

July 8, 2016

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

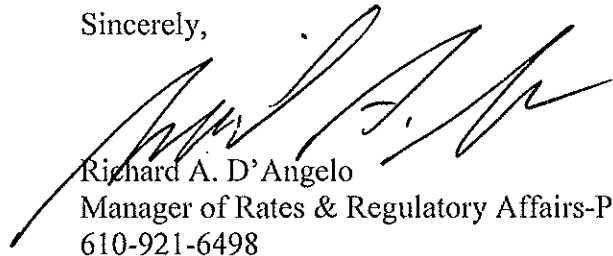
**Re: Correction to Pennsylvania Electric Company Tariff Electric Pa.  
P.U.C. No. 81, Supplement 25 – DSIC Compliance Filing, Docket No.  
P-2015-2508936**

Dear Secretary Chiavetta:

Transmitted herewith is Pages 63, 65, 67, 70, 73, 81, 86, 88, 97, 106, 182 and 185 which are replacement pages to make corrections to the original DSIC Compliance filing made June 20<sup>th</sup>. These pages were Issued on June 20, 2016 with an Effective Date of July 1, 2016.

If you have any questions regarding the enclosed documents, please contact me at (610)-921-6498.

Sincerely,



Richard A. D'Angelo  
Manager of Rates & Regulatory Affairs-PA  
610-921-6498

Enclosures

c: Certificate of Service  
Marissa Boyle

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PENNSYLVANIA : Docket No. P-2015-2508936**  
**ELECTRIC COMPANY FOR :**  
**APPROVAL TO AND IMPLEMENT A :**  
**DISTRIBUTION :**  
**SYSTEM IMPROVEMENT CHARGE :**

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of the **Pennsylvania Electric Company's Supplement No. 25 to Tariff Electric Pa. P.U.C. No. 52** and accompanying schedules on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC AND FIRST CLASS MAIL**

Johnnie E. Simms  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
[josimms@pa.gov](mailto:josimms@pa.gov)

Daniel G. Asmus  
Office of Small Business Advocate  
Commerce Tower, Suite 202  
300 North Second Street  
Harrisburg, PA 17101  
[dasmus@pa.gov](mailto:dasmus@pa.gov)

Erin L. Gannon  
Darryl A. Lawrence  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
[egannon@paoca.org](mailto:egannon@paoca.org)  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)

Charis Mincavage  
Alessandra Hylander  
McNees Wallace & Nurick LLC  
P.O. Box 1166  
100 Pine Street  
Harrisburg, PA 17108-1166  
[cmincavage@mcneeslaw.com](mailto:cmincavage@mcneeslaw.com)  
[ahylander@menceslaw.com](mailto:ahylander@menceslaw.com)  
*Counsel for Penelec Industrial Customer Alliance*

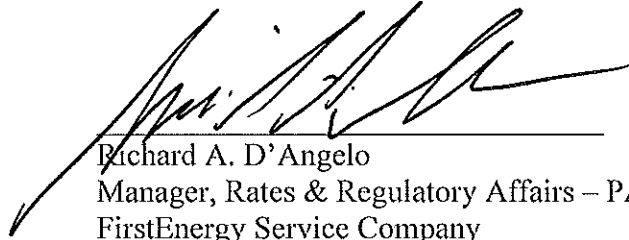
John Finnagan  
Environmental Defense Fund  
128 Winding Brook Lane  
Terrance Park, OH 45174  
[jfinnigan@edf.org](mailto:jfinnigan@edf.org)

George Jugovic, Jr.  
200 First Avenue, Suite 200  
Pittsburgh, PA 15222  
[gjugovic@pennfuture.org](mailto:gjugovic@pennfuture.org)  
*Counsel for Citizens for Pennsylvania's Future*

**VIA FIRST CLASS MAIL**

Michele Perry  
1037 Vankirk Road  
Newfield, NY 14867

Respectfully submitted,



Richard A. D'Angelo  
Manager, Rates & Regulatory Affairs – PA  
FirstEnergy Service Company  
P.O. Box 16001  
2800 Pottsville Pike  
Reading, PA 19612-6001  
610.921.6498  
[rdangelo@firstenergycorp.com](mailto:rdangelo@firstenergycorp.com)

Dated: July 8, 2016

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**

\$9.99 per month (Customer Charge), plus

4.569 cents per kWh for all kWh

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

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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**

\$9.99 per month (Customer Charge), plus  
4.569 cents per kWh for all kWh

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

Rider R – Distribution System Improvement Charge

(C)

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.

