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E-File

March 20, 2018

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: PPL Electric Utilities Corporation
Calculation and Supplement No. 247 to Tariff
Electric PA. P.U.C. No. 201 for the
Smart Meter Rider – Phase 2
Docket No.**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is the Calculation and Supplement No. 244 to PPL Electric's Tariff – Electric Pa. P.U.C. No. 201 for the Smart Meter Rider-Phase 2 ("SMR 2"). This calculation of the SMR 2 for the period beginning April 1, 2018 through June 30, 2018 is being filed pursuant to the procedures set forth in PPL Electric's Tariff - Electric Pa. P.U.C. No. 201.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on March 20, 2018, which is the date it was submitted electronically via the Commission's E-Filing system.

If you have any questions regarding the enclosed filing, please call me or Scott R. Koch, PPL Electric's Regulatory Operations Supervisor at (610) 774-2070.

Very truly yours,


Kimberly A. Klock

Enclosures

Cc: Tanya J. McCloskey, Esquire - Email
R. Kanaskie, Esquire - Email
Ms. Lori Burger - Email
Mr. John R. Evans - Email

PPL ELECTRIC UTILITIES CORPORATION

**CALCULATION OF
Smart Meter Rider Phase 2**

**For the Application Period
April 1, 2018 through June 30, 2018**

Docket No.

March 20, 2018

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE 1 - COMPUTATION OF CUMULATIVE PROPOSED SMART METER RIDER PHASE 2
APPLICATION PERIOD: April 1, 2018 through June 30, 2018

<u>Line No.</u>		<u>Total</u>	<u>Residential</u>	<u>Small C&I</u>	<u>Large C&I</u>
	Smart Meter Rider Phase 2 Charge				
1	Applicable Plant (Schedule 2, Line 2, Column S)	\$251,978,030	\$188,529,962	\$55,057,200	\$8,390,868
	Less:				
2	Accumulated Depreciation (Schedule 2, Line 3, Column S)	\$30,739,100	\$22,998,995	\$6,716,493	\$1,023,612
3	Retirements (Schedule 2, Line 4, Column S)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	SMR 2 =Smart Meter Rider Phase 2 Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	\$221,238,930	\$165,530,967	\$48,340,707	\$7,367,256
	Less:				
5	Accumulated Deferred Income Taxes	(\$3,779,802)	(\$2,828,048)	(\$825,887)	(\$125,867)
6	Smart Meter Rider Phase 2 Rate Base (Line 4 + Line 5)	<u>\$217,459,128</u>	<u>\$162,702,919</u>	<u>\$47,514,820</u>	<u>\$7,241,389</u>
	Return on Investment applicable to SMR 2-eligible property (Schedule 3, Line 4)	1.83%	3,979,502	2,977,463	869,521
			132,517		
8	Income Taxes	29.17%	1,160,642	868,392	253,600
			38,649		
9	Operating Expenses (Schedule 5, Line 3, Column M, P, & Q)	2,773,099	2,074,833	605,922	92,344
10	Cost Savings (Schedule 6, Line 9, Column M, P, & Q)	(132,445)	(99,096)	(28,939)	(4,410)
11	State Flow-Through	(232,844)	(174,214)	(50,876)	(7,754)
12	Dep = Depreciation Expense (Schedule 2, Line 6, Column M, P, & Q)	7,066,193	5,286,926	1,543,963	235,304
	E=Experienced Net Over/(Under) Collections, excluding Interest (A)	(838,884)	(517,820)	(291,517)	(29,547)
14	Net Amount to be Recovered (includes Over/(Under) Collection) (w/o GRT) (Line 7 + Line 8 + Line 9 + Line 10 + Line 11 + Line 12 - Line 13)	<u>\$15,453,031</u>	<u>\$11,452,124</u>	<u>\$3,484,708</u>	<u>\$516,197</u>
15	Net Amount to be Recovered (includes Over/(Under) Collection) (w/ GRT) (Line 14 x Note 1)	<u>\$16,421,920</u>	<u>\$12,170,161</u>	<u>\$3,703,196</u>	<u>\$548,562</u>
16	Number of Customer Bills per Quarter		3,811,544	563,145	4,133
17	Rate (\$/customer) w/o GRT (Line 14 / Line 16)		<u>\$3.00</u>	<u>\$6.19</u>	<u>\$124.90</u>
18	Rate (\$/customer) w/ GRT (Line 15 / Line 16)		<u>\$3.19</u>	<u>\$6.58</u>	<u>\$132.73</u>

Note 1:

$$\frac{1}{(1 - T)} = (T = 5.9\% \text{ Gross Receipts Tax}) \quad 1.062699$$

(A) Includes SMR 2 Reconciliation filed on 01/31/2017 at Docket Number M-2017-2586741.

