

July 8, 2016

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

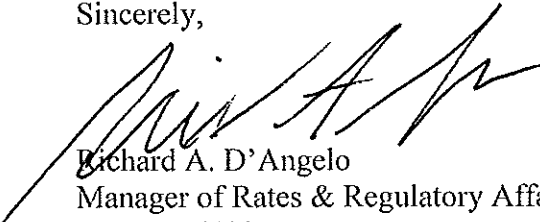
**Re: Correction to Pennsylvania Power Company Tariff Electric Pa. P.U.C.
No. 36, Supplement 19 – DSIC Compliance Filing, Docket No. P-2015-2508931**

Dear Secretary Chiavetta:

Transmitted herewith is Pages 57, 67, 73, 77, 85, 91, 94, 160 and 163 which are replacement pages to make corrections to the original DSIC Compliance filing made June 20th. 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-2015-2508931
POWER 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 Power Company's Supplement No. 19 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

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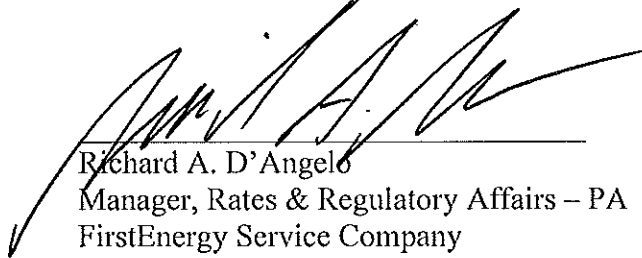
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Respectfully submitted,



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Dated: June 20, 2016

RATE SCHEDULES

RATE RS

Availability:

Available for Residential Service using the Company's standard, single phase service, to installations served through one meter for each family unit in a residence or apartment.

When service is used through the same meter for both residential and commercial purposes the General Service rate schedule shall apply.

This rate schedule is not available for commercial, institutional or industrial establishments.

Service:

Alternating current, 60 hertz, single phase, nominal voltage 120/240 or 120/208 as available.

Rate:

The net monthly charge per customer shall be:

Distribution:

\$10.85 per month (Customer Charge), plus

3.135¢ 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 Services Cost

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 O – Distribution System Improvement Charge

(C)

(C) Change

RATE SCHEUDLES

Rate GS (continued)

service territory that constitutes a separately metered location for electric delivery purposes. The use of the electric service by the Non-Profit Ambulance Service shall be used primarily to support its service. The Company may request and the Customer/Applicant shall provide all documentary and other evidence of its compliance with this provision.

Rate:

The net monthly charge per Customer shall be:

Distribution:

\$10.85 per month (Customer Charge), plus
3.135¢ 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
- 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 O – 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-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 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:

\$74.49 per month (Customer Charge), plus
\$3.35 per kW for all billed kW
\$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 O – Distribution System Improvement Charge (C)

(C) Change

RATE SCHEDULES

Rate GP (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 O – Distribution System Improvement Charge (C)

Default Service Charges:

For Customers receiving Default Service from the Company, Rider I – Hourly Pricing Service Default Service Rider rate applies.

Minimum Charge:

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

\$90.73 per month, plus 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.

(C) Change

RATE SCHEDULES

Rate PLS (continued)

When service cannot be supplied from facilities included above and additional facilities are required, the customer will in addition to the above charges pay the following distribution charge for each pole:

For each 30' or 35' pole, per month	\$7.24
For each 40' pole, per month	\$8.43

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 O – Distribution System Improvement Charge (C)

Default Service Charges:

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

(C) Change

RATE SCHEDULES

RATE SVD

STREET LIGHTING SERVICE; HIGH PRESSURE SODIUM VAPOR; DIVIDED OWNERSHIP

Availability:

Available to municipalities and other governmental agencies for lighting public streets, highways, bridges, parking lots, parks and similar public places.

Service:

The Company will furnish energy and maintenance only to those HPS street light units that are listed in the Company's approved material standards. Maintenance shall include lamp replacement, photo-cell replacement, and scheduled cleaning. Lighting units will operate from sunset to sunrise, each night of the year, approximately 4,070 hours of annual operation.

Rate:

Distribution Charge:

<u>Rating in Watts</u>	<u>Nominal Lumens</u>	<u>Average Monthly kWh</u>	<u>Distribution</u>
70	5,800	32	\$4.50
100	9,500	46	\$4.45
150	16,000	66	\$3.95
250	27,500	98	\$4.32
400	50,000	156	\$3.79

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 O – Distribution System Improvement Charge (C)

(C) Change

RATE SCHEDULES

RATE SM
 STREET LIGHTING SERVICE
 MERCURY VAPOR

Availability:

This provision is grandfathered to existing Customers currently utilizing this provision at existing locations and will be closed to all other Customers effective June 1, 2008.

Available to governmental units for lighting public streets, roads, and ways.

Service:

Company furnishes, operates, and maintains the street lighting system, except as noted under Special Terms and Conditions. Service shall extend from one-half hour after sunset until one-half hour before sunrise, each night of the year, approximating 4,070 hours of annual operation.

Rate:

<u>Rating in Watts</u>	<u>Type</u>	<u>Nominal Lumens</u>	<u>Average Monthly kWh</u>	<u>Distribution</u>
175	Overhead - Wood Pole	7,500	70	\$13.94
400	Overhead - Wood Pole	22,000	156	\$14.90

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 O – Distribution System Improvement Charge (C)

(C) Change

RIDERS

RIDER O
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 0.02% will apply consistent with the Commission Order dated June 9, 2016 at Docket No. P-2015-2508931, 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 Power 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 O (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 Power 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 GSDS over 69,000 volts and Rate Schedule GT over 69,000 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.