
Devin Ryan
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File #: 182143

January 4, 2021

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Joint Petition for Consolidation of Proceedings and Approval of the Phase IV Energy Efficiency and Conservation Plan of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company - Docket Nos. M-2020-3020820, M-2020-3020821, M-2020-3020822, M-2020-3020823

Dear Secretary Chiavetta:

On November 30, 2020, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively, "Companies") filed the above-captioned Joint Petition, which included copies of the Companies' written direct testimony and exhibits. FirstEnergy recently found that Met-Ed/Penelec/Penn Power/West Penn Exhibits AJW-1 through AJW-5 were inadvertently omitted from the Companies' filing.

Accordingly, enclosed are copies of Met-Ed/Penelec/Penn Power/West Penn Exhibits AJW-1 through AJW-5 for filing in the above-referenced proceeding.

Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DR/jl
Enclosures

Rosemary Chiavetta, Secretary
January 4, 2021
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cc: Honorable Mark A. Hoyer
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL

Erin K. Fure
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CAAP

Date: January 4, 2021



Devin T. Ryan

RIDER F
PHASE IV ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER

An Energy Efficiency and Conservation (“EEC”) Charge (“Phase IV EE&C-C”) shall be applied to each Billing Unit during a billing month to Customers served under this Tariff, with the exception of those served under Borderline Service rates. Billing Units are defined as follows:

Residential, Commercial, and
Street Lighting Customer Classes: Per kWh

Industrial Customer Class: Per kW PLC

Residential, Commercial, and Street Lighting Customer Class rates will be calculated to the nearest one-thousandth of a cent per kWh. Industrial Customer Class rates will be calculated to the nearest one-hundredth of a dollar per kW PLC. The Phase IV EE&C-C rates shall be calculated separately for each customer class according to the provisions of this rider.

For service rendered June 1, 2021 through May 31, 2022 the Phase IV EE&C-C rates billed by Customer Class are as follows:

Residential Customer Class (Rate RS):

0.118 cents per kWh.

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate GS – Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate, Rate MS and Outdoor Area Lighting Service):

0.136 cents per kWh.

Street Lighting Customer Class (Street Lighting Service, Ornamental Street Lighting Service, and LED Street Lighting Service):

(0.104) cents per kWh.

Industrial Customer Class (Rate GS-Large, Rate GP, and Rate TP):

\$ 0.49 per kW PLC.

RIDERS

Rider F (continued)

The Phase IV EE&C-C rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$EE\&C-C = [(EEC_C - E - E^2) / S] \times [1 / (1 - T)]$$

$$EEC_C = EEC_{Exp1} + EEC_{Exp2} + EEC_{Exp3} \text{Where:}$$

$EE\&C-C =$ The charge in cents or dollar per Billing Unit by Customer Class as defined by this rider applied to each Billing Unit for the Rate Schedules identified in this rider.

$EEC_C =$ The Energy Efficiency and Conservation Costs by Customer Class incurred and projected to be incurred by the Company for the EE&C-C Computational Period calculated in accordance with the formula shown above.

$EEC_{Exp1} =$ Costs incurred and projected to be incurred associated with the Customer Class specific Phase IV EE&C Programs as approved by the Commission for the Phase IV EE&C-C Computational Period by Customer Class. These costs also include an allocated portion of any indirect costs incurred associated with all the Company's Phase IV EE&C Programs for the Phase IV EE&C-C Computational Period. EEC_{Exp1} costs will be offset by a credit for any PJM capacity market revenues (net of the costs associated with auction participation and including replacing capacity charges), capacity deficiency charges and any unavoidable PJM charges. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

$EEC_{Exp2} =$ An allocated portion of incremental administrative start-up costs incurred by the Company through May 31, 2021 in connection with the development of the Company's Phase IV EE&C Programs in response to the Commission's order and guidance at Docket No. M-2020-3015228. These costs to design, create, and obtain Commission approval for the Company's Phase IV EE&C Programs include, but are not limited to, consultant costs, legal fees, and other direct and indirect costs associated with the development and implementation of the Company's Phase IV EE&C Programs in compliance with Commission directives. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