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE SMART METER RIDER PHASE 2 PLANT DATA by MONTH
 APPLICATION PERIOD: April 1, 2018 through June 30, 2018

Line No.	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
1	\$9,832,263	\$15,263,510	\$18,578,710	\$7,663,280	\$9,035,078	\$17,008,250	\$6,434,830
2	102,523,912	117,787,422	136,366,132	144,029,412	153,064,490	170,072,740	176,507,570
3	5,832,757	7,161,107	8,646,743	10,218,511	11,870,648	13,619,809	15,446,364
4	-	-	-	-	-	-	-
5	\$96,691,154	\$110,626,315	\$127,719,389	\$133,810,900	\$141,193,843	\$156,452,931	\$161,061,206
6	1,212,413	1,328,350	1,485,636	1,571,769	1,652,136	1,749,161	1,826,555

* May not foot due to rounding.

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE SMART METER RIDER PHASE 2 PLANT DATA by MONTH
 APPLICATION PERIOD: April 1, 2018 through June 30, 2018

Line No.	(I)	(J)	(K)	(L)	(M)	(N)	(O)
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total 2017	Total Thru 2017
1	\$10,085,241	\$14,151,213	\$10,196,034	\$4,537,574	\$8,606,739	\$131,392,723	\$224,084,371
2	186,592,810	200,744,023	210,940,058	215,477,632	224,084,371	131,392,723	224,084,371
3	17,352,458	19,349,272	21,481,452	23,672,907	25,940,289	21,319,944	25,940,289
4	-	-	-	-	-	-	-
5	\$169,240,352	\$181,394,752	\$189,458,606	\$191,804,725	\$198,144,083	\$110,072,779	\$198,144,083
6	1,906,095	1,996,813	2,132,180	2,191,455	2,267,382	21,319,944	25,940,289

SMR 2 = Smart Rider Meter Phase 2 Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4) *

Dep = Depreciation Expense (Schedule 4)

* May not foot due to rounding.

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE SMART METER RIDER PHASE 2 PLANT DATA by MONTH
 APPLICATION PERIOD: April 1, 2018 through June 30, 2018

Line No.	(P)	(Q)	(R)	(S)
	Jan-18	Feb-18	Total 2018	Total Thru 2018
1	\$15,633,943	\$12,259,715	\$27,893,658	\$251,978,030
2	239,718,314	251,978,030	\$27,893,658	251,978,030
Less:				
3	28,282,878	30,739,100	4,798,811	30,739,100
4	-	-	-	-
5	\$211,435,437	\$221,238,930	\$23,094,847	\$221,238,930
6	2,342,589	2,456,223	4,798,811	30,739,100

* May not foot due to rounding.

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE 3 - COMPUTATION OF PROPOSED SMART METER RIDER PHASE 2 RATE OF RETURN
APPLICATION PERIOD: April 1, 2018 through June 30, 2018

Line No.	(A) Description	(B) Capitalization Ratio	(C) Embedded Cost	(D) Rate of Return
1	Long-Term Debt	45.11%	4.57%	2.06%
4	Common Equity	54.89%	9.55%	5.24%
3	Total	<u>100.00%</u>		<u>7.30%</u>
4	7.30% Annual PTRR / 4 quarters = 1.83% Quarterly PTRR			

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 4 - COMPUTATION OF CUMULATIVE PROPOSED SMART METER RIDER PHASE 2
 PLANT AND RESERVE ACTIVITY

From Date: 12/1/2017 Gross Plant Total \$224,084,371.35 MTD Depr Exp \$2,267,382.25
 To Date 12/31/2017 Gross Reserve Total \$25,940,288.29
 Net Plant Total \$198,144,083.06

