

P.S.C. No. 7 Electricity
PENNSYLVANIA ELECTRIC COMPANY
Initial Effective Date: 10/06/2019

Leaf: 143
Revision: 0
Superseding Revision:

RIDER C

NON-UTILITY GENERATION COST ADJUSTMENT CLAUSE

A Non-utility Generation (“NUG”) Cost Rate (“NCR”) shall be applied to each kWh delivered to Customers under this Tariff in accordance with the NUG Adjustment Clause established under this Rider. The rate will be calculated at the end of each NUG reconciliation year ended on March 31, to be effective on June 1. The NCR shall be determined to the nearest one-hundredth of 1 mill per kWh in accordance with the formula set forth below and shall be applied to all kWh:

$$\text{NCR} = \left[((C_n - P_m) - E) / S_t \right]$$

Where NCR = The rate in mills per kWh to be applied to each kWh delivered under this Tariff.

Current Costs and Sales

C_n = The cost of the Company’s purchases from NUG suppliers under contracts in accordance with the specific terms of such agreements during the NCR period.

P_m = The estimated market price for NUG output purchased by Penelec. The market price includes both the market price for energy and capacity. The market value for energy is determined by the monthly total of the hourly locational marginal price at the NUG project’s bus multiplied by the NUG project’s output for that hour. The market value for capacity is determined by the PJM day ahead and month ahead capacity market multiplied by the NUG project’s capacity. The Company will modify the method of calculation of market value whenever changes in the PJM rules or procedures necessitate it.

S_t = The total kWh delivered to Customers in the NCR period.

Reconciliation

E = The over or under-collection of NUG costs that resulted from the true-up of estimated to actual billing of NCRs during the billing period will be deferred on the Company’s books of account for recovery or reimbursement to Customers in subsequent periods. An over-collection is denoted by a positive E , and an under-collection by a negative E . For purposes of NUG reconciliation, the actual NUG revenue shall be the sum of all revenue recorded for Waverly under this Rider.