RIDERS

Rider F (continued)

- EEC_{Exp3} = An allocated portion of the costs the Company incurs and projects to incur to fund the Commission's statewide evaluator contract which shall be excluded in the final determination of the Act 129 limitation on the Company's Phase IV EE&C Program costs. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.
- E = The cumulative over or under-collection of Phase IV EE&C costs by Customer Class that results from the billing of the Phase IV EE&C-C rates (an over- collection is denoted by a positive E and an under-collection by a negative E).
- E^2 = Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates through March 31, 2021 (an over- collection is denoted by a positive E and an under-collection by a negative E), and any expenses to finalize any measures installed and commercially operable on or before May 31, 2021; expenses to finalize any contracts; other Phase III administrative obligations; and any remaining Phase III EE&C revenues after March 31, 2021.
- S = The Company's projected Billing Units (kWh sales delivered to all Customers in the specific customer class or kW PLC demand for the Industrial Customer Class).
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this rider shall have the definitions specified in the Definitions of Terms section of this Tariff. For the purpose of this rider, the following additional definitions shall apply:

RIDERS

Rider F (continued)

1. Phase IV EE&C-C Computational Period – The 12-month period from June 1 through May 31.
2. Phase IV EE&C-C Initial Reconciliation Period – June 1, 2021 through March 31, 2022 for the initial period of the rider.
3. Phase IV EE&C-C Reconciliation Period – The 12-month period ending March 31 each year thereafter, except for the Initial Reconciliation Period, for the duration of this rider.
4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Phase III EE&C – The energy efficiency plan that terminates on May 31, 2021. Revenues and EE&C Costs will continue to accrue past the termination date. A final reconciliation of the remaining balance will be included in the June 1, 2022 Phase IV EE&C-C rate calculation as a separate line item.

The Company will submit to the Commission by May 1 of each year starting May 1, 2022: (1) a reconciliation between actual Phase IV EE&C-C revenues and actual Phase IV EE&C-C costs for the Phase IV EE&C-C Reconciliation Period, except for the Phase IV EE&C-C Initial Reconciliation Period, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase IV EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) the Phase IV EE&C program cost estimate for the forthcoming Phase IV EE&C-C Computational Period by Customer Class; and (4) Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates and remaining Phase III EEC costs. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2026.

Upon determination that the Phase IV EE&C-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred by customer class, the Company may request that the Commission approve one or more interim revisions to the Phase IV EE&C-C rates to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

The Company shall file an annual report of collections under this rider by April 30th of each year starting April 30, 2022 until the conclusion of this rider.

At the conclusion of the duration of this rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the Phase IV EE&C-C rates shall be subject to annual review and audit by the Commission.

RIDER F
PHASE IV ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER

An Energy Efficiency and Conservation (“EEC”) Charge (“Phase IV EE&C-C”) shall be applied to each Billing Unit during a billing month to Customers served under this Tariff, with the exception of those served under Borderline Service rates. Billing Units are defined as follows:

Residential, Commercial, and
Street Lighting Customer Classes: Per kWh

Industrial Customer Class: Per kW PLC

Residential, Commercial, and Street Lighting Customer Class rates will be calculated to the nearest one-thousandth of a cent per kWh. Industrial Customer Class rates will be calculated to the nearest one-hundredth of a dollar per kW PLC. The Phase IV EE&C-C rates shall be calculated separately for each customer class according to the provisions of this rider.

For service rendered June 1, 2021 through May 31, 2022 the Phase IV EE&C-C rates billed by Customer Class are as follows:

Residential Customer Class (Rate RS):

0.111 cents per kWh.

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate GS – Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate, Rate H and Outdoor Area Lighting Service):

0.149 cents per kWh.

Street Lighting Customer Class (High Pressure Sodium Vapor Street Lighting Service, Municipal Street Lighting Service, and LED Street Lighting Service):

(0.145) cents per kWh.

Industrial Customer Class (Rate GS-Large, Rate GP, and Rate LP):

\$ 0.38 per kW PLC.

