ 396.42	\$ 472.22	\$ 548.02	\$ 623.82	\$ 699.62	\$ 775.42
% Increase	69.62%	44.24%	33.55%	21.36%	15.23%	12.83%	11.96%	11.55%	10.21%	9.51%	9.09%	8.80%	8.59%	8.44%	8.32%	8.22%

METROPOLITAN EDISON COMPANY  
 COMPARISON BETWEEN PRESENT AND PROPOSED RATES  
 RATE GS - SMALL - SINGLE PHASE  
 At Average Levels of kWh Use

KW Demand	1		1		1		1		1		3		3		3		5	
	0	100	200	300	400	500	600	730	100	200	300	400	500	1,000	1,000	1,000	1,000	

UNBUNDLED RATES - CURRENT	0	100	200	300	400	500	600	730	100	200	300	400	500	1,000	1,000	1,000	1,000
<b>NUG Charge</b>																	
All kWh @ 0.129 €/kWh	\$ -	\$ 0.13	\$ 0.26	\$ 0.39	\$ 0.52	\$ 0.65	\$ 0.77	\$ 0.94	\$ 0.39	\$ 0.77	\$ 1.16	\$ 1.55	\$ 1.94	\$ 1.94	\$ 1.94	\$ 1.94	\$ 1.29
<b>Distribution</b>																	
Distribution Charge @ \$16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.53
All kWh @ 2.680 €/kWh	\$ -	\$ 2.68	\$ 5.36	\$ 8.04	\$ 10.72	\$ 13.40	\$ 16.08	\$ 19.56	\$ 8.04	\$ 16.08	\$ 24.12	\$ 32.16	\$ 40.20	\$ 48.24	\$ 56.28	\$ 64.32	\$ 26.80
<b>Sub-Total</b>	\$ 16.53	\$ 19.21	\$ 21.89	\$ 24.57	\$ 27.25	\$ 29.93	\$ 32.61	\$ 36.09	\$ 24.57	\$ 32.61	\$ 40.65	\$ 48.69	\$ 56.73	\$ 64.77	\$ 72.81	\$ 80.85	\$ 43.33
<b>Riders</b>																	
Phase II Energy Efficiency Charge @ -0.007 €/kWh	\$ -	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.04)	\$ (0.04)	\$ (0.05)	\$ (0.02)	\$ (0.04)	\$ (0.06)	\$ (0.08)	\$ (0.11)	\$ (0.14)	\$ (0.17)	\$ (0.20)	\$ (0.07)
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ 0.392 €/kWh	\$ -	\$ 0.39	\$ 0.78	\$ 1.18	\$ 1.57	\$ 1.96	\$ 2.35	\$ 2.86	\$ 1.18	\$ 2.35	\$ 3.53	\$ 4.70	\$ 5.88	\$ 7.06	\$ 8.24	\$ 9.42	\$ 3.92
Solar Photovoltaic Requirements Charge @ 0.033 €/kWh	\$ -	\$ 0.03	\$ 0.07	\$ 0.10	\$ 0.13	\$ 0.17	\$ 0.20	\$ 0.24	\$ 0.10	\$ 0.20	\$ 0.30	\$ 0.40	\$ 0.50	\$ 0.60	\$ 0.70	\$ 0.80	\$ 0.33
<b>Sub-Total</b>	\$ -	\$ 0.42	\$ 0.84	\$ 1.25	\$ 1.67	\$ 2.09	\$ 2.51	\$ 3.05	\$ 1.25	\$ 2.51	\$ 3.76	\$ 5.02	\$ 6.27	\$ 7.53	\$ 8.78	\$ 10.04	\$ 4.18
DSIC @ 0.194 %	\$ 0.03	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.06	\$ 0.06	\$ 0.07	\$ 0.08	\$ 0.05	\$ 0.07	\$ 0.09	\$ 0.11	\$ 0.13	\$ 0.16	\$ 0.19	\$ 0.22	\$ 0.09
<b>PTC Charge</b>																	
All kWh @ \$ 0.08123 /kWh	\$ -	\$ 8.12	\$ 16.25	\$ 24.37	\$ 32.49	\$ 40.62	\$ 48.74	\$ 59.30	\$ 24.37	\$ 48.74	\$ 73.11	\$ 97.48	\$ 121.85	\$ 146.22	\$ 170.59	\$ 194.96	\$ 81.23
<b>Sub-Total</b>	\$ 16.56	\$ 27.92	\$ 39.27	\$ 50.63	\$ 61.99	\$ 73.34	\$ 84.70	\$ 99.46	\$ 50.63	\$ 84.70	\$ 118.77	\$ 152.84	\$ 186.91	\$ 220.98	\$ 255.05	\$ 289.12	\$ 130.12
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Bill</b>	\$ 16.56	\$ 27.92	\$ 39.27	\$ 50.63	\$ 61.99	\$ 73.34	\$ 84.70	\$ 99.46	\$ 50.63	\$ 84.70	\$ 118.77	\$ 152.84	\$ 186.91	\$ 220.98	\$ 255.05	\$ 289.12	\$ 130.12

UNBUNDLED RATES - PROPOSED	0	100	200	300	400	500	600	730	100	200	300	400	500	1,000	1,000	1,000	1,000
<b>NUG Charge</b>																	
All kWh @ 0.129 €/kWh	\$ -	\$ 0.13	\$ 0.26	\$ 0.39	\$ 0.52	\$ 0.65	\$ 0.77	\$ 0.94	\$ 0.39	\$ 0.77	\$ 1.16	\$ 1.55	\$ 1.94	\$ 1.94	\$ 1.94	\$ 1.94	\$ 1.29
<b>Distribution</b>																	
Distribution Charge @ \$23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02	\$ 23.02
All kWh @ 4.278 €/kWh	\$ -	\$ 4.28	\$ 8.56	\$ 12.83	\$ 17.11	\$ 21.39	\$ 25.67	\$ 31.23	\$ 12.83	\$ 25.67	\$ 38.50	\$ 51.34	\$ 64.17	\$ 77.00	\$ 89.83	\$ 102.66	\$ 42.78
<b>Sub-Total</b>	\$ 23.02	\$ 27.30	\$ 31.58	\$ 35.85	\$ 40.13	\$ 44.41	\$ 48.69	\$ 54.25	\$ 35.85	\$ 48.69	\$ 61.52	\$ 74.36	\$ 87.19	\$ 100.02	\$ 112.85	\$ 125.68	\$ 65.80
<b>Riders</b>																	
Phase II Energy Efficiency Charge @ -0.007 €/kWh	\$ -	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.04)	\$ (0.04)	\$ (0.05)	\$ (0.02)	\$ (0.04)	\$ (0.06)	\$ (0.08)	\$ (0.11)	\$ (0.14)	\$ (0.17)	\$ (0.20)	\$ (0.07)
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ 0.399 €/kWh	\$ -	\$ 0.40	\$ 0.80	\$ 1.20	\$ 1.60	\$ 2.00	\$ 2.39	\$ 2.91	\$ 1.20	\$ 2.39	\$ 3.59	\$ 4.79	\$ 5.99	\$ 7.19	\$ 8.39	\$ 9.59	\$ 3.99
Solar Photovoltaic Requirements Charge @ 0.033 €/kWh	\$ -	\$ 0.03	\$ 0.07	\$ 0.10	\$ 0.13	\$ 0.17	\$ 0.20	\$ 0.24	\$ 0.10	\$ 0.20	\$ 0.30	\$ 0.40	\$ 0.50	\$ 0.60	\$ 0.70	\$ 0.80	\$ 0.33
<b>Sub-Total</b>	\$ -	\$ 0.43	\$ 0.85	\$ 1.28	\$ 1.70	\$ 2.13	\$ 2.55	\$ 3.10	\$ 1.28	\$ 2.55	\$ 3.83	\$ 5.10	\$ 6.38	\$ 7.66	\$ 8.94	\$ 10.22	\$ 4.25
DSIC @ 0.000 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PTC Charge</b>																	
All kWh @ \$ 0.08123 /kWh	\$ -	\$ 8.12	\$ 16.25	\$ 24.37	\$ 32.49	\$ 40.62	\$ 48.74	\$ 59.30	\$ 24.37	\$ 48.74	\$ 73.11	\$ 97.48	\$ 121.85	\$ 146.22	\$ 170.59	\$ 194.96	\$ 81.23
<b>Sub-Total</b>	\$ 23.02	\$ 35.98	\$ 48.93	\$ 61.89	\$ 74.84	\$ 87.80	\$ 100.75	\$ 117.59	\$ 61.89	\$ 100.75	\$ 139.62	\$ 178.48	\$ 217.35	\$ 256.22	\$ 295.09	\$ 333.96	\$ 152.57
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Bill</b>	\$ 23.02	\$ 35.98	\$ 48.93	\$ 61.89	\$ 74.84	\$ 87.80	\$ 100.75	\$ 117.59	\$ 61.89	\$ 100.75	\$ 139.62	\$ 178.48	\$ 217.35	\$ 256.22	\$ 295.09	\$ 333.96	\$ 152.57
% Increase	38.99%	28.86%	24.58%	22.25%	20.73%	19.70%	18.95%	18.23%	22.23%	18.95%	17.55%	16.78%	16.29%	16.29%	16.29%	17.25%	17.25%







METROPOLITAN EDISON COMPANY  
COMPARISON BETWEEN PRESENT AND PROPOSED RATES  
RATE GS - LARGE  
With Demands of 500 - 1,000 KW  
At Average Levels of kWh Use

	500	500	500	500	500	750	750	750	1,000	1,000	1,000	1,000
	500	500	500	500	500	750	750	750	1,000	1,000	1,000	1,000
	200	300	400	400	400	400	400	500	300	400	500	730
	275	275	275	275	275	412	412	412	549	549	549	549
	200,000	200,000	200,000	200,000	200,000	300,000	300,000	300,000	300,000	300,000	300,000	730,000
	100,000	150,000	150,000	150,000	150,000	225,000	225,000	225,000	200,000	200,000	200,000	730,000
	100,000	150,000	150,000	150,000	150,000	225,000	225,000	225,000	200,000	200,000	200,000	730,000
<b>KW Demand</b>	500	500	500	500	500	750	750	750	1,000	1,000	1,000	1,000
Total kW	500	500	500	500	500	750	750	750	1,000	1,000	1,000	1,000
Hrs Use	0	200	300	400	400	200	200	200	300	400	500	730
<b>REACTIVE DEMAND</b>												
n/A	275	275	275	275	275	412	412	412	549	549	549	549
<b>ENERGY USAGE</b>												
Monthly Energy Usage	100,000	150,000	200,000	200,000	200,000	300,000	300,000	300,000	300,000	300,000	300,000	730,000
Total Energy Usage	100,000	150,000	200,000	200,000	200,000	225,000	225,000	225,000	200,000	200,000	200,000	730,000
<b>UNBUNDLED RATES - CURRENT</b>												
<b>NEG CHARGE</b>												
All kWh @ 0.129 #/kWh	\$ -	\$ 129.00	\$ 193.50	\$ 258.00	\$ 322.50	\$ 470.85	\$ 483.75	\$ 706.28	\$ 387.00	\$ 516.00	\$ 645.00	\$ 941.70
<b>Distribution</b>												
Distribution Charge @ \$143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31	\$ 143.31
All kWh @ \$0.00/kWh	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00	\$ 1,510.00
All kWh @ \$0.20 /kWh	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91
Sub-Total	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22	\$ 1,708.22
<b>Rates</b>												
Phase II Energy Efficiency Charge @ \$0.34 /kW PLC	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 255.00	\$ 255.00	\$ 255.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ \$1.732 /kW NSPL	\$ 866.00	\$ 866.00	\$ 866.00	\$ 866.00	\$ 866.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,732.00	\$ 1,732.00	\$ 1,732.00	\$ 1,732.00
Solar Photovoltaic Requirements Charge @ 0.033 #/kWh	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 49.50	\$ 49.50	\$ 49.50	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00
Sub-Total	\$ 1,036.00	\$ 1,069.00	\$ 1,085.50	\$ 1,102.00	\$ 1,116.50	\$ 1,564.50	\$ 1,627.25	\$ 1,734.68	\$ 2,171.00	\$ 2,204.00	\$ 2,237.00	\$ 2,312.90
<b>DSIC @ 0.194 %</b>	\$ 5.32	\$ 5.64	\$ 5.80	\$ 5.95	\$ 6.11	\$ 8.79	\$ 9.03	\$ 9.57	\$ 11.31	\$ 11.63	\$ 11.94	\$ 12.66
<b>PTC Charge</b>												
All kWh @ \$ 0.07933 /kWh	\$ -	\$ 7,933.00	\$ 11,899.50	\$ 15,866.00	\$ 19,832.50	\$ 28,955.45	\$ 29,748.75	\$ 43,433.18	\$ 23,799.00	\$ 31,732.00	\$ 39,865.00	\$ 57,910.90
<b>STAS @ 0.00 %</b>												
Sub-Total	\$ 2,749.55	\$ 10,844.86	\$ 14,892.52	\$ 18,940.18	\$ 22,987.83	\$ 32,297.45	\$ 34,409.96	\$ 48,374.37	\$ 29,841.45	\$ 37,736.77	\$ 45,832.08	\$ 64,451.30
<b>Total Bill</b>	\$ 2,749.55	\$ 10,844.86	\$ 14,892.52	\$ 18,940.18	\$ 22,987.83	\$ 32,297.45	\$ 34,409.96	\$ 48,374.37	\$ 29,841.45	\$ 37,736.77	\$ 45,832.08	\$ 64,451.30

	500	500	500	500	500	750	750	750	1,000	1,000	1,000	1,000
	500	500	500	500	500	750	750	750	1,000	1,000	1,000	1,000
	200	300	400	400	400	400	400	500	300	400	500	730
	275	275	275	275	275	412	412	412	549	549	549	549
	200,000	200,000	200,000	200,000	200,000	300,000	300,000	300,000	300,000	300,000	300,000	730,000
	100,000	150,000	150,000	150,000	150,000	225,000	225,000	225,000	200,000	200,000	200,000	730,000
	100,000	150,000	150,000	150,000	150,000	225,000	225,000	225,000	200,000	200,000	200,000	730,000
<b>UNBUNDLED RATES - PROPOSED</b>												
<b>NEG CHARGE</b>												
All kWh @ 0.129 #/kWh	\$ -	\$ 129.00	\$ 193.50	\$ 258.00	\$ 322.50	\$ 470.85	\$ 483.75	\$ 706.28	\$ 387.00	\$ 516.00	\$ 645.00	\$ 941.70
<b>Distribution</b>												
Distribution Charge @ \$270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12	\$ 270.12
All kWh @ \$0.00/kWh	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 3,020.00	\$ 4,530.00	\$ 4,530.00	\$ 4,530.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00	\$ 6,040.00
All kWh @ \$0.20 /kWh	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91	\$ 54.91
Sub-Total	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03	\$ 3,345.03
<b>Rates</b>												
Phase II Energy Efficiency Charge @ \$0.34 /kW PLC	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 255.00	\$ 255.00	\$ 255.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ \$1.732 /kW NSPL	\$ 866.00	\$ 866.00	\$ 866.00	\$ 866.00	\$ 866.00	\$ 1,290.00	\$ 1,290.00	\$ 1,290.00	\$ 1,732.00	\$ 1,732.00	\$ 1,732.00	\$ 1,732.00
Solar Photovoltaic Requirements Charge @ 0.033 #/kWh	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 49.50	\$ 49.50	\$ 49.50	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00
Sub-Total	\$ 1,036.00	\$ 1,069.00	\$ 1,085.50	\$ 1,102.00	\$ 1,116.50	\$ 1,564.50	\$ 1,627.25	\$ 1,734.68	\$ 2,171.00	\$ 2,204.00	\$ 2,237.00	\$ 2,312.90
<b>DSIC @ 0.000 %</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PTC Charge</b>												
All kWh @ \$ 0.07934 /kWh	\$ -	\$ 7,934.00	\$ 11,901.00	\$ 15,868.00	\$ 19,835.00	\$ 28,958.10	\$ 29,752.50	\$ 43,436.65	\$ 23,802.00	\$ 31,736.00	\$ 39,870.00	\$ 57,918.20
<b>STAS @ 0.00 %</b>												
Sub-Total	\$ 4,381.03	\$ 12,477.03	\$ 16,525.03	\$ 20,573.03	\$ 24,621.03	\$ 33,931.43	\$ 36,796.49	\$ 50,762.09	\$ 24,683.95	\$ 32,779.95	\$ 40,875.95	\$ 67,892.75
<b>Total Bill</b>	\$ 4,381.03	\$ 12,477.03	\$ 16,525.03	\$ 20,573.03	\$ 24,621.03	\$ 33,931.43	\$ 36,796.49	\$ 50,762.09	\$ 24,683.95	\$ 32,779.95	\$ 40,875.95	\$ 67,892.75
% Increase	53.34%	13.02%	10.86%	8.62%	7.10%	14.73%	8.42%	4.94%	10.59%	6.85%	6.85%	4.87%