Plant Activity	Depreciation Group	Beginning Plant Balance	Additions	Retirements	Transfers To	Transfers From	Adjustments	Ending Plant Balance
303.6 - RF Mesh AMR Software		\$67,484,488.43	\$1,865,965.70	\$0.00	\$0.00	\$0.00	\$0.00	\$69,350,454.13
362.1 - Station Equipment-RF Mesh		\$2,068,160.18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,068,160.18
365.1 - Overhead Conductors-RF Mesh		\$645,367.73	\$3,604.61	\$0.00	\$0.00	\$0.00	\$0.00	\$648,972.34
370.5 - RF Mesh AMRs		\$128,011,515.69	\$6,356,171.53	\$0.00	\$0.00	\$0.00	\$0.00	\$134,367,687.22
391.1 - RF Mesh AMR Comp Equip		\$17,268,099.84	\$380,997.64	\$0.00	\$0.00	\$0.00	\$0.00	\$17,649,097.48
Total Assets		\$215,477,631.87	\$8,606,739.48	\$0.00	\$0.00	\$0.00	\$0.00	\$224,084,371.35

Reserve Activity	Depreciation Group	Beginning Reserve Balance	Depreciation Expense	Retirements	Transfers / Adjustments	Ending Reserve Balance
303.6 - RF Mesh AMR Software		\$14,637,899.96	\$1,242,379.04	\$0.00	\$0.00	\$15,880,279.00
362.1 - Station Equipment-RF Mesh		\$45,703.25	\$3,876.71	\$0.00	\$0.00	\$49,579.96
365.1 - Overhead Conductors-RF Mesh		\$12,449.38	\$1,318.70	\$0.00	\$0.00	\$13,768.08
370.5 - RF Mesh AMRs		\$5,643,257.78	\$728,831.16	\$0.00	\$0.00	\$6,372,088.94
391.1 - RF Mesh AMR Comp Equip		\$3,333,595.67	\$290,976.64	\$0.00	\$0.00	\$3,624,572.31
Total Reserve		\$23,672,906.04	\$2,267,382.25	\$0.00	\$0.00	\$25,940,288.29

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 4 - COMPUTATION OF CUMULATIVE PROPOSED SMART METER RIDER PHASE 2
 PLANT AND RESERVE ACTIVITY

From Date: 1/1/2018 Gross Plant Total \$239,718,314.36 MTD Depr Exp \$2,342,588.66
 To Date 1/31/2018 Gross Reserve Total \$28,282,876.95
 Net Plant Total \$211,435,437.41

Plant Activity	Beginning Plant Balance	Additions	Retirements	Transfers To	Transfers From	Adjustments	Ending Plant Balance
303.6 - RF Mesh AMR Software	\$69,350,454.13	\$879,975.95	\$0.00	\$0.00	\$0.00	\$0.00	\$70,230,430.08
362.1 - Station Equipment-RF Mesh	\$2,068,160.18	\$4,610,004.67	\$0.00	\$0.00	\$0.00	\$0.00	\$6,678,164.85
365.1 - Overhead Conductors-RF Mesh	\$648,972.34	\$173,384.77	\$0.00	\$0.00	\$0.00	\$0.00	\$822,357.11
370.5 - RF Mesh AMRs	\$134,367,687.22	\$8,410,915.18	\$0.00	\$0.00	\$0.00	\$0.00	\$142,778,602.40
391.1 - RF Mesh AMR Comp Equip	\$17,649,097.48	\$1,559,662.44	\$0.00	\$0.00	\$0.00	\$0.00	\$19,208,759.92
Total Assets	\$224,084,371.35	\$15,633,943.01	\$0.00	\$0.00	\$0.00	\$0.00	\$239,718,314.36

Reserve Activity	Beginning Reserve Balance	Depreciation Expense	Retirements	Transfers / Adjustments	Ending Reserve Balance
303.6 - RF Mesh AMR Software	\$15,880,279.00	\$1,255,801.05	\$0.00	\$0.00	\$17,136,080.05
362.1 - Station Equipment-RF Mesh	\$49,579.96	\$8,289.41	\$0.00	\$0.00	\$57,869.37
365.1 - Overhead Conductors-RF Mesh	\$13,768.08	\$1,498.55	\$0.00	\$0.00	\$15,266.63
370.5 - RF Mesh AMRs	\$6,372,088.94	\$769,850.84	\$0.00	\$0.00	\$7,141,939.78
391.1 - RF Mesh AMR Comp Equip	\$3,624,572.31	\$307,148.81	\$0.00	\$0.00	\$3,931,721.12
Total Reserve	\$25,940,288.29	\$2,342,588.66	\$0.00	\$0.00	\$28,282,876.95

