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PA P.U.C. SECRETARY'S BUREAU

November 16, 2015

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

**RE: Quarterly Universal Service Charge Reconciliation Statement for West Penn Power Company**

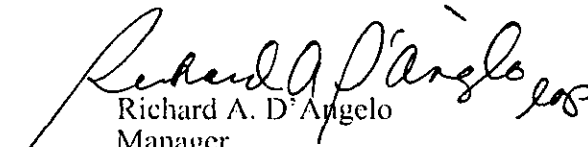
Dear Secretary Chiavetta:

In accordance with the Order entered April 9, 2015 approving the General Rate Case of West Penn Power Company at Docket No. R-2014-2428742, enclosed for filing are the Quarterly Universal Service Charge (“USC”) reconciliation statements for West Penn Power Company (“West Penn” or the “Company”). This quarterly reconciliation statement is for the nine months ended September 30, 2015.

West Penn’s reporting is provided as three schedules for the Company. Schedule 1 shows the details of the USC revenues compared to the USC costs incurred by West Penn each month to provide Universal Service programs to applicable customers, the resulting over or (under) collections, and the computation of interest on the monthly over/(under) collections pursuant to the provisions of the Company’s Universal Service Cost Rider. Schedule 2 provides additional supporting details of the monthly Universal Service program costs recoverable through West Penn’s Universal Service Cost Rider. Schedule 3 provides a schedule of West Penn’s USC revenues applied to the prior Universal Service Charge Reconciliation Years’ cumulative over/(under) collections.

Enclosed is an extra copy of this transmittal letter and a stamped, self-addressed envelope in order that you may indicate receipt of this filing.

Sincerely,

  
Richard A. D'Angelo  
Manager  
Rates & Regulatory Affairs – PA

Enclosures

cc: Dennis Hosler – PAPUC Bureau of Audits  
Lori Burger – PAPUC Bureau of Audits  
Tanya McCloskey – Office of Consumer Advocate

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WEST PENN POWER COMPANY  
Quarterly Universal Service Charge ("USC") Reconciliation Statement  
September 30, 2015

Month (1)	USC Revenues Applied to Current Month's Costs Excluding PA GRT (2)	Universal Service Program Costs for Month (A) (3)	Monthly Over / (Under) Collection (4) = (2) - (3)	Annual Interest Rate Per 41 P.S. § 202 (5)	Monthly Interest Rate (6) = (5) / 12	Number of Months to Mid-Point of Next USC Rate Billing Period from Current Month (B) (7)	Interest Amount on Monthly Over / (Under) Collection (8) = (4) X (6) X (7)
January 2015	\$ -	\$ -	\$ -	6.0000%	0.5000%	18	\$ -
February 2015	-	-	-	6.0000%	0.5000%	17	-
March 2015	-	-	-	6.0000%	0.5000%	16	-
First Quarter 2015	\$ -	\$ -	\$ -				\$ -
April 2015	\$ -	\$ -	\$ -	6.0000%	0.5000%	15	\$ -
May 2015	1,129,554	1,634,980	(505,426)	6.0000%	0.5000%	14	(35,380)
June 2015	2,613,989	1,906,999	706,990	6.0000%	0.5000%	13	45,954
2nd Quarter 2015	\$ 3,743,543	\$ 3,541,979	\$ 201,564				\$ 10,574
July 2015	\$ 2,767,931	\$ 1,521,900	\$ 1,246,031	6.0000%	0.5000%	12	\$ 74,762
August 2015	2,577,392	1,416,014	1,161,378	6.0000%	0.5000%	11	63,876
September 2015	2,147,233	1,111,114	1,036,119	6.0000%	0.5000%	10	51,806
3rd Quarter 2015	\$ 7,492,556	\$ 4,049,028	\$ 3,443,528				\$ 190,444
October 2015			\$ -	6.0000%	0.5000%	9	\$ -
November 2015			-	6.0000%	0.5000%	20	-
December 2015			-	6.0000%	0.5000%	19	-
4th Quarter 2015	\$ -	\$ -	\$ -				\$ -
Cumulative to Date Totals for 2015	\$ 11,236,099	\$ 7,591,007	\$ 3,645,092				\$ 201,018

(A) See West Penn Schedule 2 for supporting details.