RIDERS

Rider F (continued)

The Phase IV EE&C-C rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$EE\&C-C = [(EEC_C - E - E^2) / S] \times [1 / (1 - T)]$$

$$EEC_C = EEC_{Exp1} + EEC_{Exp2} + EEC_{Exp3}$$

Where:

EE&C-C = The charge in cents or dollar per Billing Unit by Customer Class as defined by this rider applied to each Billing Unit for the Rate Schedules identified in this rider.

EEC_C = The Energy Efficiency and Conservation Costs by Customer Class incurred and projected to be incurred by the Company for the EE&C-C Computational Period calculated in accordance with the formula shown above.

EEC_{Exp1} = Costs incurred and projected to be incurred associated with the Customer Class specific Phase IV EE&C Programs as approved by the Commission for the Phase IV EE&C-C Computational Period by Customer Class. These costs also include an allocated portion of any indirect costs incurred associated with all the Company's Phase IV EE&C Programs for the Phase IV EE&C-C Computational Period. EEC_{Exp1} costs will be offset by a credit for any PJM capacity market revenues (net of the costs associated with auction participation and including replacing capacity charges), capacity deficiency charges and any unavoidable PJM charges. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

EEC_{Exp2} = An allocated portion of incremental administrative start-up costs incurred by the Company through May 31, 2021 in connection with the development of the Company's Phase IV EE&C Programs in response to the Commission's order and guidance at Docket No. M-2020-3015228. These costs to design, create, and obtain Commission approval for the Company's Phase IV EE&C Programs include, but are not limited to, consultant costs, legal fees, and other direct and indirect costs associated with the development and implementation of the Company's Phase IV EE&C Programs in compliance with Commission directives. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

RIDERS

Rider F (continued)

- $EEC_{Exp3} =$ An allocated portion of the costs the Company incurs and projects to incur to fund the Commission's statewide evaluator contract which shall be excluded in the final determination of the Act 129 limitation on the Company's Phase IV EE&C Programs costs. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.
- $E =$ The cumulative over or under-collection of Phase IV EE&C costs by Customer Class that results from the billing of the Phase IV EE&C-C rates (an over- collection is denoted by a positive E and an under-collection by a negative E).
- $E^2 =$ Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates through March 31, 2021 (an over- collection is denoted by a positive E and an under-collection by a negative E), and any expenses to finalize any measures installed and commercially operable on or before May 31, 2021; expenses to finalize any contracts; other Phase III administrative obligations; and any remaining Phase III EE&C revenues after March 31, 2021.
- $S =$ The Company's projected Billing Units (kWh sales delivered to all Customers in the specific customer class or kW PLC demand for the Industrial Customer Class).
- $T =$ The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

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RIDERS

Rider F (continued)

1. Phase IV EE&C-C Computational Period – The 12-month period from June 1 through May 31.
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4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Phase III EE&C – The energy efficiency plan that terminates on May 31, 2021. Revenues and EE&C Costs will continue to accrue past the termination date. A final reconciliation of the remaining balance will be included in the June 1, 2022 Phase IV EE&C-C rate calculation as a separate line item.

The Company will submit to the Commission by May 1 of each year starting May 1, 2022: (1) a reconciliation between actual Phase IV EE&C-C revenues and actual Phase IV EE&C-C costs for the Phase IV EE&C-C Reconciliation Period, except for the Phase IV EE&C-C Initial Reconciliation Period, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase IV EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) the Phase IV EE&C program cost estimate for the forthcoming Phase IV EE&C-C Computational Period by Customer Class; and (4) Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates and remaining Phase III EEC costs. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2026.

Upon determination that the Phase IV EE&C-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred by customer class, the Company may request that the Commission approve one or more interim revisions to the Phase IV EE&C-C rates to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

The Company shall file an annual report of collections under this rider by April 30th of each year starting April 30, 2022 until the conclusion of this rider.

At the conclusion of the duration of this rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the Phase IV EE&C-C rates shall be subject to annual review and audit by the Commission.

