

December 21, 2011

VIA FEDERAL EXPRESS NEXT DAY

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

**Re: Petition of West Penn Power Company for Expedited Approval of its Smart
Meter Technology Procurement and Installation Plan;
Docket No. M-2009-2123951**

**Tariff Revisions for Supplement No. 211, Electric-Pa.P.U.C. No. 39
Tariff Revisions for Supplement No. 156, Electric-Pa.P.U.C. No. 37**

Dear Secretary Chiavetta:

Enclosed for filing¹ by West Penn Power Company (“West Penn” or “Company”) are nine (9) copies of tariff supplements for the Smart Meter Technologies Surcharge, Supplement No. 211 to Electric – Pa. P.U.C. No. 39 and Supplement No. 156 to Electric – Pa. P.U.C. No. 37.

On March 9, 2011, an Amended Joint Petition for Settlement of All Issues (“Settlement”) in the above referenced docket was submitted to Administrative Law Judge (“ALJ”) Mark A. Hoyer. On May 3, 2011, the ALJ issued an Initial Decision on Remand wherein he recommended that the unopposed Settlement filed by West Penn be granted without modification.

By Order entered June 30, 2011, the Commission adopted the Initial Decision on Remand of the ALJ, and ordered that the unopposed Settlement filed by West Penn be granted without modification.

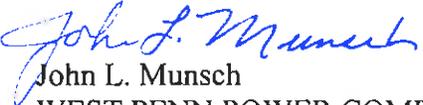
¹ This filing is made by Federal Express and is deemed filed December 21, 2011.

Rosemary Chiavetta
Page 2
December 21, 2011

On August 22, 2011, the Company submitted its initial compliance filing for the Smart Meter Technologies Surcharge, with a surcharge effective date of September 1, 2011 through December 31, 2011. To effectuate the next rate period in the Settlement prior to the first scheduled reconciliation, the Company submits the remainder of the compliance tariff filing for the rate period of January 1, 2012 through December 31, 2012 of the Smart Meter Technologies Surcharge, Supplement No. 211 to Electric – Pa. P.U.C. No. 39 and Supplement No. 156 to Electric – Pa. P.U.C. No. 37. The Smart Meter Technologies Surcharge rates are identical to the 2012 rates contained in the Settlement and approved by the Commission. In accordance with the terms of the Smart Meter Technologies Surcharge tariff, the first scheduled reconciliation will be submitted to the Commission by August 1, 2012, covering the reconciliation period through June 30, 2012.

The Smart Meter Technologies Surcharge (Supplement No. 211 to Electric – Pa. P.U.C. No. 39 and Supplement No. 156 to Electric – Pa. P.U.C. No. 37) has an issued date of today, December 21, 2011, with an effective date of January 1, 2012.

Respectfully submitted,


John L. Munsch
WEST PENN POWER COMPANY

Enclosures

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of West Penn Power Company :
for Expedited Approval of its :
Smart Meter Technology Procurement : Docket No. M-2009-2123951
And Installation Plan :**

CERTIFICATE OF SERVICE

I hereby certify that this 21st day of December, 2011, I have served a true and correct copy of **Tariff Filing** by first class mail upon the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

Thomas J. Sniscak, Esquire
Hawke McKeon & Sniscak LLP
100 North 10th Street
PO Box 1778
Harrisburg, PA 17105

James L. Crist
Lumen Group, Inc.
4226 Yarmouth Drive, Suite 101
Allison Park, PA 15101

Richard Harris
Utility Engineer
The Pennsylvania State University
113 Office of Physical Plant
University Park, PA 16802

Mike Prinkey P.E.
Energy Engineer
The Pennsylvania State University
152M Office of Physical Plant
University Park, Pa 16802

Ian Salada
Manager, Engineering Services
The Pennsylvania State University
101P Office of Physical Plant
University Park, Pa 16802

Rob Cooper, P.E.
Director, Energy and Engineering
The Pennsylvania State University
208 Office of Physical Plant
University Park, PA 16802

Cynthia Baldwin
Vice President & General Counsel
The Pennsylvania State University
Office of the General Counsel
108 Old Main
University Park, PA 16802

Richard A. Kanaskie, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

John Povilaitis, Esquire
Buchanan Ingersoll & Rooney, PC
Government Relations Center
17 North Second Street, 15th Floor
Harrisburg, PA 17101-1503

Susan E. Bruce, Esquire
McNees Wallace & Nurick, LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