METROPOLITAN EDISON COMPANY  
COMPARISON BETWEEN PRESENT AND PROPOSED RATES  
RATE GS - LARGE  
With Demands of 1,500 - 3,000 KW  
At Average Levels of kWh Use

KW Demand	1,500	1,500	1,500	1,500	2,000	2,000	2,500	2,500	2,500	3,000	3,000	3,000
Total kW	0	300	300	300	750	750	100	300	500	750	100	300
REACTIVE DEMAND	824	824	824	824	1,098	1,098	1,098	1,373	1,373	1,647	1,647	1,647
kVA	824	824	824	824	1,098	1,098	1,098	1,373	1,373	1,647	1,647	1,647
ENERGY USAGE	0	450,000	750,000	1,095,000	200,000	600,000	1,000,000	1,480,000	250,000	750,000	1,825,000	300,000
Sub-Total	0	150,000	450,000	750,000	200,000	600,000	1,000,000	1,480,000	250,000	750,000	1,825,000	300,000
Total Energy Usage	0	150,000	450,000	750,000	200,000	600,000	1,000,000	1,480,000	250,000	750,000	1,825,000	300,000
<b>UNBUNDLED RATES - CURRENT</b>												
All kWh @ 0.129 \$/kWh	183.50	580.50	987.50	1,412.50	258.00	774.00	1,290.00	1,863.40	322.50	967.50	1,612.50	2,354.25
Distribution	143.31	143.31	143.31	143.31	143.31	143.31	143.31	143.31	143.31	143.31	143.31	143.31
Smart Meter Charge @ \$143.31	4,530.00	4,530.00	4,530.00	4,530.00	4,530.00	4,530.00	4,530.00	4,530.00	4,530.00	4,530.00	4,530.00	4,530.00
All kWh @ \$3.02/kWh	183.50	580.50	987.50	1,412.50	258.00	774.00	1,290.00	1,863.40	322.50	967.50	1,612.50	2,354.25
All kWh @ 0.20 /kWh	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05
Sub-Total	5,013.55	5,410.55	5,817.55	6,224.55	5,088.05	5,588.05	6,088.05	6,683.40	5,282.50	5,937.50	6,432.50	7,138.50
Bidder	510.00	510.00	510.00	510.00	680.00	680.00	680.00	680.00	850.00	850.00	850.00	1,020.00
Smart Meter Charge @ \$0.34 /kWh	2,598.00	2,598.00	2,598.00	2,598.00	3,464.00	3,464.00	3,464.00	3,464.00	4,330.00	4,330.00	4,330.00	5,196.00
Default Service Support Charge @ \$1.732 /kW NSPL	49.50	49.50	49.50	49.50	65.00	65.00	65.00	65.00	86.63	86.63	86.63	103.70
Solar Photovoltaic Requirements Charge @ 0.033 \$/kWh	3,167.50	3,167.50	3,167.50	3,167.50	4,200.00	4,200.00	4,200.00	4,200.00	5,592.50	5,592.50	5,592.50	6,711.00
Sub-Total	15.42	15.89	17.77	18.86	21.09	23.35	25.05	26.66	31.24	31.50	33.38	37.44
DSIC @ 0.184 %	11,899.50	35,698.50	59,497.50	86,866.35	15,886.00	47,598.00	79,330.00	115,821.80	19,832.50	59,497.50	99,162.50	144,772.25
PTC Charge	7,961.47	20,104.44	33,247.41	44,390.38	68,676.33	86,605.16	91,520.57	128,759.02	33,411.68	79,882.25	114,364.82	160,912.88
All kWh @ \$0.07933 /kWh	7,961.47	20,104.44	33,247.41	44,390.38	68,676.33	86,605.16	91,520.57	128,759.02	33,411.68	79,882.25	114,364.82	160,912.88
Sub-Total	20,104.44	44,390.38	68,676.33	86,605.16	128,759.02	158,116.83	190,850.57	244,580.82	63,224.18	159,779.75	208,727.62	285,685.73
Sub-Total @ 0.00 %	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BILL	20,104.44	44,390.38	68,676.33	86,605.16	128,759.02	158,116.83	190,850.57	244,580.82	63,224.18	159,779.75	208,727.62	285,685.73

KW Demand	1,500	1,500	1,500	1,500	2,000	2,000	2,500	2,500	2,500	3,000	3,000	3,000
Total kW	0	300	300	300	750	750	100	300	500	750	100	300
REACTIVE DEMAND	824	824	824	824	1,098	1,098	1,098	1,373	1,373	1,647	1,647	1,647
kVA	824	824	824	824	1,098	1,098	1,098	1,373	1,373	1,647	1,647	1,647
ENERGY USAGE	0	450,000	750,000	1,095,000	200,000	600,000	1,000,000	1,480,000	250,000	750,000	1,825,000	300,000
Sub-Total	0	150,000	450,000	750,000	200,000	600,000	1,000,000	1,480,000	250,000	750,000	1,825,000	300,000
Total Energy Usage	0	150,000	450,000	750,000	200,000	600,000	1,000,000	1,480,000	250,000	750,000	1,825,000	300,000
<b>UNBUNDLED RATES - PROPOSED</b>												
All kWh @ 0.129 \$/kWh	183.50	580.50	987.50	1,412.50	258.00	774.00	1,290.00	1,863.40	322.50	967.50	1,612.50	2,354.25
Distribution	270.12	270.12	270.12	270.12	270.12	270.12	270.12	270.12	270.12	270.12	270.12	270.12
Smart Meter Charge @ \$270.12	9,060.00	9,060.00	9,060.00	9,060.00	12,080.00	12,080.00	12,080.00	12,080.00	15,100.00	15,100.00	15,100.00	18,120.00
All kWh @ \$3.04/kWh	183.50	580.50	987.50	1,412.50	258.00	774.00	1,290.00	1,863.40	322.50	967.50	1,612.50	2,354.25
All kWh @ 0.20 /kWh	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05	4,830.05
Sub-Total	9,494.86	9,494.86	9,494.86	9,494.86	12,569.78	12,569.78	12,569.78	12,569.78	15,644.89	15,644.89	15,644.89	18,719.81
Bidder	510.00	510.00	510.00	510.00	680.00	680.00	680.00	680.00	850.00	850.00	850.00	1,020.00
Smart Meter Charge @ \$0.34 /kWh	2,598.00	2,598.00	2,598.00	2,598.00	3,464.00	3,464.00	3,464.00	3,464.00	4,330.00	4,330.00	4,330.00	5,196.00
Default Service Support Charge @ \$1.732 /kW NSPL	49.50	49.50	49.50	49.50	65.00	65.00	65.00	65.00	86.63	86.63	86.63	103.70
Solar Photovoltaic Requirements Charge @ 0.033 \$/kWh	3,167.50	3,167.50	3,167.50	3,167.50	4,200.00	4,200.00	4,200.00	4,200.00	5,592.50	5,592.50	5,592.50	6,711.00
Sub-Total	15.42	15.89	17.77	18.86	21.09	23.35	25.05	26.66	31.24	31.50	33.38	37.44
DSIC @ 0.000 %	0	0	0	0	0	0	0	0	0	0	0	0
PTC Charge	11,901.00	35,703.00	59,505.00	86,877.30	15,886.00	47,598.00	79,330.00	115,821.80	19,832.50	59,497.50	99,162.50	144,772.25
All kWh @ \$0.07564 /kWh	11,901.00	35,703.00	59,505.00	86,877.30	15,886.00	47,598.00	79,330.00	115,821.80	19,832.50	59,497.50	99,162.50	144,772.25
Sub-Total	23,802.00	71,406.00	119,010.00	173,754.60	31,772.00	95,196.00	158,660.00	234,401.60	41,624.50	119,295.00	198,832.39	289,547.64
Sub-Total @ 0.00 %	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BILL	23,802.00	71,406.00	119,010.00	173,754.60	31,772.00	95,196.00	158,660.00	234,401.60	41,624.50	119,295.00	198,832.39	289,547.64
% Increase	58.30%	23.89%	10.46%	6.77%	4.81%	22.85%	10.40%	6.72%	4.78%	10.36%	6.70%	4.75%









METROPOLITAN EDISON COMPANY  
COMPARISON BETWEEN PRESENT AND PROPOSED RATES  
RATE TP  
With Demands Up to 20,000 KW  
At Average Levels of kWh Use

KW Demanded	Rate TP										
	5,000	5,000	5,000	10,000	10,000	10,000	15,000	15,000	15,000	20,000	20,000
Total kWh	5,000	5,000	5,000	10,000	10,000	10,000	15,000	15,000	15,000	20,000	20,000
ENERGY USAGE	0	500,000	2,900,000	3,000,000	3,000,000	5,000,000	7,800,000	7,800,000	10,950,000	2,000,000	2,000,000
Monthly Energy Usage	0	15,000,000	87,000,000	90,000,000	90,000,000	150,000,000	234,000,000	234,000,000	328,500,000	60,000,000	60,000,000
Total Energy Usage	0	15,000,000	89,900,000	93,000,000	93,000,000	155,000,000	241,800,000	241,800,000	338,500,000	62,000,000	62,000,000
UNBUNDLED RATES - CURRENT											
All kWh @ 0.110 \$/kWh	\$ -	\$ (550.00)	\$ (2,750.00)	\$ (1,100.00)	\$ (3,300.00)	\$ (5,500.00)	\$ (8,030.00)	\$ (8,030.00)	\$ (12,045.00)	\$ (2,200.00)	\$ (6,600.00)
Base Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00
Sub-Total	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00
Phase I Energy Efficiency Charge @ 0.34 \$/kW PLC	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00
Smart Meter Charge @ 30.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00
Default Service Support Charge @ \$1.655 \$/kW NSPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Solar Photovoltaic Requirements Charge @ 0.033 \$/kWh	\$ 9,975.00	\$ 10,140.00	\$ 10,800.00	\$ 20,280.00	\$ 20,940.00	\$ 21,600.00	\$ 30,420.00	\$ 31,410.00	\$ 32,400.00	\$ 40,980.00	\$ 43,200.00
Sub-Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DISC @ 0.000 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ETC Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All kWh @ \$ 0.0622 \$/kWh	\$ -	\$ 41,160.00	\$ 205,800.00	\$ 82,320.00	\$ 246,960.00	\$ 411,600.00	\$ 600,936.00	\$ 600,936.00	\$ 814,404.00	\$ 184,640.00	\$ 483,920.00
Sub-Total	\$ 17,205.00	\$ 57,990.00	\$ 221,080.00	\$ 112,430.00	\$ 314,862.50	\$ 436,630.00	\$ 626,196.00	\$ 626,196.00	\$ 837,577.50	\$ 221,330.00	\$ 547,530.00
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Bill	\$ 17,205.00	\$ 57,990.00	\$ 221,080.00	\$ 112,430.00	\$ 314,862.50	\$ 436,630.00	\$ 626,196.00	\$ 626,196.00	\$ 837,577.50	\$ 221,330.00	\$ 547,530.00

KW Demanded	Rate TP										
	5,000	5,000	5,000	10,000	10,000	10,000	15,000	15,000	15,000	20,000	20,000
Total kWh	5,000	5,000	5,000	10,000	10,000	10,000	15,000	15,000	15,000	20,000	20,000
ENERGY USAGE	0	500,000	2,900,000	3,000,000	3,000,000	5,000,000	7,800,000	7,800,000	10,950,000	2,000,000	2,000,000
Monthly Energy Usage	0	15,000,000	87,000,000	90,000,000	90,000,000	150,000,000	234,000,000	234,000,000	328,500,000	60,000,000	60,000,000
Total Energy Usage	0	15,000,000	89,900,000	93,000,000	93,000,000	155,000,000	241,800,000	241,800,000	338,500,000	62,000,000	62,000,000
UNBUNDLED RATES - PROPOSED											
All kWh @ 0.110 \$/kWh	\$ -	\$ (550.00)	\$ (2,750.00)	\$ (1,100.00)	\$ (3,300.00)	\$ (5,500.00)	\$ (8,030.00)	\$ (8,030.00)	\$ (12,045.00)	\$ (2,200.00)	\$ (6,600.00)
Base Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26
Sub-Total	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26	\$ 5,462.26
Phase I Energy Efficiency Charge @ 0.34 \$/kW PLC	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00
Smart Meter Charge @ 30.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00	\$ 8,275.00
Default Service Support Charge @ \$1.655 \$/kW NSPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Solar Photovoltaic Requirements Charge @ 0.033 \$/kWh	\$ 9,975.00	\$ 10,140.00	\$ 10,800.00	\$ 20,280.00	\$ 20,940.00	\$ 21,600.00	\$ 30,420.00	\$ 31,410.00	\$ 32,400.00	\$ 40,980.00	\$ 43,200.00
Sub-Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DISC @ 0.000 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ETC Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All kWh @ \$ 0.0623 \$/kWh	\$ -	\$ 41,165.00	\$ 205,825.00	\$ 82,330.00	\$ 246,980.00	\$ 411,650.00	\$ 600,950.00	\$ 600,950.00	\$ 814,415.00	\$ 184,650.00	\$ 483,930.00
Sub-Total	\$ 20,637.26	\$ 61,417.26	\$ 224,537.26	\$ 112,435.00	\$ 314,915.00	\$ 436,650.00	\$ 626,200.00	\$ 626,200.00	\$ 837,592.50	\$ 221,335.00	\$ 547,535.00
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Bill	\$ 20,637.26	\$ 61,417.26	\$ 224,537.26	\$ 112,435.00	\$ 314,915.00	\$ 436,650.00	\$ 626,200.00	\$ 626,200.00	\$ 837,592.50	\$ 221,335.00	\$ 547,535.00
% Increase	19.95%	5.33%	2.47%	1.0%	4.49%	1.0%	1.14%	0.80%	3.82%	0.72%	0.65%

METROPOLITAN EDISON COMPANY  
 COMPARISON BETWEEN PRESENT AND PROPOSED RATES  
 RATE TP  
 With Demand Charge @ 20,000 KW  
 At Average Levels of kWh Use