RIDER F

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An Energy Efficiency and Conservation (“EEC”) Charge (“Phase IV EE&C-C”) shall be applied to each Billing Unit during a billing month to Customers served under this Tariff. Billing Units are defined as follows:

Residential, Commercial, and
Street Lighting Customer Classes: Per kWh

Industrial Customer Class: Per kW PLC

Residential, Commercial, and Street Lighting Customer Class rates will be calculated to the nearest one-thousandth of a cent per kWh. Industrial Customer Class rates will be calculated to the nearest one-hundredth of a dollar per kW PLC. The Phase IV EE&C-C rates shall be calculated separately for each customer class according to the provisions of this rider.

For service rendered June 1, 2021 through May 31, 2022 the Phase IV EE&C-C rates billed by Customer Class are as follows:

Residential Customer Class (Rate Schedule RS):

0.142 cents per kWh.

Commercial Customer Class (Rate GS; GS Special Rule GSDS, Rate GM; Rate PLS; GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads and Non-Profit Ambulance Services; and Rate PNP):

0.171 cents per kWh.

Street Lighting Customer Class (Rate SV; Rate SVD; and Rate LED):

(0.694) cents per kWh.

Industrial Customer Class (Rate GS-Large, Rate GP, and Rate GT):

\$ 0.31 per kW PLC.

RIDERS

Rider F (continued)

The Phase IV EE&C-C rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$EE\&C-C = [(EEC_C - E - E^2) / S] \times [1 / (1 - T)]$$

$$EEC_C = EEC_{Exp1} + EEC_{Exp2} + EEC_{Exp3}$$

Where:

- EE&C-C = The charge in cents or dollar per Billing Unit by Customer Class as defined by this rider applied to each Billing Unit for the Rate Schedules identified in this rider.
- EEC_C = The Energy Efficiency and Conservation Costs by Customer Class incurred and projected to be incurred by the Company for the Phase IV EE&C-C Computational Period calculated in accordance with the formula shown above.
- EEC_{Exp1} = Costs incurred and projected to be incurred associated with the Customer Class specific Phase IV EE&C Programs as approved by the Commission for the Phase IV EE&C-C Computational Period by Customer Class. These costs also include an allocated portion of any indirect costs incurred associated with all the Company's Phase IV EE&C Programs for the Phase IV EE&C-C Computational Period. EEC_{Exp1} costs will be offset by a credit for any PJM capacity market revenues (net of the costs associated with auction participation and including replacing capacity charges), capacity deficiency charges and any unavoidable PJM charges. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.
- EEC_{Exp2} = An allocated portion of incremental administrative start-up costs incurred by the Company through May 31, 2021 in connection with the development of the Company's Phase IV EE&C Programs in response to the Commission's order and guidance at Docket No. M-2020-3015228. These costs to design, create, and obtain Commission approval for the Company's Phase IV EE&C Programs include, but are not limited to, consultant costs, legal fees, and other direct and indirect costs associated with the development and implementation of the Company's Phase IV EE&C Programs in compliance with Commission directives. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

RIDERS

Rider F (continued)

- EEC_{Exp3} = An allocated portion of the costs the Company incurs and projects to incur to fund the Commission's statewide evaluator contract which shall be excluded in the final determination of the Act 129 limitation on the Company's Phase IV EE&C Programs costs. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.
- E = The cumulative over or under-collection of Phase IV EE&C costs by Customer Class that results from the billing of the Phase IV EE&C-C rates (an over-collection is denoted by a positive E and an under-collection by a negative E).
- E^2 = Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates through March 31, 2021 (an over-collection is denoted by a positive E and an under-collection by a negative E), and any expenses to finalize any measures installed and commercially operable on or before May 31, 2021; expenses to finalize any contracts; other Phase III administrative obligations; and any remaining Phase III EE&C revenues after March 31, 2021.
- S = The Company's projected Billing Units (kWh sales delivered to all Customers in the specific customer class or kW PLC demand for the Industrial Customer Class).
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this rider shall have the definitions specified in the Definitions of Terms section of this Tariff. For the purpose of this rider, the following additional definitions shall apply:

RIDERS

Rider F (continued)

1. Phase IV EE&C-C Computational Period – The 12-month period from June 1 through May 31.
2. Phase IV EE&C-C Initial Reconciliation Period – June 1, 2021 through March 31, 2022 for the initial period of the rider.
3. Phase IV EE&C-C Reconciliation Period – The 12-month period ending March 31 each year thereafter, except for the Initial Reconciliation Period, for the duration of this rider.
4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Phase III EE&C – The energy efficiency plan that terminates on May 31, 2021. Revenues and EE&C Costs will continue to accrue past the termination date. A final reconciliation of the remaining balance will be included in the June 1, 2022 Phase IV EE&C-C rate calculation as a separate line item.