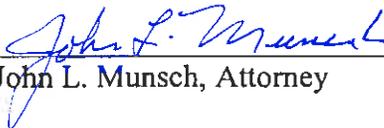
Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Kurt E. Klapkowski, Assistant Counsel
Commonwealth of Pennsylvania
RCSOB 9th Floor
400 Market Street
Harrisburg, Pa 17101

Theodore S. Robinson, Esquire
Citizen Power
2121 Murray Avenue
Pittsburgh, PA 15217

Divesh Gupta
Constellation NewEnergy
111 Market Place
Suite 500
Baltimore, MD 21202

Tanya J. McCloskey
Senior Asst. Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923



John L. Munsch, Attorney

WEST PENN POWER COMPANY

TARIFF

Rate Schedules and Rules and Regulations

FOR

ELECTRIC SERVICE

IN

The Territory as Defined on
Pages 3-1, 3-2, 3-3, 3-4, 3-5, 3-6 and 3-7 of this Tariff

Issued: December 21, 2011

Effective: January 1, 2012

Charles E. Jones

President

Cabln Hill

Greensburg, PA

NOTICE

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

Smart Meter Technologies Surcharge – Third Revised Page No. 5-6 -
Increase in the Smart Meter Technologies Surcharge rate.

TABLE OF CONTENTS (Continued)

	Paragraph	Page No.
Discontinuance of Service by Nonresidential Customer		
Notice of Discontinuance.....	25N	4-22
Transfer of Agreements.....	26N	4-22
Disconnection of Nonresidential Service by Company		
Company's Right to Disconnect Nonresidential Service.....	27N	4-22 4-23
Extension of the Company's Facilities		
Single Phase Line Extension Plan.....	28	4-24 4-25 ¹
Polyphase Line Extension Plan.....	29	4-25 ¹ 4-25A 4-25B
Underground Electric Service in New Residential Developments.....	30	4-25B 4-26 4-27 4-28
Residential Underground Electric Service Not in a Development.....	31	4-29
Emergency Load Control and Conservation		
Emergency Load Control.....	32	4-30
Emergency Energy Conservation.....	33	4-30
Residential Building Energy Conservation Standards.....	34	4-31 ¹
Taxes and Contract Provisions		
Taxes on Contributions in Aid of Construction (CIAC)		
and Customer Advances (CAC).....	35	4-31 ¹
Individualized Contracts.....	36	4-31 ¹ 4-32
Individualized Company Facilities and Services.....	37	4-32
Changing Electric Supplier.....	38	4-32
Payment Processing.....	39	4-33 ³
Code of Conduct.....	41 & 42	4-34 4-35 ¹
State Tax Indemnification.....	43	4-35 ¹
Tax Surcharge.....		5-1 ¹³
Sustainable Energy Surcharge.....		5-2 ¹
Consumer Education Charge.....		5-3 ⁶
FirstEnergy Merger Credit.....		5-4 ⁴
Blank.....		5-4A ¹
Blank.....		5-5 ²
Smart Meter Technologies Surcharge.....		5-6 ³ 5-7 ² 5-8 ²
Energy Efficiency and Conservation Surcharge.....		5-9 ⁵ 5-10 ¹
Energy Cost Adjustment Surcharge.....		5-11
Electric Service Rate Schedules		
Domestic Service.....	Schedule 10	6-1 ¹⁶ 6-2 ²
General Service.....	Schedule 20	7-1 ¹⁰ 7-2 ¹⁵ 7-3 ⁴
Church and School Service.....	Schedule 22	8-1 ⁹ 8-2 ¹⁵ 8-3 ¹⁶ 8-4 ¹⁶ 8-5 ¹
Athletic Field Lighting Service.....	Schedule 23	9-1 ¹⁷ 9-2 ¹⁴
Fair and Carnival Service.....	Schedule 24	10-1 ¹⁷ 10-2 ¹⁴
General Power Service.....	Schedule 30	11-1 ⁵ 11-2 ¹⁵ 11-3 ¹ 11-4 ²
Reserved.....		12
Primary Power Service.....	Schedule 40	13-1 ³ 13-2 ⁹ 13-3 ¹⁵ 13-4 ¹
Primary Power Service.....	Schedule 41	14-1 ³ 14-2 ¹⁶ 14-3 ¹⁴ 14-4
Primary Power Service.....	Schedule 44	15-1 ³ 15-2 ¹⁶ 15-3 ¹⁴ 15-4
Primary Power Service.....	Schedule 46	16-1 ⁴ 16-2 ⁹ 16-3 ¹⁵ 16-4 ¹

Note: All pages are original unless otherwise indicated
¹First Revised, ²Second Revised, etc.

