

June 21, 2022

VIA ELECTRONIC FILING

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

**Re: Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 81 – Tax Cuts
and Jobs Act of 2017 (“TCJA”) Voluntary Surcharge Rate Change –
Distribution of the Amortized Amount of Excess Accumulated Deferred Income
Taxes; Docket No. P-2022-3030989**

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is an original copy of Supplement No. 133 to Pennsylvania Electric Company's ("Penelec") Tariff Electric Pa. P.U.C. No. 81, which bears an issue date of June 21, 2022. The tariff changes contained in Supplement No. 133 are proposed to be effective with bills rendered on or after July 1, 2022.

The purpose of this filing is to reflect the percentage change for the TCJA Voluntary Surcharge Rider. The change in the surcharge is consistent with the Commission's Order entered June 16, 2022 at Docket No. P-2022-3030989 to distribute the amortized amount of excess deferred income taxes associated with the TCJA for the period of January 1, 2018 through December 31, 2021

If you have any questions regarding the enclosed documents, please contact me.

Sincerely,

Joanne M. Savage

Joanne M. Savage
Director of Rates & Regulatory Affairs-PA
610-921-6525

Enclosures

c: Certificate of Service
Paul Diskin — Bureau of Technical Utility Services (pdiskin@pa.gov)
Lori Burger — Bureau of Audits (lburger@pa.gov)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

TAX CUTS AND JOBS ACT OF 2017 – : Docket No. P-2022-3030989
**PENNSYLVANIA ELECTRIC :
COMPANY – DISTRIBUTION OF THE :
AMORTIZED AMOUNT OF EXCESS :
ACCUMULATED DEFERRED INCOME
TAXES**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA ELECTRONIC MAIL

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Dated: June 21, 2022



Joanne M. Savage
Director, Rates & Regulatory Affairs – PA
610.921.6525

PENNSYLVANIA ELECTRIC COMPANY
READING, PENNSYLVANIA

Electric Service Tariff

Effective in

**The Territory as Defined on
Page Nos. 8 - 15 of this Tariff**

Issued: June 21, 2022

Effective: July 1, 2022

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

NOTICE

Supplement No. 133 makes changes to Rider B.
See One-Hundred and Thirtieth Revised Page No.2.

LIST OF MODIFICATIONS

Riders

Rider B – Tax Cuts and Jobs Act (TCJA) Voluntary Surcharge has been changed and decreased
(See Sixth Revised Page 114).

RIDERS

RIDER B

TAX CUTS AND JOBS ACT VOLUNTARY SURCHARGE

To implement the effects of the Tax Cuts and Jobs Act (“TCJA”), on March 15, 2018 the Pennsylvania Public Utility Commission (“Commission”) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the Company to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018, the Commission entered an Order superseding the March 15, 2018 Temporary Rates Order directing the utility to establish rates as follows:

A negative surcharge of -23.77% will apply as a credit for intrastate service to all customer bills rendered on and after July 1, 2022. This negative surcharge will apply equally to all customers in the Residential Customer Class, the Commercial Customer Class and the Industrial Customer Class, exclusive of STAS and all automatic adjustment clause rider revenues. (D) (C)

This negative surcharge will be reconciled at the end of each calendar year and will remain in place until the Company files and the Commission approves new base rates for the Company pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes.

The Tax Cuts and Jobs Act Voluntary Surcharge (“TCJAVSC”) shall be calculated in accordance with the formula set forth below:

$$\frac{\text{TCJAVSC} = (\text{TS} - \text{E})}{\text{Distribution Revenues}}$$

Where:

TS = The estimated current tax savings for the Company, resulting from all changes in corporate taxes resulting from the TCJA compared to taxes that would have been accrued absent TCJA, based on the Company’s most current budget for the Computational Period. Calculated consistent with Appendix A, attached to the Commission’s Order at Docket No. R-2018-3000597.

E = The over or under-refunding of the TCJAVSC that result from the billing of the TCJVSC during the Reconciliation Period, with interest. The reconciliation report showing the actual amounts of over refund / (under

(C) Change
(D) Decrease