The Company will submit to the Commission by May 1 of each year starting May 1, 2022: (1) a reconciliation between actual Phase IV EE&C-C revenues and actual Phase IV EE&C-C costs for the Phase IV EE&C-C Reconciliation Period, except for the Phase III EE&C-C Initial Reconciliation Period, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase IV EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) the Phase IV EE&C program cost estimate for the forthcoming Phase IV EE&C-C Computational Period by Customer Class; and (4) Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates and remaining Phase III EEC costs incurred after March 31, 2021. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2026.

Upon determination that the Phase IV EE&C-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred by customer class, the Company may request that the Commission approve one or more interim revisions to the Phase IV EE&C-C rates to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

The Company shall file an annual report of collections under this rider by April 30th of each year starting April 30, 2022 until the conclusion of this rider.

At the conclusion of the duration of this rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the Phase IV EE&C-C rates shall be subject to annual review and audit by the Commission.

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Residential, Commercial, and Street Lighting Customer Classes:	Per kWh
Industrial Customer Class:	Per kW PLC

Residential, Commercial, and Street Lighting Customer Class rates will be calculated to the nearest one-thousandth of a cent per kWh. Industrial Customer Class rates will be calculated to the nearest one-hundredth of a dollar per kW PLC. The Phase IV EE&C-C rates shall be calculated separately for each customer class according to the provisions of this rider.

For service rendered June 1, 2021 through May 31, 2022 the Phase IV EE&C-C rates billed by Customer Class are as follows:

Residential Customer Class (Rate 10):

0.139 cents per kWh.

Commercial Customer Class (Rate GS 20, Rate GS 20 - Volunteer Fire Company, and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate and Rate GS 30):

0.117 cents per kWh.

Street Lighting Customer Class (Rate Schedules 51 through 58, 71, 72):

(0.864) cents per kWh.

Industrial Customer Class (Rate GS 35, 40, 44, 46 and Tariff No. 38):

\$ 0.27 per kW PLC.

RIDERS

Rider F (continued)

The Phase IV EE&C-C rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$EE\&C-C = [(EEC_C - E - E^2) / S] \times [1 / (1 - T)]$$

$$EEC_C = EEC_{Exp1} + EEC_{Exp2} + EEC_{Exp3}$$

Where:

EE&C-C = The charge in cents or dollar per Billing Unit by Customer Class as defined by this rider applied to each Billing Unit for the Rate Schedules and Tariffs identified in this rider.

EEC_C = The Energy Efficiency and Conservation Costs by Customer Class incurred and projected to be incurred by the Company for the Phase IV EE&C-C Computational Period calculated in accordance with the formula shown above.

EEC_{Exp1} = Costs incurred and projected to be incurred associated with the Customer Class specific Phase IV EE&C Programs as approved by the Commission for the Phase IV EE&C-C Computational Period by Customer Class. These costs also include an allocated portion of any indirect costs incurred associated with all the Company's Phase IV EE&C Programs for the Phase IV EE&C-C Computational Period. EEC_{Exp1} costs will be offset by a credit for any PJM capacity market revenues (net of the costs associated with auction participation and including replacing capacity charges), capacity deficiency charges and any unavoidable PJM charges. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

EEC_{Exp2} = An allocated portion of incremental administrative start-up costs incurred by the Company through May 31, 2021 in connection with the development of the Company's Phase IV EE&C Programs in response to the Commission's order and guidance at Docket No. M-2020-3015228. These costs to design, create, and obtain Commission approval for the Company's Phase IV EE&C Programs include, but are not limited to, consultant costs, legal fees, and other direct and indirect costs associated with the development and implementation of the Company's Phase IV EE&C Programs in compliance with Commission directives. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