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 4 - COMPUTATION OF CUMULATIVE PROPOSED SMART METER RIDER PHASE 2
 PLANT AND RESERVE ACTIVITY

From Date: 2/1/2018 Gross Plant Total \$251,978,029.82 MTD Depr Exp \$2,456,222.56
 To Date 2/28/2018 Gross Reserve Total \$30,739,099.51
 Net Plant Total \$221,238,930.31

Plant Activity	Depreciation Group	Beginning Plant Balance	Additions	Retirements	Transfers To	Transfers From	Adjustments	Ending Plant Balance
303.6 - RF Mesh AMR Software		\$70,230,430.08	\$1,135,218.80	\$0.00	\$0.00	\$0.00	\$0.00	\$71,365,648.88
362.1 - Station Equipment-RF Mesh		\$6,678,164.85	\$204,713.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,882,877.85
365.1 - Overhead Conductors-RF Mesh		\$822,357.11	\$49,132.04	\$0.00	\$0.00	\$0.00	\$0.00	\$871,489.15
370.5 - RF Mesh AMRs		\$142,778,602.40	\$10,334,444.64	\$0.00	\$0.00	\$0.00	\$0.00	\$153,113,047.04
391.1 - RF Mesh AMR Comp Equip		\$19,208,759.92	\$536,206.98	\$0.00	\$0.00	\$0.00	\$0.00	\$19,744,966.90
Total Assets		\$239,718,314.36	\$12,259,715.46	\$0.00	\$0.00	\$0.00	\$0.00	\$251,978,029.82

Reserve Activity	Depreciation Group	Beginning Reserve Balance	Depreciation Expense	Retirements	Transfers / Adjustments	Ending Reserve Balance
303.6 - RF Mesh AMR Software		\$17,136,080.05	\$1,297,424.43	\$0.00	\$0.00	\$18,433,504.48
362.1 - Station Equipment-RF Mesh		\$57,869.37	\$10,867.81	\$0.00	\$0.00	\$68,737.18
365.1 - Overhead Conductors-RF Mesh		\$15,266.63	\$1,394.64	\$0.00	\$0.00	\$16,661.27
370.5 - RF Mesh AMRs		\$7,141,939.78	\$821,921.29	\$0.00	\$0.00	\$7,963,861.07
391.1 - RF Mesh AMR Comp Equip		\$3,931,721.12	\$324,614.39	\$0.00	\$0.00	\$4,256,335.51
Total Reserve		\$28,282,876.95	\$2,456,222.56	\$0.00	\$0.00	\$30,739,099.51

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 5 - COMPUTATION OF PROPOSED SMART METER RIDER PHASE 2 OPERATING EXPENSES by MONTH
 APPLICATION PERIOD: April 1, 2018 through June 30, 2018

Line No.	(E)	(C)	(D)	(E)	(F)	(G)	(H)
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
1		\$63,576	\$63,576	\$63,576	\$63,576	\$63,576	\$63,576
2		314,961	405,505	315,685	448,521	595,651	808,480
3		\$378,537	\$469,080	\$379,261	\$512,096	\$659,226	\$872,055
							\$688,810

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 5 - COMPUTATION OF PROPOSED SMART METER RIDER PHASE 2 OPERATING EXPENSES by MONTH
 APPLICATION PERIOD: April 1, 2018 through June 30, 2018

Line No.	(I)	(J)	(K)	(L)	(M)	(N)	(O)
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total 2017	Total Thru 2017
1	\$63,576	\$63,576	\$63,576	\$63,576	\$63,576	\$762,908	\$1,970,846
2	832,777	846,719	831,120	1,093,638	1,030,493	\$8,148,785	\$12,129,538
3	\$896,352	\$910,295	\$894,696	\$1,157,214	\$1,094,069	\$8,911,693	\$14,100,384

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 5 - COMPUTATION OF PROPOSED SMART METER RIDER PHASE 2 OPERATING EXPENSES BY MONTH
 APPLICATION PERIOD: April 1, 2018 through June 30, 2018