	25,000	25,000	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	40,000	40,000	40,000	40,000	40,000	
<b>KW Demand</b>	25,000	25,000	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	40,000	40,000	40,000	40,000	40,000	
<b>Rate</b>	0	100	500	730	100	500	730	100	500	730	100	300	300	500	730	
<b>ENERGY USAGE</b>																
Peak	0	2,500,000	7,500,000	12,500,000	18,250,000	3,000,000	9,000,000	15,000,000	17,500,000	25,500,000	4,000,000	12,000,000	20,000,000	20,000,000	28,200,000	
Off-Peak	0	2,500,000	7,500,000	12,500,000	18,250,000	3,000,000	9,000,000	15,000,000	17,500,000	25,500,000	4,000,000	12,000,000	20,000,000	20,000,000	28,200,000	
<b>Total Energy Usage</b>																
Peak	0	2,500,000	7,500,000	12,500,000	18,250,000	3,000,000	9,000,000	15,000,000	17,500,000	25,500,000	4,000,000	12,000,000	20,000,000	20,000,000	28,200,000	
Off-Peak	0	2,500,000	7,500,000	12,500,000	18,250,000	3,000,000	9,000,000	15,000,000	17,500,000	25,500,000	4,000,000	12,000,000	20,000,000	20,000,000	28,200,000	
<b>Total Energy Usage</b>																
<b>UNBUNDLED RATES - CURRENT</b>																
AI kWh @ 0.110 \$/kWh	\$ -	\$ (2,750.00)	\$ (8,250.00)	\$ (13,750.00)	\$ (20,075.00)	\$ (3,300.00)	\$ (9,900.00)	\$ (16,500.00)	\$ (24,080.00)	\$ (3,850.00)	\$ (11,550.00)	\$ (19,250.00)	\$ (28,105.00)	\$ (4,400.00)	\$ (13,200.00)	\$ (22,000.00)
Rate	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 10,200.00	\$ 10,200.00	\$ 10,200.00	\$ 11,900.00	\$ 11,900.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ \$ 1.655 /kWh NSPL	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 49,650.00	\$ 49,650.00	\$ 49,650.00	\$ 57,925.00	\$ 57,925.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00
Solar Photovoltaic Requirements Charge @ 0.033 \$/kWh	\$ 58,975.00	\$ 58,975.00	\$ 58,975.00	\$ 58,975.00	\$ 58,975.00	\$ 60,840.00	\$ 60,840.00	\$ 60,840.00	\$ 67,077.00	\$ 67,077.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00
Sub-Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,840.00	\$ 60,840.00	\$ 60,840.00	\$ 67,077.00	\$ 67,077.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00
DSIC @ 0.000 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PTC Charge</b>																
AI kWh @ \$ 0.08232 /kWh	\$ -	\$ 205,898.00	\$ 617,400.00	\$ 1,029,000.00	\$ 1,502,340.00	\$ 246,880.00	\$ 740,880.00	\$ 1,234,800.00	\$ 1,802,898.00	\$ 288,120.00	\$ 864,360.00	\$ 1,440,600.00	\$ 2,103,276.00	\$ 329,280.00	\$ 987,840.00	\$ 1,646,400.00
Rate	\$ 71,995.00	\$ 275,790.00	\$ 833,530.00	\$ 1,381,280.00	\$ 2,059,192.50	\$ 300,230.00	\$ 819,530.00	\$ 1,308,830.00	\$ 1,871,525.00	\$ 2,881,200.00	\$ 438,300.00	\$ 1,315,530.00	\$ 2,162,977.50	\$ 429,130.00	\$ 1,287,330.00	\$ 2,164,180.00
Sub-Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,230.00	\$ 819,530.00	\$ 1,308,830.00	\$ 1,871,525.00	\$ 2,881,200.00	\$ 438,300.00	\$ 1,315,530.00	\$ 2,162,977.50	\$ 429,130.00	\$ 1,287,330.00	\$ 2,164,180.00
<b>Total Bill</b>	\$ 71,995.00	\$ 275,790.00	\$ 833,530.00	\$ 1,381,280.00	\$ 2,059,192.50	\$ 300,230.00	\$ 819,530.00	\$ 1,308,830.00	\$ 1,871,525.00	\$ 2,881,200.00	\$ 438,300.00	\$ 1,315,530.00	\$ 2,162,977.50	\$ 429,130.00	\$ 1,287,330.00	\$ 2,164,180.00
<b>UNBUNDLED RATES - PROPOSED</b>																
AI kWh @ 0.110 \$/kWh	\$ -	\$ (2,750.00)	\$ (8,250.00)	\$ (13,750.00)	\$ (20,075.00)	\$ (3,300.00)	\$ (9,900.00)	\$ (16,500.00)	\$ (24,080.00)	\$ (3,850.00)	\$ (11,550.00)	\$ (19,250.00)	\$ (28,105.00)	\$ (4,400.00)	\$ (13,200.00)	\$ (22,000.00)
Rate	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 10,200.00	\$ 10,200.00	\$ 10,200.00	\$ 11,900.00	\$ 11,900.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ \$ 1.655 /kWh NSPL	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 49,650.00	\$ 49,650.00	\$ 49,650.00	\$ 57,925.00	\$ 57,925.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00
Solar Photovoltaic Requirements Charge @ 0.033 \$/kWh	\$ 58,975.00	\$ 58,975.00	\$ 58,975.00	\$ 58,975.00	\$ 58,975.00	\$ 60,840.00	\$ 60,840.00	\$ 60,840.00	\$ 67,077.00	\$ 67,077.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00
Sub-Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,840.00	\$ 60,840.00	\$ 60,840.00	\$ 67,077.00	\$ 67,077.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00	\$ 70,980.00
DSIC @ 0.000 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PTC Charge</b>																
AI kWh @ \$ 0.08233 /kWh	\$ -	\$ 205,835.00	\$ 617,475.00	\$ 1,029,125.00	\$ 1,502,222.50	\$ 246,980.00	\$ 740,970.00	\$ 1,234,950.00	\$ 1,802,947.50	\$ 288,155.00	\$ 864,465.00	\$ 1,440,775.00	\$ 2,103,300.00	\$ 329,300.00	\$ 987,900.00	\$ 1,646,500.00
Rate	\$ 81,337.26	\$ 285,237.26	\$ 833,037.26	\$ 1,381,337.26	\$ 2,059,807.26	\$ 341,192.26	\$ 830,552.26	\$ 1,319,192.26	\$ 1,882,872.26	\$ 2,891,127.26	\$ 433,102.26	\$ 1,319,872.26	\$ 2,165,862.26	\$ 433,102.26	\$ 1,319,872.26	\$ 2,165,862.26
Sub-Total	\$ 81,337.26	\$ 285,237.26	\$ 833,037.26	\$ 1,381,337.26	\$ 2,059,807.26	\$ 341,192.26	\$ 830,552.26	\$ 1,319,192.26	\$ 1,882,872.26	\$ 2,891,127.26	\$ 433,102.26	\$ 1,319,872.26	\$ 2,165,862.26	\$ 433,102.26	\$ 1,319,872.26	\$ 2,165,862.26
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Bill</b>	\$ 81,337.26	\$ 285,237.26	\$ 833,037.26	\$ 1,381,337.26	\$ 2,059,807.26	\$ 341,192.26	\$ 830,552.26	\$ 1,319,192.26	\$ 1,882,872.26	\$ 2,891,127.26	\$ 433,102.26	\$ 1,319,872.26	\$ 2,165,862.26	\$ 433,102.26	\$ 1,319,872.26	\$ 2,165,862.26
<b>% Increase</b>		3.43%	0.85%	0.88%	0.65%	0.33%	0.34%	0.85%	0.31%	0.34%	0.28%	0.85%	0.28%	0.28%	0.85%	0.57%

METROPOLITAN EDISON COMPANY  
 COMPARISON BETWEEN PRESENT AND PROPOSED RATES  
 RATE TP - 115 KV OR GREATER DISCOUNT  
 With Demands Up to 20,000 KW  
 At Average Levels of kWh Use

KW Demanded	UNBUNDLED RATES - CURRENT										
	5,000	5,000	5,000	10,000	10,000	10,000	15,000	15,000	15,000	20,000	20,000
Total kW	0	500	500	100	300	500	730	100	300	500	750
ENERGY USAGE	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
Monthly Energy Usage	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
Total Energy Usage	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
AI kWh @ <math>0.110 \text{ \\$/kWh}</math>	\\$ -	\\$ (650.00)	\\$ (2,750.00)	\\$ (4,015.00)	\\$ (3,300.00)	\\$ (5,500.00)	\\$ (8,030.00)	\\$ (1,650.00)	\\$ (4,950.00)	\\$ (2,200.00)	\\$ (6,800.00)
Phase II Energy Efficiency Charge @ \\$0.04/kWh	\\$ -	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00
Smart Meter Charge @ \\$0.00	\\$ -	\\$ 1,050.00	\\$ 1,050.00	\\$ 1,050.00	\\$ 2,100.00	\\$ 2,100.00	\\$ 2,100.00	\\$ 3,150.00	\\$ 3,150.00	\\$ 4,200.00	\\$ 4,200.00
Distribution Charge @ \\$5.530/0.00	\\$ -	\\$ 4,580.00	\\$ 4,580.00	\\$ 4,580.00	\\$ 5,630.00	\\$ 5,630.00	\\$ 5,630.00	\\$ 6,680.00	\\$ 6,680.00	\\$ 7,730.00	\\$ 7,730.00
Sub-Total	\\$ -	\\$ 1,700.00	\\$ 1,700.00	\\$ 1,700.00	\\$ 3,400.00	\\$ 3,400.00	\\$ 3,400.00	\\$ 5,100.00	\\$ 5,100.00	\\$ 6,800.00	\\$ 6,800.00
Phase II Energy Efficiency Charge @ \\$0.04/kWh	\\$ -	\\$ 8,275.00	\\$ 8,275.00	\\$ 8,275.00	\\$ 16,550.00	\\$ 16,550.00	\\$ 16,550.00	\\$ 24,825.00	\\$ 24,825.00	\\$ 33,100.00	\\$ 33,100.00
Smart Meter Charge @ \\$0.00	\\$ -	\\$ 165.00	\\$ 165.00	\\$ 165.00	\\$ 330.00	\\$ 330.00	\\$ 330.00	\\$ 495.00	\\$ 495.00	\\$ 660.00	\\$ 660.00
Distribution Charge @ \\$5.530/0.00	\\$ -	\\$ 8,975.00	\\$ 10,140.00	\\$ 10,800.00	\\$ 11,470.00	\\$ 12,130.00	\\$ 12,790.00	\\$ 13,450.00	\\$ 14,110.00	\\$ 14,770.00	\\$ 15,430.00
Solar Photovoltaic Requirements Charge @ 0.035 \\$/kWh	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
Sub-Total	\\$ -	\\$ 10,140.00	\\$ 10,800.00	\\$ 11,470.00	\\$ 20,840.00	\\$ 21,600.00	\\$ 22,360.00	\\$ 30,420.00	\\$ 31,410.00	\\$ 40,560.00	\\$ 41,860.00
DSIC @ 0.000 %	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
ETC Charge	\\$ -	\\$ 41,160.00	\\$ 123,460.00	\\$ 123,460.00	\\$ 246,920.00	\\$ 411,600.00	\\$ 600,930.00	\\$ 123,460.00	\\$ 370,440.00	\\$ 617,400.00	\\$ 823,200.00
AI kWh @ \\$0.08235/kWh	\\$ -	\\$ 14,555.00	\\$ 55,330.00	\\$ 158,890.00	\\$ 270,230.00	\\$ 433,330.00	\\$ 620,895.00	\\$ 158,930.00	\\$ 403,580.00	\\$ 646,220.00	\\$ 863,130.00
Sub-Total	\\$ -	\\$ 55,330.00	\\$ 198,890.00	\\$ 312,212.50	\\$ 620,895.00	\\$ 863,130.00	\\$ 1,293,260.00	\\$ 270,230.00	\\$ 646,220.00	\\$ 929,577.50	\\$ 1,293,260.00
STAS @ 0.00 %	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
Total Bill	\\$ -	\\$ 14,555.00	\\$ 198,890.00	\\$ 312,212.50	\\$ 620,895.00	\\$ 863,130.00	\\$ 1,293,260.00	\\$ 270,230.00	\\$ 646,220.00	\\$ 929,577.50	\\$ 1,293,260.00

KW Demanded	UNBUNDLED RATES - PROPOSED										
	5,000	5,000	5,000	10,000	10,000	10,000	15,000	15,000	15,000	20,000	20,000
Total kW	0	500	500	100	300	500	730	100	300	500	750
ENERGY USAGE	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
Monthly Energy Usage	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
Total Energy Usage	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
AI kWh @ <math>0.110 \text{ \\$/kWh}</math>	\\$ -	\\$ (650.00)	\\$ (2,750.00)	\\$ (4,015.00)	\\$ (3,300.00)	\\$ (5,500.00)	\\$ (8,030.00)	\\$ (1,650.00)	\\$ (4,950.00)	\\$ (2,200.00)	\\$ (6,800.00)
Phase II Energy Efficiency Charge @ \\$0.04/kWh	\\$ -	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00
Smart Meter Charge @ \\$0.00	\\$ -	\\$ 1,050.00	\\$ 1,050.00	\\$ 1,050.00	\\$ 2,100.00	\\$ 2,100.00	\\$ 2,100.00	\\$ 3,150.00	\\$ 3,150.00	\\$ 4,200.00	\\$ 4,200.00
Distribution Charge @ \\$5.530/0.00	\\$ -	\\$ 4,580.00	\\$ 4,580.00	\\$ 4,580.00	\\$ 5,630.00	\\$ 5,630.00	\\$ 5,630.00	\\$ 6,680.00	\\$ 6,680.00	\\$ 7,730.00	\\$ 7,730.00
Sub-Total	\\$ -	\\$ 1,700.00	\\$ 1,700.00	\\$ 1,700.00	\\$ 3,400.00	\\$ 3,400.00	\\$ 3,400.00	\\$ 5,100.00	\\$ 5,100.00	\\$ 6,800.00	\\$ 6,800.00
Phase II Energy Efficiency Charge @ \\$0.04/kWh	\\$ -	\\$ 8,275.00	\\$ 8,275.00	\\$ 8,275.00	\\$ 16,550.00	\\$ 16,550.00	\\$ 16,550.00	\\$ 24,825.00	\\$ 24,825.00	\\$ 33,100.00	\\$ 33,100.00
Smart Meter Charge @ \\$0.00	\\$ -	\\$ 165.00	\\$ 165.00	\\$ 165.00	\\$ 330.00	\\$ 330.00	\\$ 330.00	\\$ 495.00	\\$ 495.00	\\$ 660.00	\\$ 660.00
Distribution Charge @ \\$5.530/0.00	\\$ -	\\$ 8,975.00	\\$ 10,140.00	\\$ 10,800.00	\\$ 11,470.00	\\$ 12,130.00	\\$ 12,790.00	\\$ 13,450.00	\\$ 14,110.00	\\$ 14,770.00	\\$ 15,430.00
Solar Photovoltaic Requirements Charge @ 0.035 \\$/kWh	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
Sub-Total	\\$ -	\\$ 10,140.00	\\$ 10,800.00	\\$ 11,470.00	\\$ 20,840.00	\\$ 21,600.00	\\$ 22,360.00	\\$ 30,420.00	\\$ 31,410.00	\\$ 40,560.00	\\$ 41,860.00
DSIC @ 0.000 %	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
ETC Charge	\\$ -	\\$ 41,160.00	\\$ 123,460.00	\\$ 123,460.00	\\$ 246,920.00	\\$ 411,600.00	\\$ 600,930.00	\\$ 123,460.00	\\$ 370,440.00	\\$ 617,400.00	\\$ 823,200.00
AI kWh @ \\$0.08235/kWh	\\$ -	\\$ 14,555.00	\\$ 55,330.00	\\$ 158,890.00	\\$ 270,230.00	\\$ 433,330.00	\\$ 620,895.00	\\$ 158,930.00	\\$ 403,580.00	\\$ 646,220.00	\\$ 863,130.00
Sub-Total	\\$ -	\\$ 55,330.00	\\$ 198,890.00	\\$ 312,212.50	\\$ 620,895.00	\\$ 863,130.00	\\$ 1,293,260.00	\\$ 270,230.00	\\$ 646,220.00	\\$ 929,577.50	\\$ 1,293,260.00
STAS @ 0.00 %	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
Total Bill	\\$ -	\\$ 14,555.00	\\$ 198,890.00	\\$ 312,212.50	\\$ 620,895.00	\\$ 863,130.00	\\$ 1,293,260.00	\\$ 270,230.00	\\$ 646,220.00	\\$ 929,577.50	\\$ 1,293,260.00