SMART METER TECHNOLOGIES SURCHARGE

A Smart Meter Technologies ("SMT") Surcharge shall be applied during each billing month to metered Customers served under this Tariff. For the Residential Customer Class, the SMT Surcharge shall be determined to the nearest one-thousandth of a cent per kWh. For the Commercial and Industrial Customer Classes, the SMT Surcharge shall be determined to the nearest cent. The SMT Surcharge rates shall be calculated separately for each Customer Class according to the provisions of this Surcharge Tariff.

For service rendered January 1, 2012 through December 31, 2012 the SMT Surcharge rates billed by Customer Class are as follows:

Residential Customer Class (Rate Schedule 10)

\$0.00195 per kWh

Commercial Customer Class (Rate Schedules 20, 22, 23 and 24)

\$2.13 per month

Industrial Customer Class (Rate Schedules 30, 40, 41, 44, 46, 86 and Tariff No. 37)

\$2.66 per month

The SMT Surcharge rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$SMT = [((SMT_C - E) / CCBD) / 12] \times [1 / (1 - T)]$$

$$SMT_C = SMT_{Exp1} + SMT_{Exp2}$$

Where:

SMT = The monthly surcharge by Customer Class as defined by this Surcharge Tariff applied to each Customer billed under the Rate Schedules and Tariff identified in this Surcharge Tariff.

SMT_C = The Smart Meter Technologies costs by Customer Class projected to be incurred by the Company for the SMT Computational Year calculated in accordance with the formula shown above.

SMT_{Exp1} = A projection of costs to be incurred associated with the Customer Class specific Smart Meter Technology Procurement and Installation Plan ("Plan") as approved by the Commission for the SMT Computation Year by Customer Class including carrying charges on capital costs, depreciation expense, accumulated deferred income taxes, allowance for funds used during construction, and operational and maintenance expenses. These costs would also include an allocated portion of any projected indirect costs to be incurred benefiting all Customer Classes of the Company's Plan for the SMT Computational Year. Any reduction in operating expenses or avoided capital expenditures due to the Smart Metering Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is recoverable. Such reductions shall include any reductions in the Company's current meter and meter reading costs.

(C) Indicates Change

(I) Indicates Increase

WEST PENN POWER COMPANY
RATES, TERMS, AND CONDITIONS
GOVERNING
INTERCHANGE OF ELECTRIC ENERGY
WITH
THE PENNSYLVANIA STATE UNIVERSITY

Issued December 21, 2011

Effective January 1, 2012

BY: Charles E. Jones
President
Cabin Hill
Greensburg, Pennsylvania

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

Smart Meter Technologies Surcharge – First Revised Page No. 5-5 -
Increase in the Smart Meter Technologies Surcharge rate.

TABLE OF CONTENTS

	<u>Page</u>
Title Page.....	1-1
List of Modifications Made by This Supplement.....	1-2
Table of Contents.....	2-1 ²⁹
Rules and Regulations.....	3-1 ² , 3-2 ² , 3-3, 3-4 ² 3-5 ³ , 3-6 ² , 3-7, 3-8 ¹
FirstEnergy Merger Credit.....	4-1 ³
Generation Rate Adjustment ("GRA") - canceled	4-2 ¹ , 4-3 ¹
Tax Surcharge.....	5-1 ¹³
Consumer Education Charge.....	5-2 ³
Energy Cost Adjustment Surcharge.....	5-3
Energy Efficiency and Conservation ("EE&C") Surcharge	5-4 ³
Smart Meter Technologies Surcharge	5-5 ¹ , 5-6
Interchange Agreement Between	6-1 ² , 6-2 ⁶ , 6-2A ³ , 6-3 ¹ , 6-4
West Penn Power Company and The Pennsylvania State University Dated January 22, 1981	
Wind Energy Service Rider.....	7-1, 7-2
Hourly-Priced Default Service Rider	8-1
Transmission Service Charge Rider	9-1 ¹ , 9-2

Note: All pages are original unless otherwise indicated
¹First Revised, ²Second Revised, etc.