(C) Change

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, the Customer shall 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**

\$11.70 per month for single phase (Customer Charge), plus

3.022 cents per kWh for all kWh

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
- Rider R – Distribution System Improvement Charge (C)

(C) Change

## RATE SCHEDULES

Rate GS-Medium (continued)

## 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
- Rider R – Distribution System Improvement Charge

(C)

## 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 two (2) consecutive months.

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 non-interval Time-of-Use demand meters.

For existing Customers that remain on Combined Billing, (refer to this Rate GS-Medium, General Provision A), billing demand shall be the sum of the individual demands of each metered service. The individual demand of each metered service shall be determined separately.

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  
GENERAL SERVICE SECONDARY

## 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. 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**

\$114.25 per month (Customer Charge), plus  
\$5.37 per kW for all billed kW  
\$0.19 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  
Rider R – Distribution System Improvement Charge (C)

(C) Change



RATE SCHEDULES

Rate LP (continued)

General Service purposes at Primary Voltages for loads in excess of 3,000 KW.

Minimum billing demand shall not be less than 3,000 KW.

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

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$3,065.00 per month (Customer Charge), plus

\$1.67 per kW for all billed kW

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

Rider R – Distribution System Improvement Charge

(C)

(C) Change

RATE SCHEDULES

RATE H

ALL ELECTRIC SCHOOL, CHURCH AND HOSPITAL RATE

AVAILABILITY (RESTRICTED):

THE AVAILABILITY OF THIS RATE SCHEDULE TO CUSTOMERS HAS BEEN RESTRICTED SINCE MARCH 29, 1971.

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

GENERAL MONTHLY CHARGES:

**Distribution Charge**

\$26.55 per month (Customer Charge), plus  
3.08 cents per kWh for all kWh

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

Rider R – Distribution System Improvement Charge

(C)

(C) Change

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**

5.031 cents per kWh for all kWh

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
- Rider R – Distribution System Improvement Charge (C)

(C) Change

SERVICES

Municipal Street Lighting Service (continued)

Mercury Vapor Floodlight Units:

Nominal Lamp Ratings

Wood Pole

<u>Initial Lumens</u>	<u>Watts</u>	<u>KWH Per Month</u>	<u>Distribution</u>
21,500	400	174	10.62
60,000	1,000	420	12.77

Fabricated Pole

<u>Initial Lumens</u>	<u>Watts</u>	<u>KWH Per Month</u>	<u>Distribution</u>
21,500	400	174	26.20

**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 J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge
- Rider R – Distribution System Improvement Charge (C)

**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.

**TERMS OF PAYMENT:**

As per Rule 11, Payment of Bills

(C) Change

SERVICES

OUTDOOR AREA LIGHTING SERVICE

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

Dusk to dawn outdoor lighting of private areas and roadways.

NET RATE PER MONTH:

<u>Type of Lamp</u>	<u>Nominal Lamp Rating</u>	<u>KWH Per Month</u>	<u>Distribution</u>
High Pressure Sodium Vapor	70 watts	29	15.39
	100 watts	50	15.44
	200 watts	80	22.57

**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 J – Default Service Support Charge
- Rider N – Solar Photovoltaic Requirements Charge
- Rider P – Non-Utility Generation Charge
- Rider R – Distribution System Improvement Charge (C)

(C) Change

## RIDERS

RIDER R  
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply consistent with the Commission Order dated June 9, 2016 at Docket No. P-2015-2508936, approving the Distribution System Improvement Charge ("DSIC"). This charge will be effective during the period July 1, 2016 through September 30, 2016.

## 1. General Description

- A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide Pennsylvania Electric Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

- B. Eligible Property: The DSIC-eligible property will consist of the following:

- Poles and towers (account 364);
- Overhead conductors (account 365) and underground conduit and conductors (accounts 366 and 367);
- Line transformers (account 368) and substation equipment (account 362);
- Any fixture or device related to eligible property listed above, including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms and brackets, relays, capacitors, converters and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

- C. Effective Date: The DSIC will become effective July 1, 2016.

## RIDERS

## Rider R (Continued)

## 3. Quarterly Updates:

Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

## 4. Customer Safeguards:

- A. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.
- B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection.
- C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in Pennsylvania Electric Company's rates or rate base will be reflected in the quarterly updates of the DSIC.
- D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.
- E. Customer classes: Effective July 1, 2016, the DSIC shall be applied equally to all customer classes except Rate Schedule GP over 46,000 volts and LP over 46,000 volts
- F. Earning Reports: The DSIC will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Utility would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section.