KW Demanded	UNBUNDLED RATES - PROPOSED										
	5,000	5,000	5,000	10,000	10,000	10,000	15,000	15,000	15,000	20,000	20,000
Total kW	0	500	500	100	300	500	730	100	300	500	750
ENERGY USAGE	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
Monthly Energy Usage	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
Total Energy Usage	0	500,000	2,600,000	3,650,000	3,000,000	5,000,000	7,300,000	1,500,000	4,500,000	2,000,000	6,000,000
AI kWh @ <math>0.110 \text{ \\$/kWh}</math>	\\$ -	\\$ (650.00)	\\$ (2,750.00)	\\$ (4,015.00)	\\$ (3,300.00)	\\$ (5,500.00)	\\$ (8,030.00)	\\$ (1,650.00)	\\$ (4,950.00)	\\$ (2,200.00)	\\$ (6,800.00)
Phase II Energy Efficiency Charge @ \\$0.04/kWh	\\$ -	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00	\\$ 3,530.00
Smart Meter Charge @ \\$0.00	\\$ -	\\$ 1,050.00	\\$ 1,050.00	\\$ 1,050.00	\\$ 2,100.00	\\$ 2,100.00	\\$ 2,100.00	\\$ 3,150.00	\\$ 3,150.00	\\$ 4,200.00	\\$ 4,200.00
Distribution Charge @ \\$5.530/0.00	\\$ -	\\$ 4,580.00	\\$ 4,580.00	\\$ 4,580.00	\\$ 5,630.00	\\$ 5,630.00	\\$ 5,630.00	\\$ 6,680.00	\\$ 6,680.00	\\$ 7,730.00	\\$ 7,730.00
Sub-Total	\\$ -	\\$ 1,700.00	\\$ 1,700.00	\\$ 1,700.00	\\$ 3,400.00	\\$ 3,400.00	\\$ 3,400.00	\\$ 5,100.00	\\$ 5,100.00	\\$ 6,800.00	\\$ 6,800.00
Phase II Energy Efficiency Charge @ \\$0.04/kWh	\\$ -	\\$ 8,275.00	\\$ 8,275.00	\\$ 8,275.00	\\$ 16,550.00	\\$ 16,550.00	\\$ 16,550.00	\\$ 24,825.00	\\$ 24,825.00	\\$ 33,100.00	\\$ 33,100.00
Smart Meter Charge @ \\$0.00	\\$ -	\\$ 165.00	\\$ 165.00	\\$ 165.00	\\$ 330.00	\\$ 330.00	\\$ 330.00	\\$ 495.00	\\$ 495.00	\\$ 660.00	\\$ 660.00
Distribution Charge @ \\$5.530/0.00	\\$ -	\\$ 8,975.00	\\$ 10,140.00	\\$ 10,800.00	\\$ 11,470.00	\\$ 12,130.00	\\$ 12,790.00	\\$ 13,450.00	\\$ 14,110.00	\\$ 14,770.00	\\$ 15,430.00
Solar Photovoltaic Requirements Charge @ 0.035 \\$/kWh	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
Sub-Total	\\$ -	\\$ 10,140.00	\\$ 10,800.00	\\$ 11,470.00	\\$ 20,840.00	\\$ 21,600.00	\\$ 22,360.00	\\$ 30,420.00	\\$ 31,410.00	\\$ 40,560.00	\\$ 41,860.00
DSIC @ 0.000 %	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
ETC Charge	\\$ -	\\$ 41,160.00	\\$ 123,460.00	\\$ 123,460.00	\\$ 246,920.00	\\$ 411,600.00	\\$ 600,930.00	\\$ 123,460.00	\\$ 370,440.00	\\$ 617,400.00	\\$ 823,200.00
AI kWh @ \\$0.08235/kWh	\\$ -	\\$ 14,555.00	\\$ 55,330.00	\\$ 158,890.00	\\$ 270,230.00	\\$ 433,330.00	\\$ 620,895.00	\\$ 158,930.00	\\$ 403,580.00	\\$ 646,220.00	\\$ 863,130.00
Sub-Total	\\$ -	\\$ 55,330.00	\\$ 198,890.00	\\$ 312,212.50	\\$ 620,895.00	\\$ 863,130.00	\\$ 1,293,260.00	\\$ 270,230.00	\\$ 646,220.00	\\$ 929,577.50	\\$ 1,293,260.00
STAS @ 0.00 %	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -	\\$ -
Total Bill	\\$ -	\\$ 14,555.00	\\$ 198,890.00	\\$ 312,212.50	\\$ 620,895.00	\\$ 863,130.00	\\$ 1,293,260.00	\\$ 270,230.00	\\$ 646,220.00	\\$ 929,577.50	\\$ 1,293,260.00

Phase II Energy Efficiency Charge @ \\$0.04/kWh  
 Smart Meter Charge @ \\$0.00  
 Distribution Charge @ \\$5.530/0.00  
 Sub-Total  
 Phase II Energy Efficiency Charge @ \\$0.04/kWh  
 Smart Meter Charge @ \\$0.00  
 Distribution Charge @ \\$5.530/0.00  
 Sub-Total  
 DSIC @ 0.000 %  
 ETC Charge  
 AI kWh @ \\$0.08235/kWh  
 Sub-Total  
 STAS @ 0.00 %  
 Total Bill  
 % Increase

**METROPOLITAN EDISON COMPANY**  
**COMPARISON BETWEEN PRESENT AND PROPOSED RATES**  
**RATE PER kWh ON CIRCULAR ACCOUNT**  
**At Average Levels of kWh Use**

	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	35,000	40,000	40,000	40,000	40,000
<b>KWh Demand</b>	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	35,000	40,000	40,000	40,000	40,000
Toll kWh	0	0	0	0	0	0	0	0	0	0	0	0	0
Hrs Use	0	100	300	100	300	300	100	300	300	100	300	300	730
<b>ENERGY USAGE</b>	0	2,500,000	7,500,000	3,000,000	9,000,000	15,000,000	3,000,000	10,500,000	17,500,000	25,500,000	20,000,000	20,000,000	28,200,000
Total Energy Usage	0	2,500,000	7,500,000	3,000,000	9,000,000	15,000,000	3,000,000	10,500,000	17,500,000	25,500,000	20,000,000	20,000,000	28,200,000
<b>UNBUNDLED RATES - CURRENT</b>													
<b>RISC Charge</b>													
All kWh @ \$1.10 /kWh	\$ -	\$ (2,750.00)	\$ (6,250.00)	\$ (3,300.00)	\$ (9,900.00)	\$ (16,500.00)	\$ (3,850.00)	\$ (11,550.00)	\$ (18,250.00)	\$ (28,105.00)	\$ (4,400.00)	\$ (13,200.00)	\$ (35,120.00)
<b>Distribution</b>													
Distribution Charge @ \$3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00	\$ 3,530.00
All kWh @ \$0.21/kWh	\$ 5,250.00	\$ 5,250.00	\$ 5,250.00	\$ 6,300.00	\$ 6,300.00	\$ 6,300.00	\$ 6,300.00	\$ 6,300.00	\$ 6,300.00	\$ 6,300.00	\$ 6,300.00	\$ 6,300.00	\$ 6,300.00
Sub-Total	\$ 8,780.00	\$ 8,780.00	\$ 8,780.00	\$ 9,630.00	\$ 9,630.00	\$ 9,630.00	\$ 9,630.00	\$ 9,630.00	\$ 9,630.00	\$ 9,630.00	\$ 9,630.00	\$ 9,630.00	\$ 9,630.00
<b>Riders</b>													
Phase 1 Energy Efficiency Charge @ \$ 0.34 /kWh PLC	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 10,200.00	\$ 10,200.00	\$ 10,200.00	\$ 11,900.00	\$ 11,900.00	\$ 11,900.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ \$ 1.655 /kWh NSPL	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 49,650.00	\$ 49,650.00	\$ 49,650.00	\$ 57,925.00	\$ 57,925.00	\$ 57,925.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00
Solar Photovoltaic Requirements Charge @ 0.033 /kWh	\$ 52,500.00	\$ 52,500.00	\$ 52,500.00	\$ 60,840.00	\$ 60,840.00	\$ 60,840.00	\$ 70,880.00	\$ 70,880.00	\$ 70,880.00	\$ 81,120.00	\$ 81,120.00	\$ 81,120.00	\$ 81,120.00
Sub-Total	\$ 48,875.00	\$ 50,770.00	\$ 52,350.00	\$ 60,840.00	\$ 62,820.00	\$ 64,000.00	\$ 72,725.00	\$ 72,725.00	\$ 72,725.00	\$ 83,760.00	\$ 83,760.00	\$ 83,760.00	\$ 83,760.00
<b>DSIC @ 0.000 %</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ETIC Charge</b>													
All kWh @ \$ 0.08232 /kWh	\$ -	\$ 205,890.00	\$ 617,860.00	\$ 246,960.00	\$ 740,880.00	\$ 1,234,800.00	\$ 1,802,805.00	\$ 2,881,200.00	\$ 4,401,600.00	\$ 6,103,200.00	\$ 8,164,800.00	\$ 10,226,400.00	\$ 12,288,000.00
<b>Sub-Total</b>	\$ 58,655.00	\$ 282,590.00	\$ 670,210.00	\$ 314,330.00	\$ 883,630.00	\$ 1,399,330.00	\$ 1,855,625.00	\$ 2,862,805.00	\$ 4,303,200.00	\$ 6,106,800.00	\$ 8,170,160.00	\$ 10,236,000.00	\$ 12,314,000.00
<b>FORM BILL</b>	\$ 58,655.00	\$ 282,590.00	\$ 670,210.00	\$ 314,330.00	\$ 883,630.00	\$ 1,399,330.00	\$ 1,855,625.00	\$ 2,862,805.00	\$ 4,303,200.00	\$ 6,106,800.00	\$ 8,170,160.00	\$ 10,236,000.00	\$ 12,314,000.00
<b>UNBUNDLED RATES - PROPOSED</b>													
<b>RISC Charge</b>													
All kWh @ \$ 1.10 /kWh	\$ -	\$ (2,750.00)	\$ (6,250.00)	\$ (3,300.00)	\$ (9,900.00)	\$ (16,500.00)	\$ (3,850.00)	\$ (11,550.00)	\$ (18,250.00)	\$ (28,105.00)	\$ (4,400.00)	\$ (13,200.00)	\$ (35,120.00)
<b>Distribution</b>													
Distribution Charge @ \$5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26
All kWh @ \$0.30/kWh	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Sub-Total	\$ 12,982.26	\$ 12,982.26	\$ 12,982.26	\$ 14,482.26	\$ 14,482.26	\$ 14,482.26	\$ 15,982.26	\$ 15,982.26	\$ 15,982.26	\$ 17,482.26	\$ 17,482.26	\$ 17,482.26	\$ 17,482.26
<b>Riders</b>													
Phase 1 Energy Efficiency Charge @ \$ 0.34 /kWh PLC	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 10,200.00	\$ 10,200.00	\$ 10,200.00	\$ 11,900.00	\$ 11,900.00	\$ 11,900.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ \$ 1.655 /kWh NSPL	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 49,650.00	\$ 49,650.00	\$ 49,650.00	\$ 57,925.00	\$ 57,925.00	\$ 57,925.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00
Solar Photovoltaic Requirements Charge @ 0.033 /kWh	\$ 52,500.00	\$ 52,500.00	\$ 52,500.00	\$ 60,840.00	\$ 60,840.00	\$ 60,840.00	\$ 70,880.00	\$ 70,880.00	\$ 70,880.00	\$ 81,120.00	\$ 81,120.00	\$ 81,120.00	\$ 81,120.00
Sub-Total	\$ 48,875.00	\$ 50,770.00	\$ 52,350.00	\$ 60,840.00	\$ 62,820.00	\$ 64,000.00	\$ 72,725.00	\$ 72,725.00	\$ 72,725.00	\$ 83,760.00	\$ 83,760.00	\$ 83,760.00	\$ 83,760.00
<b>DSIC @ 0.000 %</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ETIC Charge</b>													
All kWh @ \$ 0.08233 /kWh	\$ -	\$ 205,826.00	\$ 617,475.00	\$ 246,890.00	\$ 740,670.00	\$ 1,234,590.00	\$ 1,801,070.00	\$ 2,879,550.00	\$ 4,398,030.00	\$ 6,096,510.00	\$ 8,155,990.00	\$ 10,215,470.00	\$ 12,274,950.00
<b>Sub-Total</b>	\$ 62,837.26	\$ 267,797.26	\$ 674,525.26	\$ 313,892.26	\$ 883,560.26	\$ 1,397,912.26	\$ 1,854,042.26	\$ 2,861,502.26	\$ 4,297,530.26	\$ 6,093,320.26	\$ 8,152,750.26	\$ 10,212,420.26	\$ 12,272,400.26
<b>FORM BILL</b>	\$ 62,837.26	\$ 267,797.26	\$ 674,525.26	\$ 313,892.26	\$ 883,560.26	\$ 1,397,912.26	\$ 1,854,042.26	\$ 2,861,502.26	\$ 4,297,530.26	\$ 6,093,320.26	\$ 8,152,750.26	\$ 10,212,420.26	\$ 12,272,400.26

	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	35,000	40,000	40,000	40,000	40,000
<b>UNBUNDLED RATES - CURRENT</b>													
<b>RISC Charge</b>													
All kWh @ \$1.10 /kWh	\$ -	\$ (2,750.00)	\$ (6,250.00)	\$ (3,300.00)	\$ (9,900.00)	\$ (16,500.00)	\$ (3,850.00)	\$ (11,550.00)	\$ (18,250.00)	\$ (28,105.00)	\$ (4,400.00)	\$ (13,200.00)	\$ (35,120.00)
<b>Distribution</b>													
Distribution Charge @ \$5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26
All kWh @ \$0.30/kWh	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Sub-Total	\$ 12,982.26	\$ 12,982.26	\$ 12,982.26	\$ 14,482.26	\$ 14,482.26	\$ 14,482.26	\$ 15,982.26	\$ 15,982.26	\$ 15,982.26	\$ 17,482.26	\$ 17,482.26	\$ 17,482.26	\$ 17,482.26
<b>Riders</b>													
Phase 1 Energy Efficiency Charge @ \$ 0.34 /kWh PLC	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 10,200.00	\$ 10,200.00	\$ 10,200.00	\$ 11,900.00	\$ 11,900.00	\$ 11,900.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00	\$ 13,600.00
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Default Service Support Charge @ \$ 1.655 /kWh NSPL	\$ 41,375.00	\$ 41,375.00	\$ 41,375.00	\$ 49,650.00	\$ 49,650.00	\$ 49,650.00	\$ 57,925.00	\$ 57,925.00	\$ 57,925.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00	\$ 66,200.00
Solar Photovoltaic Requirements Charge @ 0.033 /kWh	\$ 52,500.00	\$ 52,500.00	\$ 52,500.00	\$ 60,840.00	\$ 60,840.00	\$ 60,840.00	\$ 70,880.00	\$ 70,880.00	\$ 70,880.00	\$ 81,120.00	\$ 81,120.00	\$ 81,120.00	\$ 81,120.00
Sub-Total	\$ 48,875.00	\$ 50,770.00	\$ 52,350.00	\$ 60,840.00	\$ 62,820.00	\$ 64,000.00	\$ 72,725.00	\$ 72,725.00	\$ 72,725.00	\$ 83,760.00	\$ 83,760.00	\$ 83,760.00	\$ 83,760.00
<b>DSIC @ 0.000 %</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ETIC Charge</b>													
All kWh @ \$ 0.08233 /kWh	\$ -	\$ 205,826.00	\$ 617,475.00	\$ 246,890.00	\$ 740,670.00	\$ 1,234,590.00	\$ 1,801,070.00	\$ 2,879,550.00	\$ 4,398,030.00	\$ 6,096,510.00	\$ 8,155,990.00	\$ 10,215,470.00	\$ 12,274,950.00
<b>Sub-Total</b>	\$ 62,837.26	\$ 267,797.26	\$ 674,525.26	\$ 313,892.26	\$ 883,560.26	\$ 1,397,912.26	\$ 1,854,042.26	\$ 2,861,502.26	\$ 4,297,530.26	\$ 6,093,320.26	\$ 8,152,750.26	\$ 10,212,420.26	\$ 12,272,400.26
<b>FORM BILL</b>	\$ 62,837.26	\$ 267,797.26	\$ 674,525.26	\$ 313,892.26	\$ 883,560.26	\$ 1,397,912.26	\$ 1,854,042.26	\$ 2,861,502.26	\$ 4,297,530.26	\$ 6,093,320.26	\$ 8,152,750.26	\$ 10,212,420.26	\$ 12,272,400.26