SMART METER TECHNOLOGIES SURCHARGE

A Smart Meter Technologies ("SMT") Surcharge shall be applied as a monthly Customer charge during each billing month to metered Customers served under this Tariff determined to the nearest cent. The SMT Surcharge rate shall be calculated separately for each Customer Class according to the provisions of this Surcharge Tariff.

For service rendered January 1, 2012 through December 31, 2012 the SMT Surcharge rate billed by Customer Class is as follows: (C)

Industrial Customer Class (Tariff No. 39 Rate Schedules 30, 40, 41, 44, 46, 86 and Tariff No. 37)

\$2.66 per month (I)

The SMT Surcharge rate by Customer Class shall be calculated in accordance with the formula set forth below:

$$SMT = [((SMT_C - E) / CCBD) / 12] \times [1 / (1 - T)]$$

$$SMT_C = SMT_{Exp1} + SMT_{Exp2}$$

Where:

SMT = The monthly surcharge by Customer Class as defined by this Surcharge Tariff applied to each Customer billed under this Tariff.

SMT_C = The Smart Meter Technologies costs by Customer Class projected to be incurred by the Company for the SMT Computational Year calculated in accordance with the formula shown above.

SMT_{Exp1} = A projection of costs to be incurred associated with the Customer Class specific Smart Meter Technology Procurement and Installation Plan ("Plan") as approved by the Commission for the SMT Computation Year by Customer Class including carrying charges on capital costs, depreciation expense, accumulated deferred income taxes, allowance for funds used during construction, and operational and maintenance expenses. These costs would also include an allocated portion of any projected indirect costs to be incurred benefiting all Customer Classes of the Company's Plan for the SMT Computational Year. Any reduction in operating expenses or avoided capital expenditures due to the Smart Metering Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is recoverable. Such reductions shall include any reductions in the Company's current meter and meter reading costs.

SMT_{Exp2} = A Customer Class allocated portion of \$40 million of expenditures between 2009 and 2010 in support of the development of a smart meter deployment plan. The \$40 million will be recovered via a levelized basis over a 5.5-year period beginning with the SMT Surcharge start date, and will not include interest on over-collections or under-collections. A Customer Class allocation of \$5.712 million of interest charges will be added, and will be amortized for recovery over a 5.5-year period coincident with the recovery of the \$40 million.

(C) Indicates Change

(I) Indicates Increase

Issued December 21, 2011

Effective January 1, 2012

WEST PENN POWER COMPANY

TARIFF

Rate Schedules and Rules and Regulations

FOR

ELECTRIC SERVICE

IN

The Territory as Defined on
Pages 3-1, 3-2, 3-3, 3-4, 3-5, 3-6 and 3-7 of this Tariff

Issued: December 21, 2011

Effective: January 1, 2012

Charles E. Jones

President

Cabin Hill

Greensburg, PA

NOTICE

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

~~State Tax Adjustment Smart Meter Technologies Surcharge – Thirteenth Third Revised Page No. 5-16 -~~
~~Decrease in the State Tax Adjustment Surcharge from 0.0408% to -0.18%~~
~~Increase in the Smart Meter Technologies Surcharge rate.~~

TABLE OF CONTENTS (Continued)