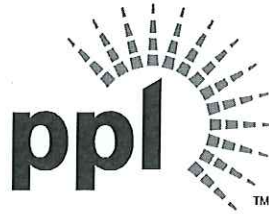
Line No.	(P)	(Q)	(R)	(S)
	Jan-18	Feb-18	Total 2018	Total Thru 2018
1	\$63,576	\$63,576	\$127,151	\$2,097,998
2	805,989	745,879	1,551,878	13,681,416
3	<u>\$869,575</u>	<u>\$809,455</u>	<u>\$1,679,030</u>	<u>\$15,779,414</u>

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 6 - COMPUTATION OF PROPOSED SMART METER RIDER PHASE 2 COST SAVINGS by MONTH
 APPLICATION PERIOD: April 1, 2018 through June 30, 2018

Line No.	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17
(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
1 Meter Reading	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Meter Services	0	0	6,753	19,644	40,120	40,184	52,999	
3 Back Office	0	0	0	0	0	0	0	
4 Contact Center	0	0	0	0	0	0	0	
5 Theft Reduction	0	0	0	0	0	0	0	
6 Revenue Enhancement	0	0	0	0	0	0	0	
7 Avoided Capital Costs	0	0	0	0	0	0	0	
8 Distribution Operations	0	0	0	0	0	0	0	
9 Total Cost Savings (Line 1 through Line 8)	\$0	\$0	\$6,753	\$19,644	\$40,120	\$40,184	\$52,999	

PFL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 6 - COMPUTATION OF PROPOSED SMART METER RIDER PHASE 2 COST SAVINGS BY MONTH
 APPLICATION PERIOD: April 1, 2018 through June 30, 2018

Line No.	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
	Sep-17	Oct-17	Nov-17	Dec-17	Total 2017	Total Thru 2017	Jan-18	Feb-18	Total 2018	Total Thru 2018
1 Meter Reading	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Meter Services	61,424	65,410	67,714	44,052	398,301	398,301	46,467	41,827	88,393	486,694
3 Back Office	0	0	0	0	0	0	0	0	0	0
4 Contact Center	0	0	0	0	0	0	0	0	0	0
5 Theft Reclamation	0	0	0	0	0	0	0	0	0	0
6 Revenue Enhancement	0	0	0	0	0	0	0	0	0	0
7 Avoided Capital Costs	0	0	0	0	0	0	0	0	0	0
8 Distribution Operations	0	0	0	0	0	0	0	0	0	0
9 Total Cost Savings (Line 1 through Line 8)	\$61,424	\$65,410	\$67,714	\$44,052	\$398,301	\$398,301	\$46,467	\$41,827	\$88,393	\$486,694



PPL Electric Utilities Corporation

GENERAL TARIFF

**RULES AND RATE SCHEDULES
FOR ELECTRIC SERVICE**

In the territory listed on pages 4, 4A, and 4B
and in the adjacent territory served.

ISSUED: March 20, 2018

EFFECTIVE: April 1, 2018

GREGORY N. DUDKIN, PRESIDENT

Two North Ninth Street
Allentown, PA 18101-1179

NOTICE

THIS TARIFF MAKES CHANGES (C) IN EXISTING RATES. SEE PAGE TWO.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Smart Meter Rider – Phase 2 (SMR 2)
Page No. 19Z.14C

The charges under the SMR 2 are set forth for the period April 1, 2018 through June 30, 2018.

Rate Schedules RS, RTS(R), GS-1, and
GS-3
Page Nos. 20, 21, 24A, and 25A

Under Net Monthly Rate, the Distribution Charge, effective April 1, 2018, is revised in accordance with the SMR 2 changes.

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RTS(R) - Residential Service - Thermal Storage -----	21 21A	Seventy-First Twenty-First
GS-1 - Small General Service - Sec. Voltage -----	24 24A 24B	Twenty-Eighth Sixty-Fifth Twenty-Third
GS-3 - Large General Service - Sec. Voltage -----	25 25A 25B	Twenty-Seventh Sixty-First Twenty-Fourth
LP-4 - Large General Service - 12 KV -----	27 27A	Twenty-Fifth Seventeenth
LP-5 - Large General Service - 69 KV or Higher -----	28 28A	Twenty-Fifth Fifteenth
LPEP - Power Service to Electric Propulsion -----	29 29A	Twenty-Sixth Eighteenth
IS-1(R) - Interruptible Service - Greenhouses- Page Intentionally Left Blank ----- Page Intentionally Left Blank -----	30 30.1	Twenty-Second Nineteenth

(Continued)

SMART METER RIDER - PHASE 2 (CONTINUED)

Es = Net over or undercollection of the SMR 2 charges as of the end of the 12-month period ending December 31 of each year. Reconciliation of the SMR 2 will be conducted separately for each of the three customer classes based upon the annual revenue received compared to the actual SMP costs. Interest shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with Loan Interest and Protection Law (41 P.S. §§ 101, *et. seq.*) from the month the over or undercollection occurs to the effective month that the overcollection is refunded or the undercollection is recouped.