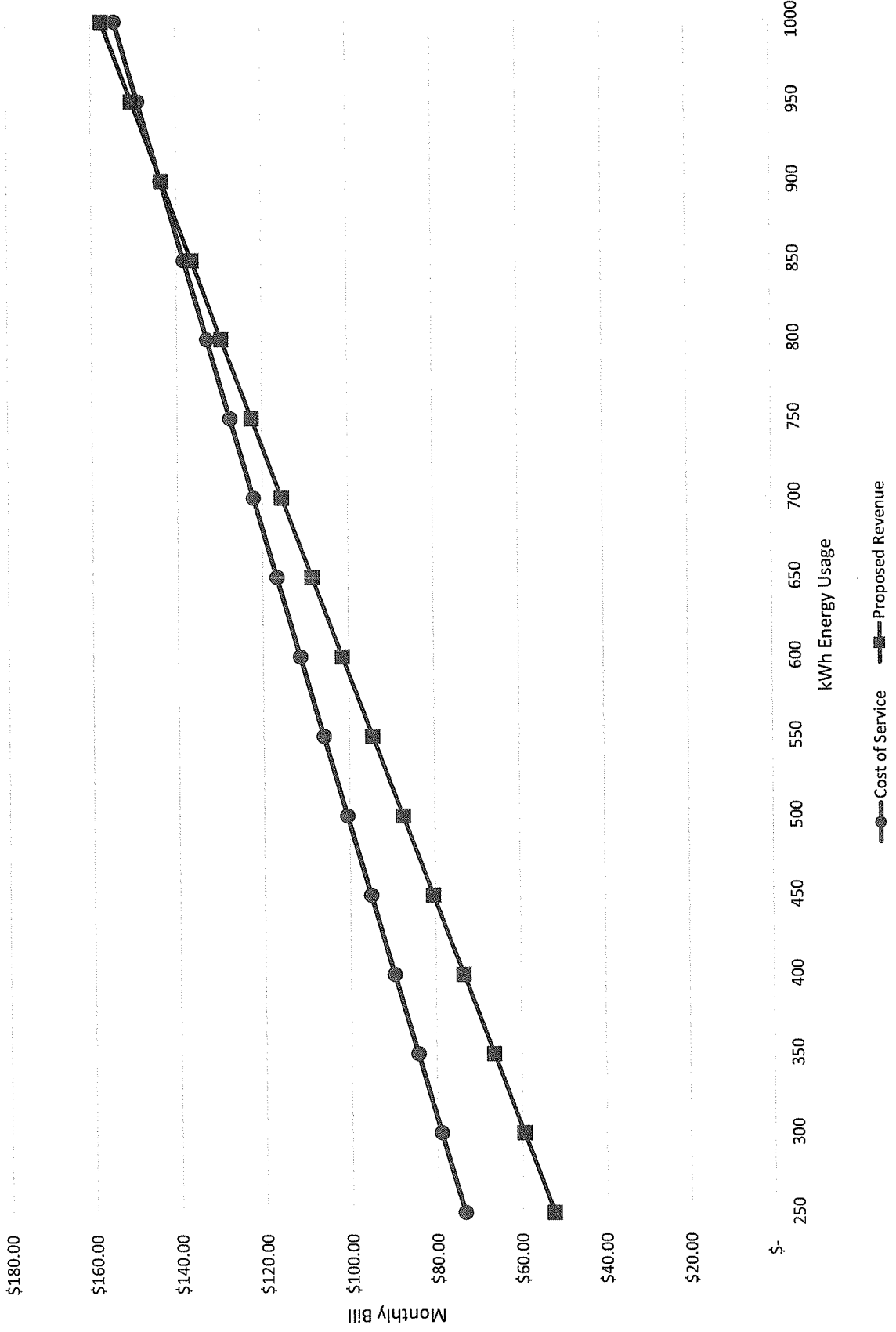
	25,000	25,000	25,000	30,000	30,000	30,000	35,000	35,000	35,000	40,000	40,000	40,000	40,000
<b>UNBUNDLED RATES - CURRENT</b>													
<b>RISC Charge</b>													
All kWh @ \$1.10 /kWh	\$ -	\$ (2,750.00)	\$ (6,250.00)	\$ (3,300.00)	\$ (9,900.00)	\$ (16,500.00)	\$ (3,850.00)	\$ (11,550.00)	\$ (18,250.00)	\$ (28,105.00)	\$ (4,400.00)	\$ (13,200.00)	\$ (35,120.00)
<b>Distribution</b>													
Distribution Charge @ \$5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26	\$ 5,482.26
All kWh @ \$0.30/kWh	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 9,000.00	\$ 9,000.00	\$ 9,000.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00

METROPOLITAN EDISON COMPANY  
 COMPARISON BETWEEN PRESENT AND PROPOSED RATES  
 RATE MS

ENERGY USAGE	0	100	200	400	600	1,000	1,500	2,000	3,000	5,000	7,000	9,000	12,000	15,000	20,000	25,000	
All kWh	0	100	200	400	600	1,000	1,500	2,000	3,000	5,000	7,000	9,000	12,000	15,000	20,000	25,000	
Total Energy Usage	0	100	200	400	600	1,000	1,500	2,000	3,000	5,000	7,000	9,000	12,000	15,000	20,000	25,000	
<b>UNBUNDLED RATES - CURRENT</b>																	
<b>NUG Charge</b>																	
All kWh @ 0.129 #/kWh	\$ -	\$ 0.13	\$ 0.26	\$ 0.52	\$ 0.77	\$ 1.29	\$ 1.94	\$ 2.58	\$ 3.87	\$ 6.45	\$ 9.03	\$ 11.61	\$ 15.48	\$ 19.35	\$ 25.80	\$ 32.25	
<b>Distribution</b>																	
Distribution Charge @ \$34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	\$ 34.37	
All kWh @ 2.613 #/kWh	\$ -	\$ 2.61	\$ 5.23	\$ 10.45	\$ 15.68	\$ 26.13	\$ 39.20	\$ 52.26	\$ 78.39	\$ 130.65	\$ 182.91	\$ 235.17	\$ 313.56	\$ 391.95	\$ 522.60	\$ 653.25	
Sub-Total	\$ 34.37	\$ 36.98	\$ 39.60	\$ 44.82	\$ 50.05	\$ 60.50	\$ 73.57	\$ 86.63	\$ 112.76	\$ 165.02	\$ 217.28	\$ 269.54	\$ 347.93	\$ 426.32	\$ 556.97	\$ 687.82	
<b>Riders</b>																	
Phase II Energy Efficiency Charge @ 1.170 #/kWh	\$ -	\$ 1.17	\$ 2.34	\$ 4.68	\$ 7.02	\$ 11.70	\$ 17.55	\$ 23.40	\$ 35.10	\$ 58.50	\$ 81.90	\$ 105.30	\$ 140.40	\$ 175.50	\$ 234.00	\$ 292.50	
Smart Meter Charge @ \$0.00	\$ -	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Default Service Support Charge @ 0.384 #/kWh	\$ -	\$ 0.38	\$ 0.77	\$ 1.54	\$ 2.30	\$ 3.84	\$ 5.76	\$ 7.68	\$ 11.52	\$ 19.20	\$ 26.88	\$ 34.56	\$ 46.08	\$ 57.60	\$ 76.80	\$ 96.00	
Solar Photovoltaic Requirements Charge @ 0.033 #/kWh	\$ -	\$ 0.03	\$ 0.07	\$ 0.13	\$ 0.20	\$ 0.33	\$ 0.50	\$ 0.66	\$ 0.99	\$ 1.65	\$ 2.31	\$ 2.97	\$ 3.96	\$ 4.95	\$ 6.60	\$ 8.25	
Sub-Total	\$ -	\$ 1.59	\$ 3.17	\$ 6.35	\$ 9.52	\$ 15.87	\$ 23.81	\$ 31.74	\$ 47.61	\$ 79.35	\$ 111.09	\$ 142.83	\$ 190.44	\$ 238.05	\$ 317.40	\$ 396.75	
DSIC @ 0.194 %	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.10	\$ 0.12	\$ 0.15	\$ 0.19	\$ 0.23	\$ 0.32	\$ 0.49	\$ 0.65	\$ 0.82	\$ 1.07	\$ 1.33	\$ 1.75	\$ 2.17	
<b>PTC Charge</b>																	
All kWh @ \$ 0.08123 #/kWh	\$ -	\$ 8.12	\$ 16.25	\$ 32.49	\$ 48.74	\$ 81.23	\$ 121.85	\$ 162.46	\$ 243.69	\$ 406.15	\$ 568.61	\$ 731.07	\$ 974.76	\$ 1,218.45	\$ 1,624.60	\$ 2,030.75	
Sub-Total	\$ 34.44	\$ 46.90	\$ 59.36	\$ 84.28	\$ 109.20	\$ 159.04	\$ 221.34	\$ 283.64	\$ 408.25	\$ 657.46	\$ 906.66	\$ 1,155.87	\$ 1,529.68	\$ 1,903.50	\$ 2,526.52	\$ 3,149.54	
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Bill	\$ 34.44	\$ 46.90	\$ 59.36	\$ 84.28	\$ 109.20	\$ 159.04	\$ 221.34	\$ 283.64	\$ 408.25	\$ 657.46	\$ 906.66	\$ 1,155.87	\$ 1,529.68	\$ 1,903.50	\$ 2,526.52	\$ 3,149.54	

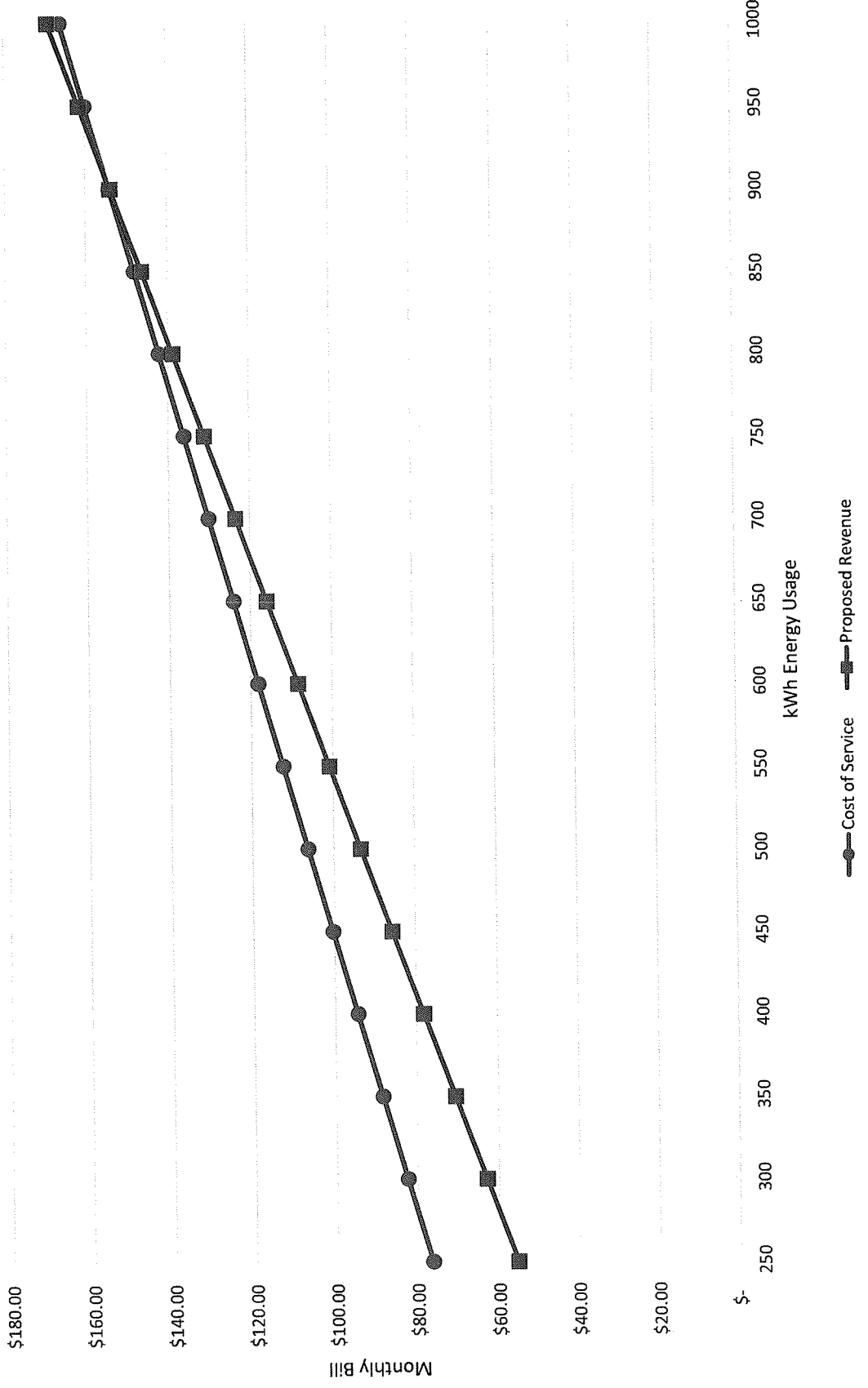
ENERGY USAGE	0	100	200	400	600	1,000	1,500	2,000	3,000	5,000	7,000	9,000	12,000	15,000	20,000	25,000	
All kWh	0	100	200	400	600	1,000	1,500	2,000	3,000	5,000	7,000	9,000	12,000	15,000	20,000	25,000	
Total Energy Usage	0	100	200	400	600	1,000	1,500	2,000	3,000	5,000	7,000	9,000	12,000	15,000	20,000	25,000	
<b>UNBUNDLED RATES - PROPOSED</b>																	
<b>NUG Charge</b>																	
All kWh @ 0.129 #/kWh	\$ -	\$ 0.13	\$ 0.26	\$ 0.52	\$ 0.77	\$ 1.29	\$ 1.94	\$ 2.58	\$ 3.87	\$ 6.45	\$ 9.03	\$ 11.61	\$ 15.48	\$ 19.35	\$ 25.80	\$ 32.25	
<b>Distribution</b>																	
Distribution Charge @ \$34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	\$ 34.38	
All kWh @ 3.322 #/kWh	\$ -	\$ 3.32	\$ 6.64	\$ 13.29	\$ 19.93	\$ 33.22	\$ 49.83	\$ 66.44	\$ 99.66	\$ 166.10	\$ 232.54	\$ 298.98	\$ 398.64	\$ 498.30	\$ 664.40	\$ 850.50	
Sub-Total	\$ 34.38	\$ 37.70	\$ 41.02	\$ 47.67	\$ 54.31	\$ 67.60	\$ 84.21	\$ 100.82	\$ 134.04	\$ 200.48	\$ 266.92	\$ 333.36	\$ 433.02	\$ 532.68	\$ 698.78	\$ 864.88	
<b>Riders</b>																	
Phase II Energy Efficiency Charge @ 1.170 #/kWh	\$ -	\$ 1.17	\$ 2.34	\$ 4.68	\$ 7.02	\$ 11.70	\$ 17.55	\$ 23.40	\$ 35.10	\$ 58.50	\$ 81.90	\$ 105.30	\$ 140.40	\$ 175.50	\$ 234.00	\$ 292.50	
Smart Meter Charge @ \$0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Default Service Support Charge @ 0.391 #/kWh	\$ -	\$ 0.39	\$ 0.78	\$ 1.56	\$ 2.35	\$ 3.91	\$ 5.87	\$ 7.82	\$ 11.73	\$ 19.55	\$ 27.37	\$ 35.19	\$ 46.92	\$ 58.65	\$ 78.20	\$ 97.75	
Solar Photovoltaic Requirements Charge @ 0.033 #/kWh	\$ -	\$ 0.03	\$ 0.07	\$ 0.13	\$ 0.20	\$ 0.33	\$ 0.50	\$ 0.66	\$ 0.99	\$ 1.65	\$ 2.31	\$ 2.97	\$ 3.96	\$ 4.95	\$ 6.60	\$ 8.25	
Sub-Total	\$ -	\$ 1.59	\$ 3.19	\$ 6.38	\$ 9.56	\$ 15.94	\$ 23.91	\$ 31.88	\$ 47.82	\$ 79.70	\$ 111.58	\$ 143.46	\$ 191.28	\$ 239.10	\$ 318.80	\$ 398.50	
DSIC @ 0.000 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>PTC Charge</b>																	
All kWh @ \$ 0.08123 #/kWh	\$ -	\$ 8.12	\$ 16.25	\$ 32.49	\$ 48.74	\$ 81.23	\$ 121.85	\$ 162.46	\$ 243.69	\$ 406.15	\$ 568.61	\$ 731.07	\$ 974.76	\$ 1,218.45	\$ 1,624.60	\$ 2,030.75	
Sub-Total	\$ 34.38	\$ 47.55	\$ 60.72	\$ 87.05	\$ 113.99	\$ 166.06	\$ 231.90	\$ 297.74	\$ 429.42	\$ 692.78	\$ 956.14	\$ 1,219.50	\$ 1,614.54	\$ 2,009.58	\$ 2,667.98	\$ 3,326.38	
STAS @ 0.00 %	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Bill	\$ 34.38	\$ 47.55	\$ 60.72	\$ 87.05	\$ 113.99	\$ 166.06	\$ 231.90	\$ 297.74	\$ 429.42	\$ 692.78	\$ 956.14	\$ 1,219.50	\$ 1,614.54	\$ 2,009.58	\$ 2,667.98	\$ 3,326.38	
% Increase	-0.16%	1.39%	2.29%	3.29%	3.84%	4.41%	4.77%	4.97%	5.19%	5.37%	5.46%	5.50%	5.55%	5.57%	5.60%	5.61%	