RIDERS

Rider F (continued)

- EEC_{Exp3} = An allocated portion of the costs the Company incurs and projects to incur to fund the Commission's statewide evaluator contract which shall be excluded in the final determination of the Act 129 limitation on the Company's Phase IV EE&C Programs costs. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.
- E = The cumulative over or under-collection of Phase IV EE&C costs by Customer Class that results from the billing of the Phase IV EE&C-C rates (an over-collection is denoted by a positive E and an under-collection by a negative E).
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RIDERS

Rider F (continued)

1. Phase IV EE&C-C Computational Period – The 12-month period from June 1 through May 31.
2. Phase IV EE&C-C Initial Reconciliation Period – June 1, 2021 through March 31, 2022 for the initial period of the rider.
3. Phase IV EE&C-C Reconciliation Period – The 12-month period ending March 31 each year thereafter, except for the Initial Reconciliation Period, for the duration of this rider.
4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Phase III EE&C – The energy efficiency plan that terminates on May 31, 2021. Revenues and EE&C Costs will continue to accrue past the termination date. A final reconciliation of the remaining balance will be included in the June 1, 2022 Phase IV EE&C-C rate calculation as a separate line item.

The Company will submit to the Commission by May 1 of each year starting May 1, 2022: (1) a reconciliation between actual Phase IV EE&C-C revenues and actual Phase IV EE&C-C costs for the Phase IV EE&C-C Reconciliation Period, except for the Phase IV EE&C-C Initial Reconciliation Period, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase IV EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) the Phase IV EE&C program cost estimate for the forthcoming Phase IV EE&C-C Computational Period by Customer Class; and (4) Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates and remaining Phase III EEC costs. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2026.

Upon determination that the Phase IV EE&C-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred by customer class, the Company may request that the Commission approve one or more interim revisions to the Phase IV EE&C-C rates to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

The Company shall file an annual report of collections under this rider by April 30th of each year starting April 30, 2022 until the conclusion of this rider.

At the conclusion of the duration of this rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the Phase IV EE&C-C rates shall be subject to annual review and audit by the Commission.

RIDER F

TARIFF No. 38 – PENNSYLVANIA STATE UNIVERSITY
PHASE IV ENERGY EFFICIENCY AND CONSERVATION CHARGE RIDER

An Energy Efficiency and Conservation (“EEC”) Charge (“Phase IV EE&C-C”) shall be applied to each Billing Unit during a billing month to Customers served under this Tariff. Billing Units are defined as follows:

Industrial Customer Class rates will be calculated to the nearest one-hundredth of a dollar per kW PLC. The Phase IV EE&C-C rates shall be calculated separately for each customer class according to the provisions of this rider.

For service rendered June 1, 2021 through May 31, 2022 the Phase IV EE&C-C rates billed by Customer Class are as follows:

Industrial Customer Class (Tariff No. 40 Rate Schedule 35, 40, 44 and 46 and Tariff No. 38):

\$ 0.27 per kW PLC.

RIDERS

Rider F (Continued)

The Phase IV EE&C-C rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$EE\&C-C = [(EEC_C - E - E^2) / S] \times [1 / (1 - T)]$$

$$EEC_C = EEC_{Exp1} + EEC_{Exp2} + EEC_{Exp3}$$

Where:

$EE\&C-C$ = The charge in cents or dollar per Billing Unit by Customer Class as defined by this rider applied to each Billing Unit for the Rate Schedules identified in this rider.

EEC_C = The Energy Efficiency and Conservation Costs by Customer Class incurred and projected to be incurred by the Company for the Phase IV EE&C-C Computational Period calculated in accordance with the formula shown above.