	Paragraph	Page No.
Discontinuance of Service by Nonresidential Customer		
Notice of Discontinuance	25N	4-22
Transfer of Agreements	26N	4-22
Disconnection of Nonresidential Service by Company		
Company's Right to Disconnect Nonresidential Service	27N	4-22 4-23
Extension of the Company's Facilities		
Single Phase Line Extension Plan	28	4-24 4-25 ¹
Polyphase Line Extension Plan	29	4-25 ¹ 4-25A 4-25B
Underground Electric Service in New Residential Developments	30	4-25B 4-26 4-27 4-28
Residential Underground Electric Service Not in a Development	31	4-29
Emergency Load Control and Conservation		
Emergency Load Control	32	4-30
Emergency Energy Conservation	33	4-30
Residential Building Energy Conservation Standards	34	4-31 ¹
Taxes and Contract Provisions		
Taxes on Contributions in Aid of Construction (CIAC)		
and Customer Advances (CAC)	35	4-31 ¹
Individualized Contracts	36	4-31 ¹ 4-32
Individualized Company Facilities and Services	37	4-32
Changing Electric Supplier	38	4-32
Payment Processing	39	4-33 ³
Code of Conduct	41&42	4-34 4-35 ¹
State Tax Indemnification	43	4-35 ¹
Tax Surcharge		5-1 ¹³
Sustainable Energy Surcharge		5-2 ¹
Consumer Education Charge		5-3 ⁶
FirstEnergy Merger Credit		5-4 ⁴
Blank		5-4A ¹
Blank		5-5 ²
Smart Meter Technologies Surcharge		5-6 ² 5-7 ² 5-8 ²
Energy Efficiency and Conservation Surcharge		5-9 ⁵ 5-10 ¹
Energy Cost Adjustment Surcharge		5-11
Electric Service Rate Schedules		
Domestic Service	Schedule 10	6-1 ¹⁶ 6-2 ²
General Service	Schedule 20	7-1 ¹⁰ 7-2 ¹⁵ 7-3 ⁴
Church and School Service	Schedule 22	8-1 ⁹ 8-2 ¹⁵ 8-3 ¹⁶ 8-4 ¹⁶ 8-5 ¹
Athletic Field Lighting Service	Schedule 23	9-1 ¹⁷ 9-2 ¹⁴
Fair and Carnival Service	Schedule 24	10-1 ¹⁷ 10-2 ¹⁴
General Power Service	Schedule 30	11-1 ⁵ 11-2 ¹⁵ 11-3 ¹ 11-4 ²
Reserved		12
Primary Power Service	Schedule 40	13-1 ³ 13-2 ⁹ 13-3 ¹⁵ 13-4 ¹
Primary Power Service	Schedule 41	14-1 ³ 14-2 ¹⁶ 14-3 ¹⁴ 14-4
Primary Power Service	Schedule 44	15-1 ³ 15-2 ¹⁶ 15-3 ¹⁴ 15-4
Primary Power Service	Schedule 46	16-1 ⁴ 16-2 ⁹ 16-3 ¹⁵ 16-4 ¹

Note: All pages are original unless otherwise indicated
¹First Revised, ²Second Revised, etc.

(C)

SMART METER TECHNOLOGIES SURCHARGE

A Smart Meter Technologies ("SMT") Surcharge shall be applied during each billing month to metered Customers served under this Tariff. For the Residential Customer Class, the SMT Surcharge shall be determined to the nearest one-thousandth of a cent per kWh. For the Commercial and Industrial Customer Classes, the SMT Surcharge shall be determined to the nearest cent. The SMT Surcharge rates shall be calculated separately for each Customer Class according to the provisions of this Surcharge Tariff.

For service rendered ~~September~~January 1, ~~2011~~2012 through December 31, ~~2011~~2012 the SMT Surcharge rates billed by Customer Class are as follows: _____ (C)

Residential Customer Class (Rate Schedule 10)

\$~~0.00193~~0.00195 per kWh _____ (I)

Commercial Customer Class (Rate Schedules 20, 22, 23 and 24)

\$~~1.932~~1.13 per month _____ (I)

Industrial Customer Class (Rate Schedules 30, 40, 41, 44, 46, 86 and Tariff No. 37)

\$~~2.2066~~ per month _____ (I)

The SMT Surcharge rates by Customer Class shall be calculated in accordance with the formula set forth below:

$$SMT = [((SMT_C - E) / CCBD) / 12] \times [1 / (1 - T)]$$

$$SMT_C = SMT_{Exp1} + SMT_{Exp2}$$

Where:

SMT = The monthly surcharge by Customer Class as defined by this Surcharge Tariff applied to each Customer billed under the Rate Schedules and Tariff identified in this Surcharge Tariff.

SMT_C = The Smart Meter Technologies costs by Customer Class projected to be incurred by the Company for the SMT Computational Year calculated in accordance with the formula shown above.

SMT_{Exp1} = A projection of costs to be incurred associated with the Customer Class specific Smart Meter Technology Procurement and Installation Plan ("Plan") as approved by the Commission for the SMT Computation Year by Customer Class including carrying charges on capital costs, depreciation expense, accumulated deferred income taxes, allowance for funds used during construction, and operational and maintenance expenses. These costs would also include an allocated portion of any projected indirect costs to be incurred benefiting all Customer Classes of the Company's Plan for the SMT Computational Year. Any reduction in operating expenses or avoided capital expenditures due to the Smart Metering Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is recoverable. Such reductions shall include any reductions in the Company's current meter and meter reading costs.

