

April 27, 2018

VIA e-FILING

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

Re: Petition of Metropolitan Edison Company for Approval of a Distribution System Improvement Charge, Docket No. P-2015-2508942

Dear Secretary Chiavetta:

Enclosed for filing at the above-referenced docket is the tariff supplement relating to the Petition of Metropolitan Edison Company for Approval of a Distribution System Improvement Charge, Docket No. P-2015-2508942, dated April 19, 2018 to be effective April 30, 2018.

If you have any questions regarding the enclosed document, please feel free to contact the undersigned.

Sincerely,



Charles V. Fullem
Director of Rates & Regulatory Affairs-PA
610-921-6525

Enclosure

c: Per Certificate of Service
Paul T. Diskin, Bureau of Technical Utility Services
Lori Burger, Bureau of Audits

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF METROPOLITAN EDISON :
COMPANY FOR APPROVAL TO : **Docket No. P-2015-2508942**
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 foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54:

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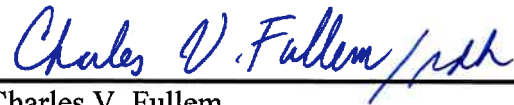
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Respectfully submitted:



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Dated: April 27, 2018

METROPOLITAN EDISON COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 8 - 10 of this Tariff**

In accordance with Commission Order at Docket No. M-2018-2641242 adopted and entered on March 15, 2018, the current rates and riders in this tariff are declared to be temporary rates pursuant to Section 1310 (d) of the Public Utility Code, 66 Pa.C.S. § 1310(d) for a trial period ending September 15, 2018.

Issued: April 27, 2018

Effective: April 30, 2018

**By: Samuel L. Belcher, President
Reading, Pennsylvania**

NOTICE

Supplement No. 50 makes changes to Rider R.
See Forty-Seventh Revised Page No. 2.

LIST OF MODIFICATIONS

Riders

Rider R – Distribution System Improvement Charge (DSIC) – The DSIC Rider has been changed (See Fourth Revised Page 175 and Second Revised Page 178).

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 (C)
consistent with the Commission Orders entered June 9, 2016, and April 19, 2018, at Docket
No. P-2015-2508942, approving the Distribution System Improvement Charge (“DSIC”).

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 Metropolitan Edison 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.

(C) Change

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 or the Company may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. 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, or in the next quarter if permitted by the Commission. 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. The Company is not permitted to accrue interest on under collections.
- 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 Metropolitan Edison 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 April 30, 2018, the DSIC shall be applied equally to all (C) customer classes except Rate Schedule TP served at Transmission Voltage.

(C) Change