EEC_{Exp1} = Costs incurred and projected to be incurred associated with the Customer Class specific Phase IV EE&C Programs as approved by the Commission for the Phase IV EE&C-C Computational Period by Customer Class. These costs also include an allocated portion of any indirect costs incurred associated with all the Company's Phase IV EE&C Programs for the Phase IV EE&C-C Computational Period. EEC_{Exp1} costs will be offset by a credit for any PJM capacity market revenues (net of the costs associated with auction participation and including replacing capacity charges), capacity deficiency charges and any unavoidable PJM charges. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

EEC_{Exp2} = An allocated portion of incremental administrative start-up costs incurred by the Company through May 31, 2021 in connection with the development of the Company's Phase IV EE&C Programs in response to the Commission's order and guidance at Docket No. M-2020-3015228. These costs to design, create, and obtain Commission approval for the Company's Phase IV EE&C Programs include, but are not limited to, consultant costs, legal fees, and other direct and indirect costs associated with the development and implementation of the Company's Phase IV EE&C Programs in compliance with Commission directives. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program costs.

Rider F (Continued)

- EEC_{Exp3} = An allocated portion of the costs the Company incurs and projects to incur to fund the Commission's statewide evaluator contract which shall be excluded in the final determination of the Act 129 limitation on the Company's Phase IV EE&C Programs costs. Such costs shall be allocated to each customer class based on the ratio of class-specific approved budgeted program costs to total approved budgeted program cost.
- E = The cumulative over or under-collection of Phase IV EE&C costs by Customer Class that results from the billing of the Phase IV EE&C-C rates (an over- collection is denoted by a positive E and an under-collection by a negative E).
- E^2 = Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates through March 31, 2021 (an over- collection is denoted by a positive E and an under-collection by a negative E), and any expenses to finalize any measures installed and commercially operable on or before May 31, 2021; expenses to finalize any contracts; other Phase III administrative obligations; and any remaining Phase III EE&C revenues after March 31, 2021.
- S = The Company's projected Billing Units (kWh sales delivered to all Customers in the specific customer class or kW PLC demand for the Industrial Customer Class).
- T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this rider shall have the definitions specified in the Definitions of Terms section of this Tariff. For the purpose of this rider, the following additional definitions shall apply:

Rider F (continued)

1. Phase IV EE&C-C Computational Period – The 12-month period from June 1 through May 31.
2. Phase IV EE&C-C Initial Reconciliation Period – June 1, 2021 through March 31, 2022 for the initial period of the rider.
3. Phase IV EE&C-C Reconciliation Period – The 12-month period ending March 31 each year thereafter, except for the Initial Reconciliation Period, for the duration of this rider.
4. Peak Load Contribution (“PLC”) – A Customer’s contribution to the Company’s transmission zone normalized summer peak load, as estimated by the Company in accordance with PJM rules and requirements.
5. Phase III EE&C – The energy efficiency plan that terminates on May 31, 2021. Revenues and EE&C Costs will continue to accrue past the termination date. A final reconciliation of the remaining balance will be included in the June 1, 2022 Phase IV EE&C-C rate calculation as a separate line item.

The Company will submit to the Commission by May 1 of each year starting May 1, 2022: (1) a reconciliation between actual Phase IV EE&C-C revenues and actual Phase IV EE&C-C costs for the Phase IV EE&C-C Reconciliation Period, except for the Phase IV EE&C-C Initial Reconciliation Period, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted Phase IV EE&C-C revenues anticipated to be billed during April through May of that year, as adjusted for removal of gross receipts tax; (3) the Phase IV EE&C program cost estimate for the forthcoming Phase IV EE&C-C Computational Period by Customer Class; and (4) Phase III EE&C final reconciliation over or under-collection of EEC costs by Customer Class that results from the billing of the Phase III EE&C-C rates and remaining Phase III EEC costs. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2026.

Upon determination that the Phase IV EE&C-C rates, if left unchanged, would result in material over or under-collection of all recoverable costs incurred or expected to be incurred by customer class, the Company may request that the Commission approve one or more interim revisions to the Phase IV EE&C-C rates to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

The Company shall file an annual report of collections under this rider by April 30th of each year starting April 30, 2022 until the conclusion of this rider.

At the conclusion of the duration of this rider, the Company is authorized to recover or refund any remaining amounts not reconciled at that time under such mechanism as approved by the Commission.

Application of the Phase IV EE&C-C rates shall be subject to annual review and audit by the Commission.