T = The total Pennsylvania gross receipts tax rate in effect during the billing period, expressed in decimal form.

The SMR 2 shall be filed with the Pennsylvania Public Utility Commission (Commission) and served upon the Commission’s Bureau of Investigation and Enforcement, the Bureau of Auditing, 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. The changes in the SMR 2 rate will occur as follows:

(C)

<u>Effective Date of Change</u>	<u>Date to which SMR 2 - Eligible Costs Reflected</u>
October 1, 2017	June 1 – August 31, 2017
January 1, 2018	September 1 – November 30, 2017
April 1, 2018	December 1, 2017 – February 28, 2018
July 1, 2018	March 1 – May 31, 2018

Minimum bills shall not be reduced by reason of the SMR 2, nor shall charges hereunder be a part of the monthly rate schedule minimum. The SMR 2 shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under this Rider.

The Company shall file a report of collections under the SMR 2 within thirty (30) days following the conclusion of each computation-year quarter. These reports will be in a form prescribed by the Commission.

Application of the SMR 2 shall be subject to review and audit by the Commission at intervals it shall determine. The Commission shall review the level of charges produced by the SMR 2 and the costs included therein.

(Continued)

SMART METER RIDER - PHASE 2 (CONTINUED)

SMART METER RIDER - PHASE 2 CHARGES

Charges under the SMR 2 for the period April 1, 2018 through June 30, 2018, as set forth **(C)** in the applicable Rate Schedules.

Customer Class	Large C&I	Small C&I	Residential
Rate Schedule / Charge	LP-4, LP-5, LPEP, and L5S	GS-1, GS-3, BL, and GH-2 (R)	RS and RTS (R)
	\$132.73/Bill (I)	\$6.58/Bill (I)	\$3.19/Bill (I)

**RATE SCHEDULE RS
RESIDENTIAL SERVICE**

(C)

APPLICATION RATE SCHEDULE RS

This Rate Schedule is for single phase residential service in accordance with the APPLICATION PROVISIONS hereof. The Multiple Dwelling Unit Application is restricted to eight or less dwelling units for applications after August 26, 1976, and further to buildings converted to multiple dwelling units for applications after June 28, 1980. Separate Water Heating Service is available only to service locations served under this application on and continuously after April 26, 1985.

NET MONTHLY RATE

Distribution Charge

Effective: April 1, 2018

(C)

\$17.34 per month (Customer Charge, includes SMR2 and CER) plus
4.294 cents per KWH (Includes ACR 3, USR, and SDER)

(I)

Transmission Service Charge

The Transmission Service Charge included in this Tariff applies to all KW and kWh billed under this Rate Schedule.

Generation Supply Charge -1

The Generation Supply Charge -1 included in this tariff applies to all KWH billed under this rate Schedule.

MINIMUM CHARGE

The Minimum Distribution Charge is the Customer Charge.

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

MULTIPLE DWELLING UNIT APPLICATION

When multiple dwelling units are supplied through one meter, the per day charge and the KWH block charges of the Distribution Charge rate, plus for customers who receive Basic Utility Supply Service from the Company, Generation Supply Charge-1 rates are multiplied by the number of dwelling units in the determination of the net monthly bill under this Rate Schedule. Demand billing does not apply under this provision.

(Continued)

RATE SCHEDULE RTS (R)

(C)

RESIDENTIAL SERVICE - THERMAL STORAGE

Applications for service under this Rate Schedule for new service locations will be accepted only until December 31, 1995. Service will be provided to existing service locations supplied hereunder through the life of the existing thermal storage units.

APPLICATION RATE SCHEDULE RTS (R)

This Rate Schedule is for single phase residential service in accordance with load management capabilities in accordance with the APPLICATION PROVISIONS hereof.