(B) Mid-point of the next USC Rate Billing Period is June 30, 2016 during which the net over / (under) recoveries, including interest, for the USC Reconciliation Year ending October 31, 2015 will be refunded to / (recouped from) West Penn customers served under residential retail rate schedules.

WEST PENN POWER COMPANY  
Quarterly Universal Service Charge ("USC") Reconciliation Statement  
September 30, 2015

Details of Universal Service Program Costs

Line No.	Description of Universal Service Program Costs (1)	2015												Cumulative to Date (14)
		January 2015 (2)	February 2015 (3)	March 2015 (4)	April 2015 (5)	May 2015 (6)	June 2015 (7)	July 2015 (8)	August 2015 (9)	September 2015 (10)	October 2015 (11)	November 2015 (12)	December 2015 (13)	
1	West Penn Customer Assistance and Referral for Evaluation of Services ("CARES") Program Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124	\$ 110	\$ 107	\$ 96	\$ -	\$ -	\$ -	\$ 439
2	West Penn Customer Assistance Program ("CAP") Costs	-	-	-	-	1,350,966	1,380,182	1,273,877	1,343,284	1,110,450	-	-	-	6,458,759
3	West Penn Fuel Fund Administration Costs	-	-	-	-	106	283	494	583	593	-	-	-	2,059
4	West Penn Gatekeeper Program Costs	-	-	-	-	-	18	18	-	18	-	-	-	54
5	West Penn WARM Program Costs	-	-	-	-	283,908	526,392	247,401	280,788	524,869	-	-	-	1,863,358
6	Universal Service Program Costs for the Month	-	-	-	-	1,634,980	1,906,999	1,521,900	1,624,762	1,638,028	-	-	-	8,324,669
7	Unrecoverable Expenses per the FEIAYE Merger Agreement (A)	-	-	-	-	-	-	-	(208,748)	(524,914)	-	-	-	(733,662)
8	Total Universal Service Program Costs for the Month	\$ -	\$ -	\$ -	\$ -	\$ 1,634,980	\$ 1,906,999	\$ 1,521,900	\$ 1,416,014	\$ 1,111,114	\$ -	\$ -	\$ -	\$ 7,591,007

(A) A provision for additional LIURP spending under the FEIAYE Merger Agreement at Docket Nos. A-2010-2176520 and A-2010-2176732 provided that the spending for West Penn would be increased such that by February 2016 the LIURP spending levels would be commensurate with the LIURP spending for Met-Ed, Penelec and Penn Power. Any additional costs during the five-year period would not be recoverable from ratepayers and are being adjusted as part of the USC deferral calculations.

West Penn Quarterly Universal Service Charge Reconciliation Statement  
Schedule 3

**WEST PENN POWER COMPANY**  
**Quarterly Universal Service Charge ("USC") Reconciliation Statement**  
**September 30, 2015**

**Details of Revenues Applied to Prior Universal Service Charge Reconciliation Years'**  
**Cumulative Over / (Under) Collections**


Month	USC Period Revenues Applied (Excluding PA GRT)	Cumulative Over / (Under) Collections Including Interest for the USC Reconciliation Year Ended October 31 2015	Cumulative Remaining Prior Reconciliation Periods' Over / (Under) Collections Including Interest
(1)	(2)	(3)	(4)
Beginning Balance at December 31 2014			\$ -
January 2015	\$ -		-
February 2015	-		-
March 2015	-		-
April 2015	-		-
May 2015	-		-
June 2015	-		-
July 2015	-		-
August 2015	-		-
September 2015	-		-
October 2015	-		-
November 2015	-		-
December 2015	-		-
Cumulative to Date Totals for 2015	<u>\$ -</u>	<u>\$ -</u>	

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