(C) Indicates Change

(I) Indicates Increase

WEST PENN POWER COMPANY
RATES, TERMS, AND CONDITIONS
GOVERNING
INTERCHANGE OF ELECTRIC ENERGY
WITH
THE PENNSYLVANIA STATE UNIVERSITY

Issued December 21, 2011

Effective January 1, 2012

BY: Charles E. Jones
President
Cabin Hill
Greensburg, Pennsylvania

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

~~State Tax Adjustment Smart Meter Technologies Surcharge – Thirteenth First Revised Page No. 5-45 -~~
~~Decrease in the State Tax Adjustment Surcharge from 0.0408% to -0.18%~~
~~Increase in the Smart Meter Technologies Surcharge rate.~~

TABLE OF CONTENTS

	<u>Page</u>
Title Page.....	1-1
List of Modifications Made by This Supplement.....	1-2
Table of Contents.....	2-1 ²⁹
Rules and Regulations.....	3-1 ² , 3-2 ² , 3-3, 3-4 ² 3-5 ³ , 3-6 ² , 3-7, 3-8 ¹
FirstEnergy Merger Credit.....	4-1 ³
Generation Rate Adjustment ("GRA") - canceled	4-2 ¹ , 4-3 ¹
Tax Surcharge.....	5-1 ¹³
Consumer Education Charge.....	5-2 ³
Energy Cost Adjustment Surcharge.....	5-3
Energy Efficiency and Conservation ("EE&C") Surcharge	5-4 ³
Smart Meter Technologies Surcharge	5-5 ¹ , 5-6
Interchange Agreement Between	6-1 ² , 6-2 ⁶ , 6-2A ³ , 6-3 ¹ , 6-4
West Penn Power Company and	
The Pennsylvania State University	
Dated January 22, 1981	
Wind Energy Service Rider.....	7-1, 7-2
Hourly-Priced Default Service Rider	8-1
Transmission Service Charge Rider	9-1 ¹ , 9-2

Note: All pages are original unless otherwise indicated
¹First Revised, ²Second Revised, etc.

(C)

SMART METER TECHNOLOGIES SURCHARGE

A Smart Meter Technologies ("SMT") Surcharge shall be applied as a monthly Customer charge during each billing month to metered Customers served under this Tariff determined to the nearest cent. The SMT Surcharge rate shall be calculated separately for each Customer Class according to the provisions of this Surcharge Tariff.

For service rendered ~~September~~January 1, ~~2011~~2012 through December 31, ~~2011~~2012 the SMT Surcharge rate billed by Customer Class is as follows: _____ (C)

Industrial Customer Class (Tariff No. 39 Rate Schedules 30, 40, 41, 44, 46, 86 and Tariff No. 37)

~~\$2.2066~~ per month _____ (I)

The SMT Surcharge rate by Customer Class shall be calculated in accordance with the formula set forth below:

$$SMT = [((SMT_C - E) / CCBD) / 12] X [1 / (1 - T)]$$

$$SMT_C = SMT_{Exp1} + SMT_{Exp2}$$

Where:

SMT = The monthly surcharge by Customer Class as defined by this Surcharge Tariff applied to each Customer billed under this Tariff.

SMT_C = The Smart Meter Technologies costs by Customer Class projected to be incurred by the Company for the SMT Computational Year calculated in accordance with the formula shown above.

SMT_{Exp1} = A projection of costs to be incurred associated with the Customer Class specific Smart Meter Technology Procurement and Installation Plan ("Plan") as approved by the Commission for the SMT Computation Year by Customer Class including carrying charges on capital costs, depreciation expense, accumulated deferred income taxes, allowance for funds used during construction, and operational and maintenance expenses. These costs would also include an allocated portion of any projected indirect costs to be incurred benefiting all Customer Classes of the Company's Plan for the SMT Computational Year. Any reduction in operating expenses or avoided capital expenditures due to the Smart Metering Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is recoverable. Such reductions shall include any reductions in the Company's current meter and meter reading costs.

SMT_{Exp2} = A Customer Class allocated portion of \$40 million of expenditures between 2009 and 2010 in support of the development of a smart meter deployment plan. The \$40 million will be recovered via a levelized basis over a 5.5-year period beginning with the SMT Surcharge start date, and will not include interest on over-collections or under-collections. A Customer Class allocation of \$5.712 million of interest charges will be added, and will be amortized for recovery over a 5.5-year period coincident with the recovery of the \$40 million.

(C) Indicates Change

(I) Indicates Increase

Issued ~~August 22~~December 21, 2011
~~2011~~2012

Effective ~~September~~January 1,