

610-929-3601

Tori L. Giesler, Esq.
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January 9, 2013

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**VIA OVERNIGHT MAIL**Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120**Re: Kelly Dawn Nicholson v. Pennsylvania Electric Company**
Docket No. C-2012-2324204

Dear Secretary Chiavetta:

Attached please find the Affidavit of Raymond E. Valdes ("Affidavit") in support of Pennsylvania Electric Company's ("Company") Motion for Summary Judgment, which was electronically filed on January 4, 2013 at the above-referenced docket. The Affidavit was inadvertently omitted during the electronic filing of the Motion for Summary Judgment, and therefore the Company respectfully requests that the Pennsylvania Public Utility Commission accept this Affidavit as an accompanying document in support of the Motion for Summary Judgment filed by the Company. Please timestamp the additional copy of the cover letter and Certificate of Service and return the same to me in the postage-prepaid envelope provided.

Pursuant to the regulations governing service of documents, the Company has served the Affidavit on the Complainant as shown in the attached Certificate of Service.

Please contact me if you have any questions regarding this matter.

Very truly yours,



Tori L. Giesler

dck

Enclosures

c: As per Certificate of Service

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JAN 9 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

KELLY DAWN NICHOLSON

v.

PENNSYLVANIA ELECTRIC COMPANY

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:
:
:

Docket No. C-2012-2324204

**AFFIDAVIT OF RAYMOND E. VALDES IN SUPPORT OF
PENNSYLVANIA ELECTRIC COMPANY'S MOTION FOR SUMMARY
JUDGMENT**

Raymond E. Valdes, being duly sworn according to law, deposes and says
the following:

1. My name is Raymond E. Valdes and my business address is 800
Cabin Hill Drive, Greensburg, Pennsylvania 15601.

2. I am employed by FirstEnergy Service Company as Advisor for
Rates and Regulatory Affairs - Pennsylvania. FirstEnergy Service Company's
Pennsylvania Rates and Regulatory Affairs Department provides rate and regulatory
support for FirstEnergy's Pennsylvania electric distribution companies, which include
Pennsylvania Electric Company, as well as Metropolitan Edison Company, Pennsylvania
Power Company, and West Penn Power Company.

3. As an Advisor for Rates and Regulatory Affairs, I am responsible
for: (i) the development, coordination, preparation and presentation of retail tariffs; (ii)
the development of retail electric rates, rules and regulations; the development and
preparation of default service plans; (iii) the development and preparation of certain
accounting and financial data; and (iv) the development and preparation of certain reports
to the Pennsylvania Public Utility Commission ("Commission").

4. Pennsylvania Electric Company ("Penelec" or the "Company") provides electric service to Kelly Dawn Nicholson ("Complainant") at 51 Valley View Drive, Hidden Valley, Pennsylvania 15502 ("Service Location") under Account No. 100066611979 ("Account").

5. The Complainant is currently receiving residential retail electric service from the Company, subject to the provisions of Rate Schedule RS as contained in the Company's Commission-approved retail electric tariff.¹

6. At all times relevant to the Formal Complaint, the Complainant has been utilizing the Company's default service at the Service Location.

7. On November 26, 2010, the Company issued bill messages to residential customers advising that, as of January 1, 2011, generation rate caps would expire and the Company's new default service rates would go into effect. The bill message provided that, among other things, the average residential customer² could anticipate a 16.6% increase on the first billing statement reflecting the new default service rates.

8. On December 29, 2010, the Company issued the Complainant a billing statement totaling \$530.32, which was based upon the Complainant's usage of 5,176 kilowatt-hours occurring during the period spanning November 25, 2010 through December 28, 2010. This billing statement included charges contained in Rate Schedule RS and applicable riders, which is provided for by the Company's Commission-approved

¹ Pennsylvania Electric Company, Electric Service Tariff, Electric Pa. P.U.C. No. 80, Effective: September 1, 2012.

² In order to provide customers with an approximate estimated increase that could be applicable to all standard residential customers, Penelec computed the percentage based upon the "average residential customer." An average Rate Schedule RS customer is considered to be a customer who consumes approximately 750 kWh per month. To the extent a customer's usage differs from 750 kWh per month, the projected anticipated increase will likewise differ.

retail electric tariff. Specifically, the December 29, 2010 billing statement was calculated using the following charges pursuant to Rate Schedule RS and the applicable riders: (i) the Distribution Customer Charge; (ii) the Distribution kilowatt-hour Charge; (iii) the Consumer Education Charge (“CEC”); (iv) the Generation Charge; (v) the Transmission Charge; (vi) the Smart Meter Charge (“SMT-C”); and (vii) the State Tax Surcharge.

9. On January 27, 2011, the Company issued the Complainant an electric service billing statement totaling \$485.83, which was based upon the Complainant’s usage of 419 kilowatts-hours during the period spanning December 29, 2010 through December 31, 2010, and 3,640 kilowatt-hours during the period spanning January 1, 2011 through January 26, 2011. This billing statement included charges outlined in Rate Schedule RS and applicable riders, which is provided for by the Company’s Commission-approved retail electric tariff. Specifically, the January 27, 2011 billing statement was calculated using the following charges pursuant to Rate Schedule RS and the applicable riders: (i) the Distribution Customer Charge; (ii) the Distribution kilowatt-hour Charge; (iii) the CEC; (iv) the Solar Requirements Charge (“SPVRC”); (v) the Default Service Support Charge (“DSS”); (vi) the Non-Utility Generation Charge (“NUG-C”); (vii) a partial Generation Charge; (viii) a partial Transmission Charge; (ix) the Price to Compare Default Service Charge (“PTC”); (x) the SMT-C; and (xi) the State Tax Surcharge.