### Met-Ed Residential Service - RS Proposed Revenue vs Cost of Service

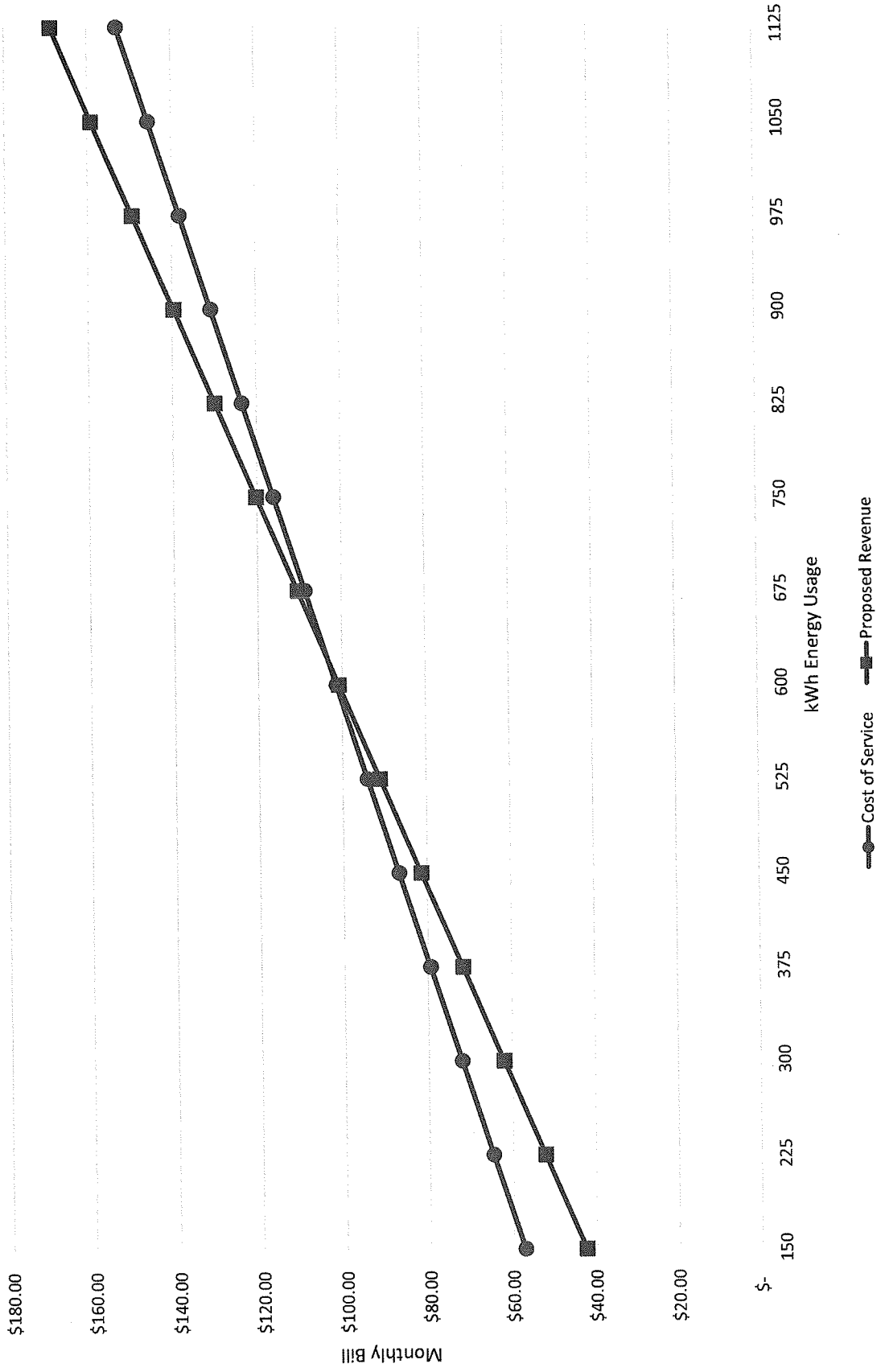




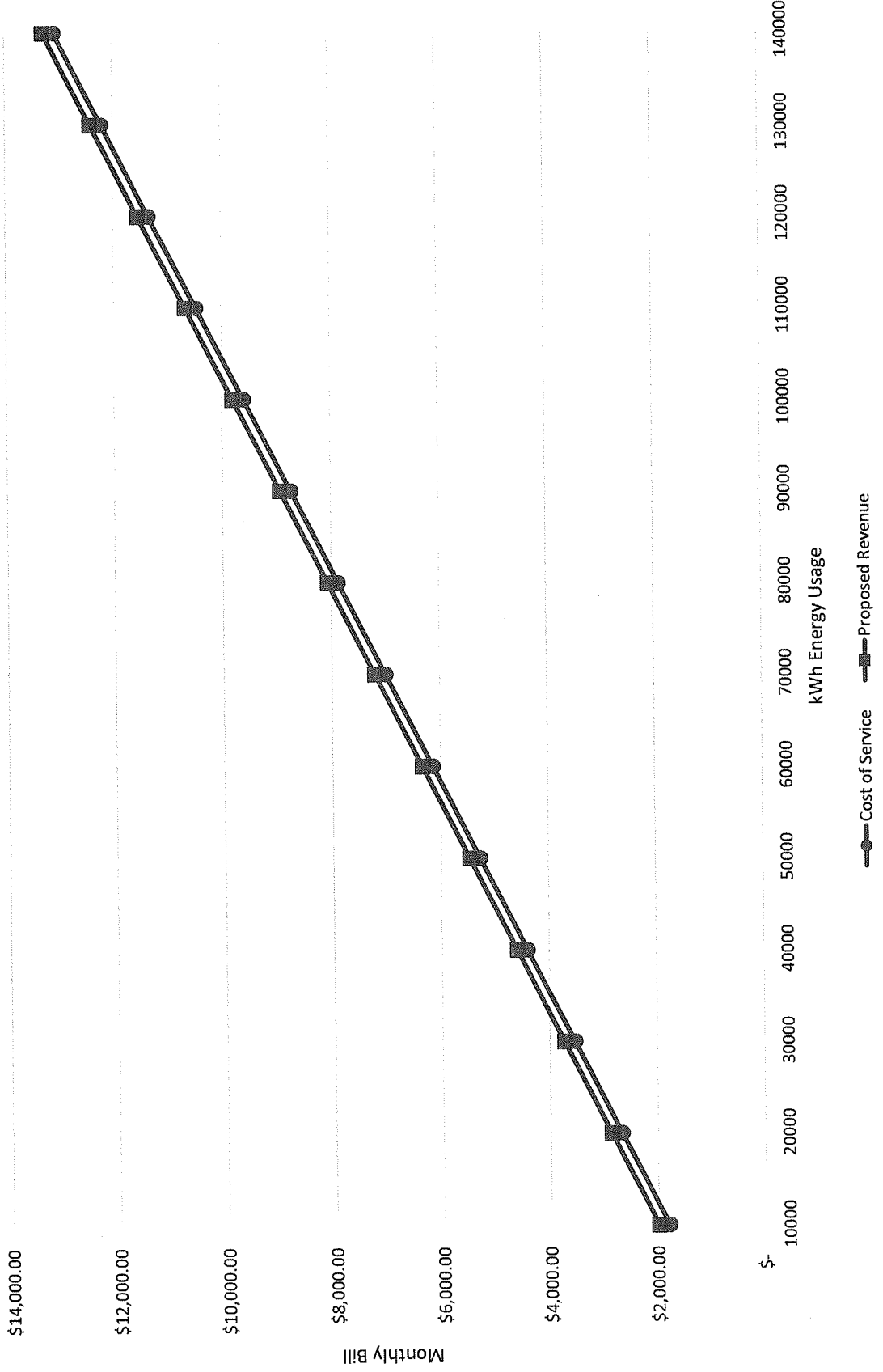
### Met-Ed Volunteer Fire Company, and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - GS-V Proposed Revenue vs Cost of Service



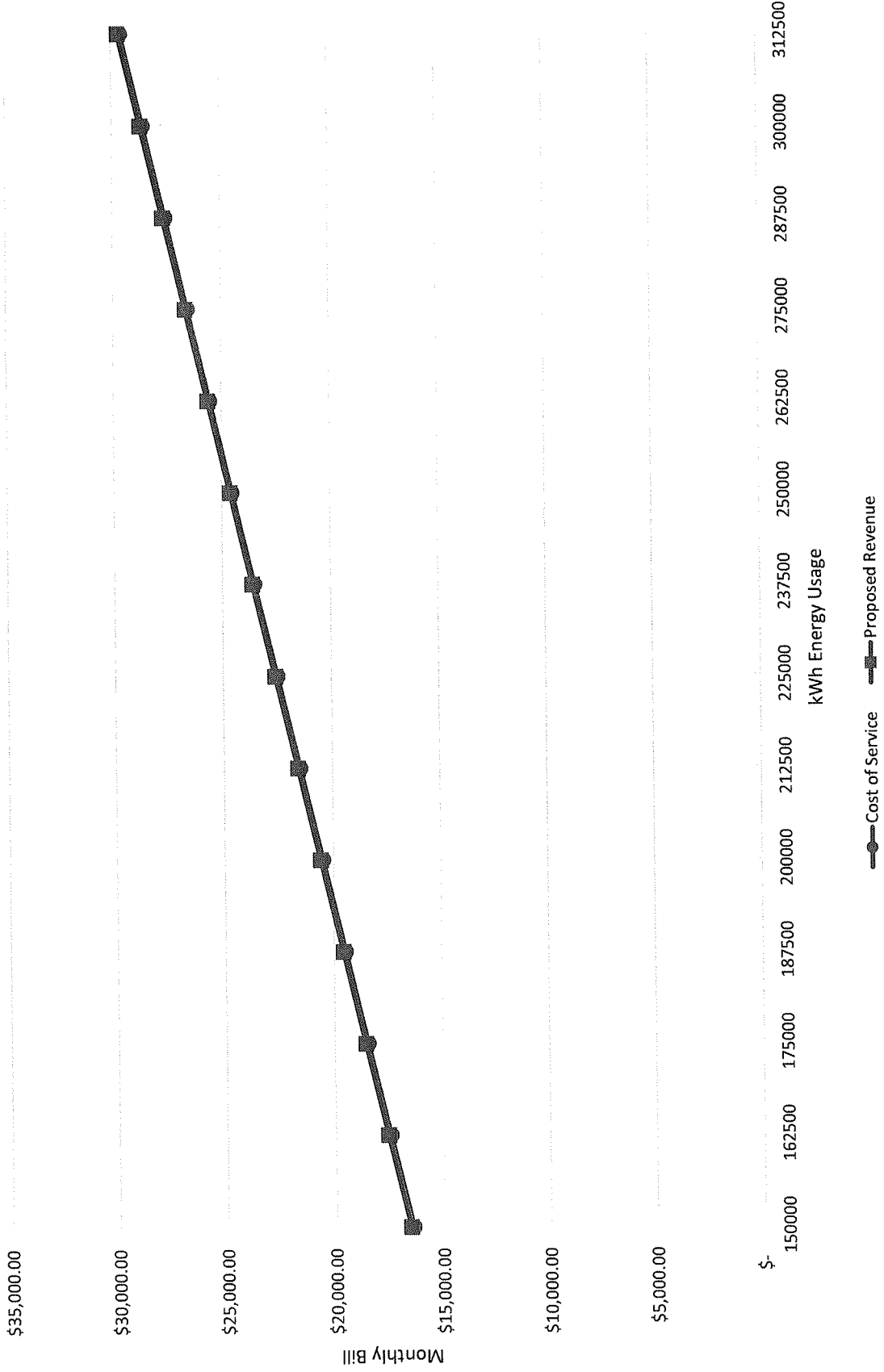
### Met-Ed General Service Small - GS-S Proposed Revenue vs Cost of Service Demand at 3 kW