NET MONTHLY RATE

Distribution Charge

Effective: April 1, 2018

(C)

\$21.31 per month (Customer Charge, includes SMR 2 and CER) plus
3.127 cents per KWH (Includes ACR 3, USR, and SDER)

(I)

Transmission Service Charge

The Transmission Service Charge included in this Tariff applies to all KW and KWH billed under this Rate Schedule.

Generation Supply Charge -1

The Generation Supply Charge -1 included in this Tariff applies to all KWH billed under this Rate Schedule.

MINIMUM CHARGE

The Minimum Distribution Charge is Customer Charge.

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)

(C)

SPACE CONDITIONING AND WATER HEATING

When storage space conditioning and/or water heating is supplied exclusively through a separate meter, service is billed separately at the Customer Charge and KW charges at the Distribution Charge rate. For customers who receive Basic Utility Supply Service from the Company, the Generation Supply Charge-1 or applies. The Monthly Minimum applies to this service. No new applications will be accepted after January 1, 2000.

**SERVICE TO VOLUNTEER FIRE COMPANIES, NON-PROFIT SENIOR CITIZEN CENTERS,
NON-PROFIT RESCUE SQUADS, AND NON-PROFIT AMBULANCE SERVICES**

Upon application and acceptance by the Company, Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-profit Ambulance Services may, for a minimum one year period, elect to have electric service rendered pursuant to the following charges.

Distribution Charge

Effective: April 1, 2018

(C)

\$17.34 per month (Customer Charge includes SMR 2 and CER) plus
4.294 cents per KWH (Includes ACR 3, USR, and SDER)

(I)

VOLUNTEER FIRE COMPANY is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular fire fighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The use of electric service by the customer of record at this location shall be to support the activities of the volunteer fire company.

NON-PROFIT SENIOR CITIZEN CENTER is defined as a separately metered service location consisting of a facility for the use of senior citizens coming together as individuals or groups where access to a wide range of service to senior citizens is provided, which is qualified by the Internal Revenue Service (IRS) as non-profit and recognized by the Pennsylvania Department of Aging as an operator of a senior citizen center. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit senior citizen center.

NON-PROFIT RESCUE SQUAD is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular rescue equipment, or a facility that is qualified by the IRS as non-profit and recognized by PEMA and the Departments of Health as a provider of rescue services. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit rescue squad.

(Continued)

RATE SCHEDULE GS-3 (CONTINUED)

(C)

SPACE CONDITIONING AND WATER HEATING

When storage space conditioning and/or water heating is supplied exclusively through a separate meter, service is billed separately at the Customer Charge and KW charges at the Distribution Charge rate. For customers who receive Basic Utility Supply Service from the Company, the Generation Supply Charge -1 or Generation Supply Charge - 2 applies. The Monthly Minimum applies to this service. No new applications will be accepted after January 1, 2000.

**SERVICE TO VOLUNTEER FIRE COMPANIES NON-PROFIT SENIOR CITIZEN CENTERS
NON-PROFIT RESCUE SQUADS, AND NON-PROFIT AMBULANCE SERVICES**

Upon application and acceptance by the Company, Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services may for a minimum one-year period, elect to have electric service rendered pursuant to the following charges.

Distribution Charge

Effective: April 1, 2018

(C)

\$17.34 per month (Customer Charge includes SMR2 and CER) plus
4.294 cents per KWH (Includes ACR 3, USR, and SDER)

(I)

VOLUNTEER FIRE COMPANY is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular fire fighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The use of electric service by the customer of record at this location shall be to support the activities of the volunteer fire company.

NON-PROFIT SENIOR CITIZEN CENTER is defined as a separately metered service location consisting of a facility for the use of senior citizens coming together as individuals or groups where access to a wide range of service to senior citizens is provided, which is qualified by the Internal Revenue Service (IRS) as non-profit and recognized by the Pennsylvania Department of Aging as an operator of a senior citizen center. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit senior citizen center.

NON-PROFIT RESCUE SQUAD is defined as a separately metered service location consisting of a building, sirens, a garage for housing vehicular rescue equipment, or a facility that is qualified by the IRS as non-profit and recognized by PEMA and the Departments of Health as a provider of rescue services. The use of electric service by the customer of record at this location shall be to support the activities of the non-profit rescue squad.

(Continued)