10. The January 27, 2011 billing statement was a prorated bill that included 419 kilowatt-hours in December 2010 priced at rates effective in December 2010, and 3,640 kilowatt-hours in January 2011 priced at rates effective in January 2011.

11. As of January 1, 2011, the Complainant began receiving retail electric generation service through the Company's Default Service Program, which reflected wholesale-market generation prices, and was subject to the provisions of Rate Schedule RS and the applicable riders, provided for in the Company's Commission-approved retail electric tariff.³

12. Under the Company's Commission-approved unbundled rate structure, the Company's retail tariff Rate Schedules, such as Rate Schedule RS, apply to customers taking delivery service from the Company. Rate Schedule RS 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.⁴

13. As of January 1, 2011, Rate Schedule RS contained the following general monthly charges that are applicable to delivery service customers like the Complainant, who chose to utilize the Company's default service in lieu of obtaining generation from an EGS: (i) Distribution Charge; (ii) CEC; (iii) SPVRC; (iv) DSS; (v) NUG-C; (vi) PTC;⁵ and (vii) SMT-C, as well as the Universal Service Charge and

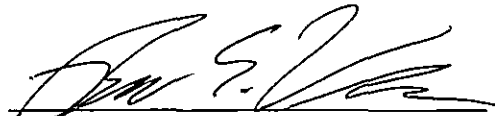
³ Pennsylvania Electric Retail Tariff, Electric Pa. P.U.C. No. 80, Revised Page 185, Effective: January 1, 2011.

⁴ Pennsylvania Electric Company, Retail Electric Tariff, Electric Pa. P.U.C. No. 80, Eleventh Revised Page 72, Effective: September 1, 2012.

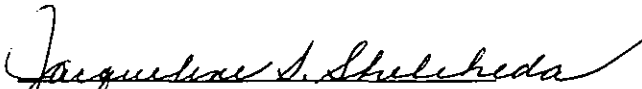
⁵ The PTC is a monthly charge consisting of the sum of all generation and transmission related charges, including, among other things, the Company's recovery of costs associated with the procurement and delivery of wholesale electric generation to customers who do not choose to receive retail market generation from an alternative electric generation supplier. The PTC Charge is contained in Rider N of the Company's current Commission-approved tariff and is the same for all non-shopping residential customers regardless of the rate schedule under which they take delivery service from the Company. For all customers receiving default service under the provision of Rate Schedule RS provided for in the Company's current Commission-approved tariff, the PTC Charge is adjusted quarterly in accordance with Rider N and the Company's Default Supply Plan, which was approved by the Commission on November 6, 2009. *Joint Petition of Metropolitan Edison Company and Pennsylvania Electric Company for Approval of their Default Service Programs*, Docket No. P-2009-2093053, *et al.* (Final Order entered November 6,

Energy Efficiency and Conservation Charge which are included in the Distribution kilowatt-hour charge on residential customer bills.⁶

I am authorized to submit this affidavit for and on behalf of Pennsylvania Power Company and represent that the facts set forth herein are true and correct to the best of my knowledge, information and belief.


Raymond E. Valdes

Sworn and subscribed before me this 7th
day of January, 2013.


Notary Public

My Commission expires on:

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Jacqueline S. Sheleheda, Notary Public
City of Greensburg, Westmoreland County
My commission expires May 16, 2014

2009); Pennsylvania Electric Retail Tariff, Electric Pa. P.U.C. No. 80, Revised Page 185, Effective: January 1, 2011.

⁶ The Competition Act and subsequent Commission orders permitted the Company to develop various individual rate recovery mechanisms to recover costs associated with charges such as NUG-C, CEC, SMT-C, DSS, Universal Service Charge, Energy Efficiency and Conservation Charge, and the SPVRC (herein collectively referred to as "Miscellaneous Charges"). The Commission has specifically approved the Miscellaneous Charges, which are contained in the Company's current Commission-approved retail electric tariff.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

KELLY DAWN NICHOLSON :
 :
 v. : **Docket No. C-2012-2324204**
 :
PENNSYLVANIA ELECTRIC COMPANY :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Affidavit of Raymond E. Valdes, which was inadvertently omitted from the electronic filing of Pennsylvania Electric Company's Motion for Summary Judgment to the Formal Complaint of Kelly Dawn Nicholson, upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 5.61 (relating to service by a participant).

Service by First Class Mail, postage prepaid, as follows:

Kelly Dawn Nicholson
51 Valley View Drive
P.O. Box 4377
Hidden Valley, PA 15502

Dated: January 9, 2013



Tori L. Giesler
Attorney No. 207742
PENNSYLVANIA ELECTRIC COMPANY
2800 Pottsville Pike
P.O. Box 16001
Reading, Pennsylvania 19612-6001
(610) 921-6658
tgiesler@firstenergycorp.com

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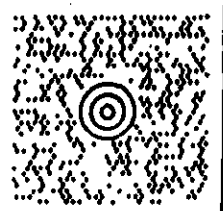
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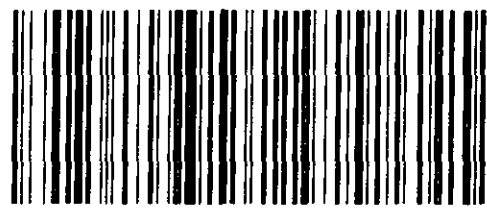
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