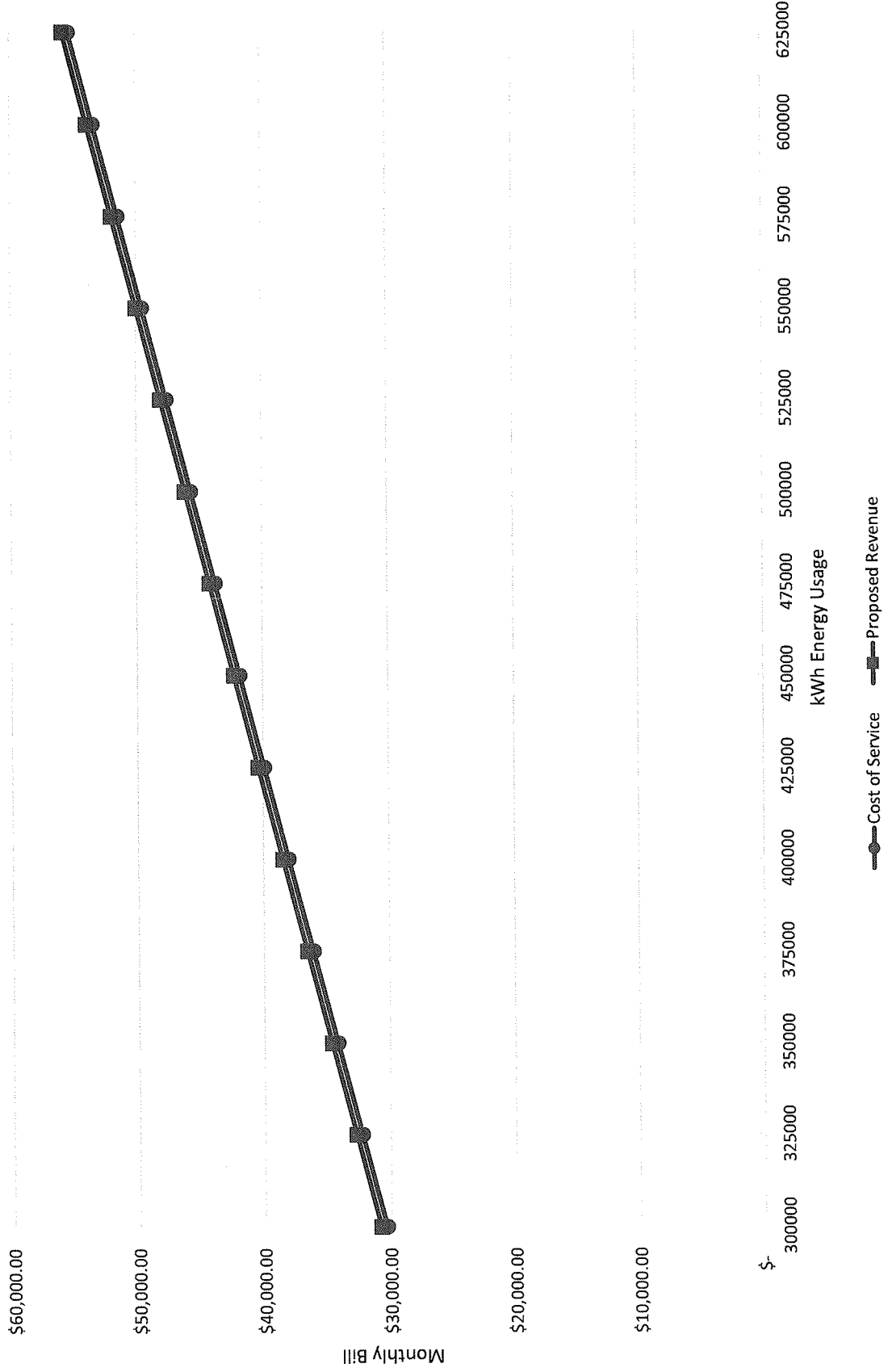
### Met-Ed General Service Medium - GS-M Proposed Revenue vs Cost of Service Demand at 200 kW



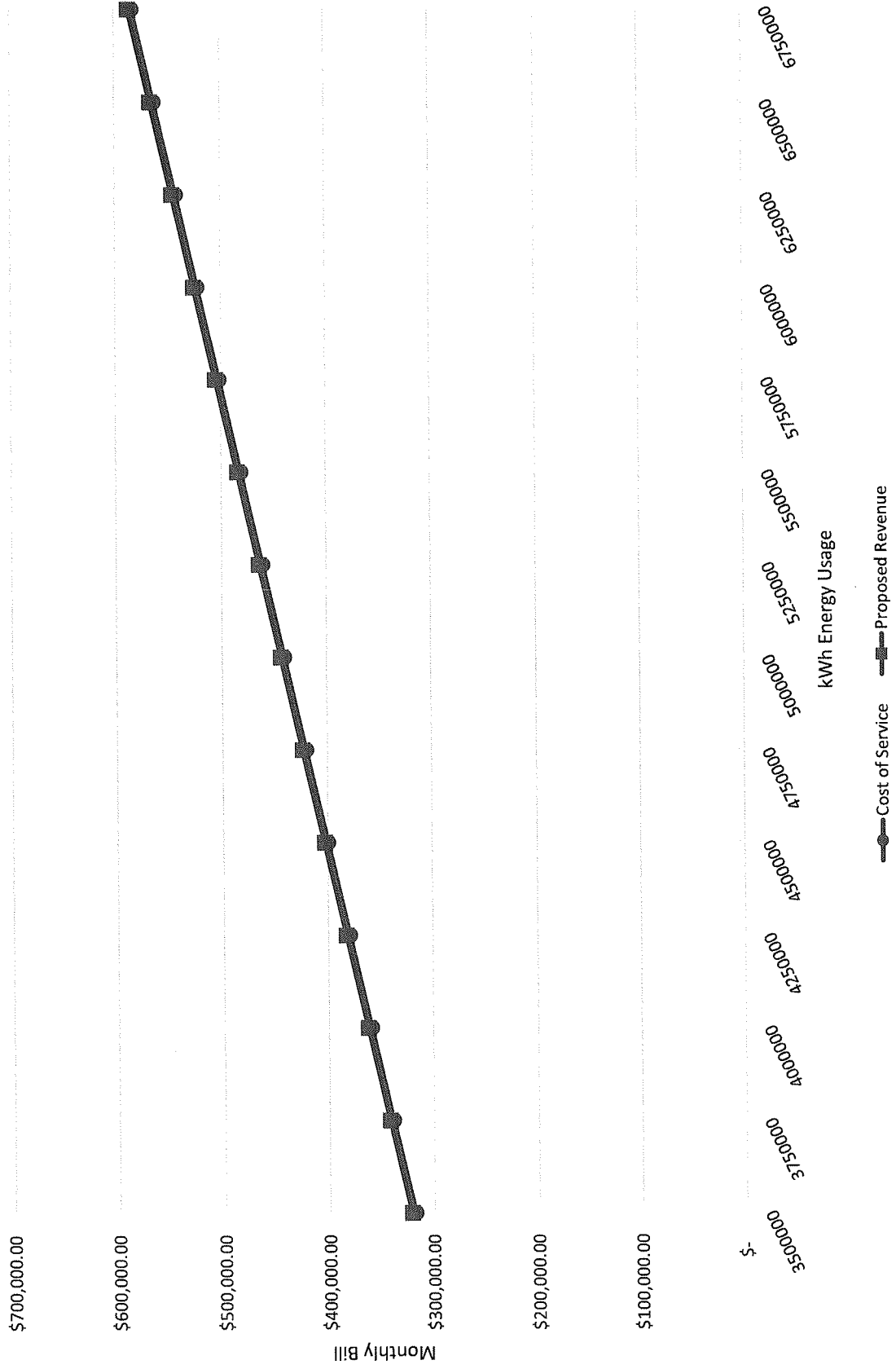
### Met-Ed General Service Large - GS-L Proposed Revenue vs Cost of Service Demand at 500 kW



### Met-Ed General Service Primary - GP Proposed Revenue vs Cost of Service Demand of 1,000 kW



Met-Ed General Service Primary - TP  
 Proposed Revenue vs Cost of Service  
 Demand of 10,000 kW





Met-Ed Tariff Revisions - 2016 Rate Case Filing Tariff No. 52							
Revision #	Companies	Tariff Page	Topic	Current Text	Error/Change	Revised Text	Source/Comments
1	ME	2	List of Modifications	Rider I - Hourly Pricing Default Service Rider Rider J- Default Service Support Rider			Rider I - Hourly Pricing Default Service Rider J-Default Service Support Rider
2	ME	7	Table of Contents	Grandfathered Advanced Meters, Meter-Related Devices or Networks Rider			
3	ME	8	Description of Territory	EASTON AREA Townships of Allen, Bethlehem, Bushkill, East Allen, Forks, Lehigh, Lower Mt. Bethel, Lower Nazareth, Moore, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth, Washington and Williams.	Changed Bplainfield to Plainfield	EASTON AREA Townships of Allen, Bethlehem, Bushkill, East Allen, Forks, Lehigh, Lower Mt. Bethel, Lower Nazareth, Moore, Palmer, Plainfield, Upper Mt. Bethel, Upper Nazareth, Washington and Williams.	Formatting/Grammar
4	ME	12	Definition of Terms	<b>Applicant</b> - Any person, corporation or other entity that (i) desires to receive from the Company electric or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining electric or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff. For Residential Service, an Applicant is a natural person not currently receiving service who applies for Residential Service or any name appears on the mortgage, deed or lease of the property for which the Residential Service is requested unless specifically stated otherwise in this Tariff, an Applicant shall become a Customer for purposes of this Tariff only after it actually starts receiving the applicable service(s) from the Company under this Tariff.	Added language to specify person must be at least 18 years of age.	<b>Applicant</b> - Any person, corporation or other entity that (i) desires to receive from the Company electric or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining electric or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff. For Residential Service, an Applicant is a natural person at least 18 years of age not currently receiving service who applies for Residential Service or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the Residential Service is requested. The term does not include a person who seeks to transfer service within the service territory of the Company or to reinstate service at the same address provided that the final bill for service is not past due.	52 PA Code § 56.2



Met-Ed Tariff Revisions - 2016 Rate Case Filing Tariff No. 52							
Revision #	Companies	Tariff Page	Topic	Current Text	Error/Change	Revised Text	Source/Comments
5	ME	14	Definition of Terms	<p><b>Customer(s)</b> - Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. For Residential Service, a Customer is a natural person in whose name a Residential Service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed, or lease of the property for which the Residential Service is being received. A Customer includes anyone taking Delivery Service under this Tariff.</p>	<p>Added language to specify person must be at least 18 years of age.</p>	<p><b>Customer(s)</b> - Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. For Residential Service, a Customer is a natural person at least 18 years of age in whose name a Residential Service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed, or lease of the property for which the Residential Service is being requested. A natural person remains a Customer after discontinuance or termination until the final bill for service becomes past due.</p>	52 PA Code § 56.2
6	ME	19	Definition of Terms	<p><b>On-Peak Hours</b> - The On-peak hours shall be from 6 a.m. to 6 p.m., 7 a.m. to 7 p.m., 8 a.m. to 8 p.m., 9 a.m. to 9 p.m., or 10 a.m. to 10 p.m. prevailing time, at the option of the Customer, Mondays to Fridays excluding holidays.</p>	<p>Included default TOD language</p>	<p><b>On-Peak Hours</b> - The On-peak hours shall be from 6 a.m. to 6 p.m., 7 a.m. to 7 p.m., 8 a.m. to 8 p.m., 9 a.m. to 9 p.m., or 10 a.m. to 10 p.m. prevailing time, at the option of the Customer, Mondays to Fridays excluding holidays. If customer does not select the on-peak hours within 30 days of the receipt of notice to do so, the on-peak hours will default to 8 a.m. to 8 p.m.</p>	<p>Establish a default TOD window for customers who do not select a window within 30 days</p>
7	ME	24	Rule 2 Deposits	<p>Deposits may be required by the Company from all other Customers, in an amount that is equal to one-sixth (1/6) of the Applicant's/Customer's estimated annual bill at the time the Company determines a deposit is required.</p>	<p>Changed language to cite 52 PA Code § 56.51</p>	<p>Deposits may be required by the Company from all other Customers, in an amount that is in accordance with 52 PA Code §56.51 of the regulations.</p>	52 PA Code § 56.51

Met-Ed Tariff Revisions - 2016 Rate Case Filing Tariff No. 52							
Revision #	Companies	Tariff Page	Topic	Current Text	Error/Change	Revised Text	Source/Comments
8	ME	37	Rule 7 Wiring, Apparatus and Inspection	The Company will require the customer to maintain a Power Factor in the range of 90% to 100% for secondary, primary and sub transmission service and 90% to 100% for transmission service, coincident with the customers maximum monthly peak demand and to provide, at the Customer's expense, any corrective equipment necessary in order to do so.	Changed transmission power factor values	The Company will require the Customer to maintain a Power Factor in the range of 85% (lagging) to 100% for secondary, primary and sub transmission service and 97% (lagging) to 99% (leading) for transmission service, coincident with the customers maximum monthly peak demand and to provide, at the Customer's expense, any corrective equipment necessary in order to do so.	Ties to FirstEnergy Energy Delivery Planning and Protection Section 5 Load Power Factor Requirements (End-User)
9	ME	45	Rule 10-Meter Reading and Rendering of Bills (9) Power Factor/Kilovar Billing	(9) Power Factor/Kilovar Billing Billing for Power Factor or Kilovars	Changed Kilovar to kilovar	(9) Power Factor/kilovar Billing Billing for Power Factor or kilovars	Formatting/Grammar
10	ME	57	Rule 22 Transfer of Electric Generation Supplier	Company shall change Customer's electric supplier only upon receipt of electronic notification from the chosen electric supplier in accordance with the Pa P.U.C. Rules and Regulations as described in the Final Orders on Standards for Electronic Data Transfer and Exchange Electric Distribution Companies and Electric Generation Suppliers, Docket No. M-00960890F0015 and on Establishing Standards for Changing a Customer's Electric Supplier, Docket No. L-00970121 and 52 Pa. Code § 54.123(2). Changes in Customer's electric Supplier shall only be effective with Customer's normal meter reading date, regardless of whether the meter reading is actual or estimated.	Changes to three (3) business days after enrollment request is processed	Company shall change Customer's EGS in accordance with 52 PA. Code Chapter 57, Subchapter M, "Standards for Changing a Customer's Electricity Generation Supplier." Pursuant to the Commission's Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 57 Regulations Regarding Standards for Changing a Customer's Electricity Generation Supplier, at Docket No. L-2014-2409383, changes in Customer's EGS shall be effective within three (3) business days after the enrollment request is processed, regardless of whether the meter reading is actual or estimated.	Updating for new regulations
11	ME	63	Rate GS Small	If an existing Customer's total consumption exceeds 1,500 kWh per month for two (2) consecutive months, the Customer shall no longer be eligible for service under this Rate Schedule GS-Small.	Added in any 12-month period	If an existing Customer's total consumption exceeds 1,500 kWh per month for two (2) consecutive months, in the most recent twelve-month period, the Customer may no longer be eligible for service under this Rate Schedule GS-Small.	Addition to rate schedule availability

