

December 19, 2014

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> floor – 1 North  
Harrisburg, PA 17120

Re: Petition of West Penn Power Company for Approval of Smart Meter Technology  
Procurement and Installation Plan  
Docket No. M-2013-2341991

Dear Secretary Chiavetta:

In accordance with the Secretarial Letter of December 5, 2014 in the above referenced matter, transmitted herewith for filing with the Pennsylvania Public Utility Commission (“Commission”) is an original copy of Supplement No. 246 to West Penn Power Company’s (“West Penn” or the “Company”) Tariff Electric Pa. P. U.C No. 39, and Supplement No. 187 to West Penn’s Tariff Electric Pa. P. U.C No. 37, which bears an issue date of December 19, 2014. The tariff changes contained in Supplements Nos. 246 and 187 are proposed to be effective with service rendered on or after January 1, 2015.

West Penn Tariff Supplements Nos. 246 and 187 contain changes in the Smart Meter Technologies Charge (“SMT-C”) Rider rates for the Residential, Commercial and Industrial Customer Classes for service rendered on or after January 1, 2015 through December 31, 2015.

If you have any questions regarding the enclosed documents, please contact me at (610) 921-6525.

Sincerely,



Charles V. Fullem  
Director of Rates and Regulatory Affairs-PA

Enclosures

C: Certificate of Service  
Paul Diskin, TUS

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of West Penn Power Company and	:	
West Penn Power–PSU for Expedited	:	Docket No. R-2009-2123951
Approval of its Smart Meter Technology	:	
Procurement and Installation Plan	:	
	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of West Penn Power Company Tariffs Electric Pa. P.U.C. Nos. 37 and 39, Supplement Nos. 187 and 246 and accompanying supporting schedules upon the individuals listed below, in accordance with the requirements of 52 Pa. Code §1.54.

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December 19, 2014



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# 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 19, 2014

Effective: January 1, 2015

Charles E. Jones

President

Cabin Hill

Greensburg, PA

## NOTICE

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

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**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, 2015 through December 31, 2015 the SMT Surcharge rates billed by Customer Class are as follows:

Residential Customer Class (Rate Schedule 10)

\$0.00348 per kWh

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

\$3.42 per month

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

\$3.74 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<sub>C</sub> = 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<sub>Exp1</sub> = 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 19, 2014

Effective January 1, 2015

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

LIST OF MODIFICATIONS

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

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Note: All pages are original unless otherwise indicated  
<sup>1</sup>First Revised, <sup>2</sup>Second 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, 2015 through December 31, 2015 the SMT Surcharge rate billed by Customer Class is as follows:

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

\$3.74 per month

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<sub>c</sub> = 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<sub>Exp1</sub> = 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<sub>Exp2</sub> = A Customer Class allocated portion of \$45.1 million of expenditures between 2009 and 2010 in support of the development of a smart meter deployment plan. The \$45.1 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 \$45.1 million.

(C) Indicates Change

(I) Indicates Increase

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