Met-Ed Tariff Revisions - 2016 Rate Case Filing Tariff No. 52							
Revision #	Companies	Tariff Page	Topic	Current Text	Error/Change	Revised Text	Source/Comments
12	ME	66	Rate GS Medium	If an existing Customer's total consumption is less than 1,500 kWh per month for two (2) consecutive months, the Customer may no longer be eligible for service under this Rate Schedule GS-Medium.	Changed two consecutive months to twelve consecutive months	If an existing Customer's total consumption is less than 1,500 kWh per month for twelve (12) consecutive months, the Customer may no longer be eligible for service under this Rate Schedule GS-Medium.	Addition to rate schedule availability
13	ME	68	Rate GS Medium	DETERMINATION OF BILLING DEMAND: The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of non-interval Time-of-Use demand meters.	Remove non-interval	DETERMINATION OF BILLING DEMAND: The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.	Correction related to non-interval meters
14	ME	70	Rate GS Large	This Rate is available to non-Residential Customers using electric service through a single delivery location for lighting, heating and/or power service whose registered demand is equal to or greater than 400 KW in two (2) consecutive months.	Added in any 12-month period	This Rate is available to non-Residential Customers using electric service through a single delivery location for lighting, heating and/or power service whose registered demand is equal to or greater than 400 KW in two (2) consecutive months, in the most recent twelve-month period.	Addition to rate schedule availability
15	ME	71	Rate GS Large	DETERMINATION OF BILLING DEMAND: The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of non-interval Time-of-Use demand meters.	Remove non-interval	DETERMINATION OF BILLING DEMAND: The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.	Correction related to non-interval meters
16	ME	75	Rate GP	DETERMINATION OF BILLING DEMAND: The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of non-interval Time-of-Use demand meters.	Remove non-interval	DETERMINATION OF BILLING DEMAND: The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.	Correction related to non-interval meters
17	ME	79	Rate TP	DETERMINATION OF BILLING DEMAND: The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of non-interval Time-of-Use demand meters.	Remove non-interval	DETERMINATION OF BILLING DEMAND: The on-peak and off-peak hour provisions of this definition are only applicable for those customers who have installations of Time-of-Use demand meters.	Correction related to non-interval meters

Met-Ed Tariff Revisions - 2016 Rate Case Filing Tariff No. 52							
Revision #	Companies	Tariff Page	Topic	Current Text	Error/Change	Revised Text	Source/Comments
18	ME	87	Street Lighting Service	<b>Mercury Vapor:</b> Nominal Watts 105, 205, 327 and 860	Remove Light Wattage 327 and 860	<b>Mercury Vapor:</b> Nominal Watts 105 and 205	Eliminating Incandescent Light Wattage 327 and 860
19	ME	91	Street Lighting Service	<b>Mercury Vapor:</b> Nominal Watts 100, 175, 250, 400, 700, 800 and 1000	Remove Light Wattage 100, 700 and 800	<b>Mercury Vapor:</b> Nominal Watts 175, 250, 400, and 1000	Eliminating Mercury Vapor: Nominal Watts 100, 700, and 800
20	ME	92	Street Lighting Service	<b>Incandescent:</b> Nominal Watts 105, 205, 327, 448, 690, 860 and 1720	Remove Light Wattage 105, 205, 327, 448, 690, 860 and 1720		Eliminating Incandescent Nominal Watts: 105, 205, 327, 448, 690, 860 and 1720
21	ME	93-94	Street Lighting Service	GENERAL PROVISION D COMPANY OPERATION & MAINTENANCE OF ORNAMENTAL LUMINARIES	Remove Incandescent Lights		Eliminating Incandescent lighting units in the Company Operation & Maintenance of Ornamental Luminaries
22	ME	93-94	Street Lighting Service	INCANDESCENT LIGHTS SERVED UNDER THIS PROVISION ARE RESTRICTED TO EXISTING CUSTOMERS AND NO ADDITIONAL LIGHTS WILL BE INSTALLED HEREUNDER OR RELOCATED OR INCREASED IN SIZE (FORMERLY RESTRICTED ON ORNAMENTAL STREET LIGHTING SERVICE AS OF OCTOBER 19, 1983).	Remove provision on Ornamental Street Lighting Service		Eliminating Grandfathering of Underground Provision
23	ME	95	Street Lighting Service		Replacement language	If the customer requests the Company to remove the present high pressure sodium vapor street light system to install LED lights and if the present system is less than twenty years old, the customer shall pay the removal cost plus the remaining value of the system.	Addition of replacement language related to LED lighting
24	ME	99	Ornamental Street Lighting Service	POST TOP SERIES INCANDESCENT STREET LIGHTING (RESTRICTED): 2,500 and 6,000 Lamp Lumens	Remove 6,000 Lumens from provision	POST TOP SERIES INCANDESCENT STREET LIGHTING (RESTRICTED): 2,500 Lamp Lumens	Eliminating 6,000 Lamp Lumens from Post Top Series Incandescent Street Lighting
25	ME	100	LED Street Lighting Service	A minimum installation of 12 LED lights per customer per individual order is required.	Added restriction language	A minimum installation of 12 LED lights per customer per individual order is required. This restriction does not apply to new installations.	Clarifying language

Met-Ed Tariff Revisions - 2016 Rate Case Filing							
Tariff No. 52							
Revision #	Companies	Tariff Page	Topic	Current Text	Error/Change	Revised Text	Source/Comments
26	ME	153	Rider L Partial Services Rider	All of the following general monthly charges are applicable to Delivery Service Customers.	Added language stating General Monthly charges	In addition to the charges included in the applicable rate schedule, all of the following general monthly charges are applicable to Delivery Service Customers.	Clarifying charges

METROPOLITAN EDISON COMPANY

TITLE 52, SECTION 53.52 (a) FILING REQUIREMENT:

“(a) Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

- (1) The specific reasons for each change.
- (2) The total number of customers served by the utility.
- (3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.
- (4) The effect of the change on the utility’s customers.
- (5) The direct or indirect effect of the proposed change on the utility’s revenue and expenses.
- (6) The effect of the change on the service rendered by the utility.
- (7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).
- (8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.
- (9) Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.
- (10) Plans the utility has for introducing or implementing the changes with respect to its ratepayers.
- (11) FCC, FERC or Commission orders or rulings applicable to the filing.”

RESPONSE:

**52 Pa. Code § 53.52(a)(1)**

See Direct Testimony of Kevin M. Siedt, Met-Ed Statement No. 3.

**52 Pa. Code 53.52(a)(2)**

As of December 31, 2015, the end of the historical test year, Met-Ed served a total of 561,408 customers.

**52 Pa. Code 53.52(a)(3)**

See Met-Ed Exhibit KMS-1, Attachments A, B, and C, Sales and Distribution Revenue Normalization (Fully Projected, Future, and Historical Test Years, respectively)

**52 Pa. Code 53.52(a)(4)**

See Met-Ed Exhibit KMS-4, Comparison between Present and Proposed Rates; and Met-Ed Statement No. 3, Direct Testimony of Kevin M. Siedt.

**52 Pa. Code 53.52(a)(5)**

Met-Ed Statement No. 2, Direct Testimony of Richard A. D'Angelo; and Exhibits RAD-1 and RAD-2.

**52 Pa. Code 53.52(a)(6)**

See Met-Ed Statement No. 1, Direct Testimony of Charles V. Fullem.

**52 Pa. Code 53.52(a)(7)**

Not Applicable.

**52 Pa. Code 53.52(a)(8)**

Not Applicable.

**52 Pa. Code 53.52(a)(9)**

None.

**52 Pa. Code 53.52(a)(10)**

At the time of filing, the Company will issue and provide to customers notice of its distribution rate increase request pursuant to the Commission's general rate case filing regulations. Customer bill messages will direct customers to more information, and a bill insert will describe the rate changes approved by the Commission and indicate the impact on customers. The Company will also inform customers about the Commission-approved rate changes in a press release and a news publication, as well as on the Company's website. After a final Commission order is entered in connection with this rate filing, the Company will file a compliance tariff to implement all of the approved changes.



**52 Pa. Code 53.52(a)(11)**

The following orders or rulings are applicable to the filing:

- Company's 2014 Rate Case Order, Docket No. R-2014-2428745.
- Company's Default Service Plan, Docket No. P-2013-2391368.
- Met-Ed Transfer of Transmission Assets ("MAIT"), Docket No. A-2015-2488903.
- Merger Settlement, Docket Nos. A-2010-2176520 and A-2010-2176732.
- Company's Smart Meter Deployment Plan, Docket No. M-2013-2341990.

TITLE 52, SECTION 53.52 (b) FILING REQUIREMENT:

“(b) Whenever a public utility other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:

- (1) The specific reasons for each increase or decrease.
- (2) The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.
- (3) A calculation of the number of customers, by tariff subdivision, whose bills will be increased.
- (4) A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis
- (5) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.
- (6) A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis..”

RESPONSE:

Metropolitan Edison Company (“Met-Ed” or the “Company”) submits the following information in support of Tariff Electric – Pa. P.U.C. No. 52. In response to each of the applicable subsections of 52 Pa. Code § 53.52(b), Met-Ed states the following:

**52 Pa. Code 53.52(b)(1)**

See Testimony of Charles V. Fullem, Met-Ed Statement No. 1; Testimony of Richard A. D’Angelo, Met-Ed Statement No. 2; and Testimony of Kevin M. Siedt, Met-Ed Statement No. 3.

**52 Pa. Code 53.52(b)(2)**

See Met-Ed Exhibit RAD-4.

**52 Pa. Code 53.52(b)(3)**

See Met-Ed Exhibit KMS-1, Attachments A, B, and C, Sales and Distribution Revenue Normalization (Fully Projected, Future, and Historical Test Years, respectively); Met-Ed Exhibit KMS-2, Summary of Distribution of Revenues, Met-Ed Exhibit KMS-3; Proof of Revenues Analysis, and Met-Ed Exhibit KMS-4, Bill Comparisons.

**52 Pa. Code 53.52(b)(4)**

See Met-Ed Exhibit KMS-2, Summary of Distribution of Revenues; Met-Ed Exhibit KMS-3, Proof of Revenues Analysis; and Met-Ed Exhibit KMS-4, Bill Comparisons.

**52 Pa. Code 53.52(b)(5)**

See Met-Ed Exhibit KMS-2, Summary of Distribution of Revenues; Met-Ed Exhibit KMS-3, Proof of Revenues Analysis; and Met-Ed Exhibit KMS-4, Bill Comparisons.

**52 Pa. Code 53.52(b)(6)**

See Met-Ed Exhibit KMS-2, Summary of Distribution of Revenues; Met-Ed Exhibit KMS-3, Proof of Revenues Analysis; and Met-Ed Exhibit KMS-4, Bill Comparisons.

## TITLE 52, SECTION 53.52 (c) FILING REQUIREMENT:

“(c) If a public utility files a tariff, revision or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility—subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)—or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility—subsection (b)(3) divided by subsection (a)(2)—it shall submit to the Commission with the tariff, revision or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:

- (1) A statement showing the utility’s calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff, revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation. When an operating ratio is used in this calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).
- (2) A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).
- (3) A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).
- (4) A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).
- (5) A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).
- (6) A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)—(5).”

## RESPONSE:

See Met-Ed Statement No. 2, Direct Testimony of Richard A. D’Angelo; and Exhibits RAD-54 and RAD-55.

**TITLE 52, SECTION 53.52 (d) FILING REQUIREMENT:**

“(d) If a utility renders more than one type of public service, such as electric and gas, information required by § § 53.51—53.53 (relating to information furnished with the filing of rate changes), except subsection (c)(2), relates solely to the kind of service to which the tariff or tariff supplement is applicable. In subsection (c)(2), the book value of property used in furnishing each type of public service, as well as the depreciation reserve applicable to the property, shall be shown separately.”

**RESPONSE:**

See Met-Ed Statement No. 2, Direct Testimony of Richard A. D’Angelo; and Exhibits RAD-54 and RAD-55.

FILING REQUIREMENTS IV-A-1:

“Provide a summary schedule of the individual rate effects. For each state jurisdictional rate, show the following information to the test period elected:

1. Rate schedule designation.”

FILING REQUIREMENT IV-A-2:

“Provide a summary schedule of the individual rate effects. For each state jurisdictional rate, show the following information to the test period elected:

2. For existing rates:
  - a. Customers served as of end of period.
  - b. Annual Kwh sales
  - c. Base rate revenues adjusted for any changes in base rate application that may have occurred during the test period.
  - d. Tax surcharge revenues.
  - e. Energy Cost adjustment clause revenues.
  - f. Revenues received from other clauses or riders separately accounted for.
  - g. Total of all revenues.”

FILING REQUIREMENT IV-A-3:

“Provide a summary schedule of the individual rate effects. For each state jurisdictional rate, show the following information to the test period elected:

3. For proposed rates:
  - (a) Estimated number of customers whose charges for electric service will be increased or decreased as a result of this filing.
  - (b) Base rate revenues:
    - (1) Annual dollar amount of increase or decrease.
    - (2) Percentage change.
  - (c) Estimated tax surcharge revenues based on the assumption that the base rate changes proposed were in place.
  - (d) Estimated Energy cost adjustment clause revenues.
  - (e) Revenues received from other clauses or riders separately accounted for.
  - (f) Total of all revenues:
    - (1) Amount of total annual dollar change.
    - (2) Percentage change.”

FILING REQUIREMENT IV-A-4:

“Provide a summary schedule of the individual rate effects. For each state jurisdictional rate, show the following information to the test period elected:

4. Supplement the revenue summary to obtain a complete revenue statement of the electric business, that is, show delayed payments, other electric revenues, FERC jurisdictional sales and revenues and all other appropriate revenue items and adjustments.”

FILING REQUIREMENT IV-A-5

“Provide a summary schedule of the individual rate effects. For each state jurisdictional rate, show the following information to the test period elected:

5. Develop the grand total showing total sales and revenues as adjusted and the various increases and decreases and percent effects as described above.”

RESPONSES:

See Met-Ed Exhibit KMS-1, Attachments A, B, and C, Sales and Distribution Revenue Normalization (Fully Projected, Future, and Historical Test Years, respectively); and Met-Ed Exhibit KMS-2, Summary of Distribution of Revenues.

FILING REQUIREMENT IV-B-1:

“Provide a description of changes proposed for the new tariff:

1. For each rate schedule proposed to be modified.”

FILING REQUIREMENT IV-B-2:

“Provide a description of changes proposed for the new tariff:

2. For each rate schedule proposed to be deleted.”

FILING REQUIREMENT IV-B-3:

“Provide a description of changes proposed for the new tariff:

2. For each new rate schedule proposed to be added.”

RESPONSES:

See Met-Ed Exhibit KMS-6, Matrix of Tariff changes; and Met-Ed Statement No. 3, Direct Testimony of Kevin M. Siedt.



**FILING REQUIREMENT IV-C:**

“The annual revenue effect of any proposed change to any rate must be supported by a billing analysis. This may consist of the use of bill frequency distributions or individual customer billing records for the most recent annual periods available. All billing determinants should be displayed. The blocking and corresponding prices of the existing rate and the proposed rate should be applied to the determinants to derive the base rate revenues under both present and proposed rates. The derived base rate revenues should form the basis for measuring the annual base rate effect of the rates in question for the test periods.”

**RESPONSE:**

See Met-Ed Exhibit KMS-3, Proof of Revenues Analysis.

FILING REQUIREMENT IV-D-1:

“The effects of the proposed rates on monthly billing conditions should be provided as follows:

*1. Residential Bill Comparisons*

For each rate applicable to residential service provide a chart or tabulation which shows the dollar and percentage effect of the proposed base rate on monthly bills ranging from the use of zero kWh to 5,000 kWh at appropriate intervals.”

FILING REQUIREMENT IV-D-2:

“The effects of the proposed rates on monthly billing conditions should be provided as follows:

*2. General Bill Comparisons*

For each rate that requires both a billing demand (kW) and kWh's as the billing determinants, provide a tabulation or graphical comparison showing the percentage effect of the proposed base rate on monthly bills using several representative demand (kW) levels, the monthly kWh for each demand selected to be in load factor increments of 10% starting at 0% and ending at 100% (730H) or by hours' use increments that covers approximately 95% of the bills.”

RESPONSE:

See Met-Ed Exhibit KMS-4, Comparison between Present and Proposed Rates.

FILING REQUIREMENT IV-E-2:

“Provide comparisons in either graphical or tabular form showing cost, as defined in the cost of service study, and proposed base rate revenues and usage for all residential and demand/energy rate schedules. Demand shall be for representative loads for each demand/energy rate schedule.”

RESPONSE:

See Met-Ed Exhibit KMS-5, Cost Curves.