

December 19, 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 Power Company Tariff Electric Pa. P.U.C. No. 36 – M-2022-3037158
State Tax Adjustment Surcharge**

Dear Secretary Chiavetta:

The purpose of this filing is to notify the Pennsylvania Public Utility Commission that the rate under Pennsylvania Power Company's ("Penn Power" or "Company") Tax Adjustment Surcharge ("STAS") Rider is not changing, therefore, the Company is not filing a tariff supplement as the calculated rate is *de minimis* as evidenced by the attached exhibits. The Penn Power rate calculation is supported by the following schedules:

- Exhibit A provides the Company's calculation of the STAS effective January 1, 2023.
- Exhibit B provides a page from the most recent Penn Power PA Corporate Net Income Tax filing.
- Exhibit C provides a copy of Penn Power's 2021 PURTA liability assessment from the Pennsylvania Department of Revenue's notice dated August 1, 2022.
- Exhibit D provides a copy of the Pennsylvania Department of Revenue's published notice of the 2023 PURTA Surcharge rate of 0.0 mills in the Pennsylvania Bulletin, Volume 52, No. 45, on October 1, 2022

Sincerely,

Joanne M. Savage

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

Enclosures

c: Patrick Cicero — Office of Consumer Advocate (pcicero@paoca.org)
Paul Diskin — Bureau of Technical Utility Services (pdiskin@pa.gov)
NazAarah Sabree — Office of Small Business Advocate (ra-sba@pa.gov)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Re: Pennsylvania Power Company Tariff	:	Docket No. M-2022-3037158
Electric Pa. P.U.C. No. 36 – State Tax	:	
Adjustment Surcharge	:	
	:	
	:	

VERIFICATION

I, Joanne Savage, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

12/16/2022 | 11:31:54 AM EST

Date:

DocuSigned by:
Joanne M. Savage
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Signature

Pennsylvania Power Company
Computation of State Tax Adjustment Surcharge
Application Period: January 1, 2023 through December 31, 2023

	Amount	Reference
1 Capital Stock and Franchise Tax		Note 1
2 Corporate Net Income Tax		Exhibit B
Net Income per 2021 State Tax Filing	\$ 11,739,468	
Tax Rate Decrease	$\frac{(0.0899-0.0999)}{(1 - 0.0899)}$ -1.099%	
Distribution Allocation Factor	<u>100%</u>	
PA Jurisdictional Change in Corporate Net Income Tax	\$ (128,993)	
3 Public Utility Realty Tax		Exhibit C
(per Notice of Determination dated August 1, 2022)		
Taxable value of T&D plant at December 31, 2021	\$ 14,740,751	
Current Millage Tax Rate	<u>27.1851</u>	
PURTA Tax Liability	\$ 400,729	
Distribution Allocation Factor	<u>100%</u>	
PA Jurisdictional PURTA Tax Liability	\$ 400,729	
Less: PURTA per Docket No. R-2016-2537355	<u>271,000</u>	
PA Jurisdictional Change in PURTA Tax Liability	\$ 129,729	
4 Gross Receipts Tax Adjustment for PURTA Surcharge		Exhibit D
2023 Projected Revenues	\$ 323,720,804	
2023 Surcharge Millage Rate	<u>0.00</u>	
Increase / (Decrease) in Gross Receipts Tax Liability	\$ -	
5 STAS reconciliation for the period ending December 31, 2022	\$ -	
6 Total (Lines 1 + 2 + 3 + 4 + 5)	\$ 736	
7 Gross -up for GRT (Line 6 / 0.941)	\$ 782	
8 2023 Projected Revenues	\$ 323,720,804	Exhibit A, Page 2
9 STAS Rate (Line 7 / 8)	<u><u>0.00%</u></u>	

Note 1: Pennsylvania has eliminated the Capital Stock and Foreign Franchise Tax for all taxpayers, effective for tax years beginning on or after January 1, 2016.

Pennsylvania Power Company
Forecasted Annual Revenues
Twelve Months Ending December 31, 2023

Line No.	Month	Amount
1	January	\$ 32,166,442
2	February	31,172,532
3	March	29,231,833
4	April	24,331,265
5	May	21,503,407
6	June	23,946,312
7	July	28,527,484
8	August	30,808,690
9	September	28,208,672
10	October	22,852,092
11	November	23,109,585
12	December	<u>27,862,489</u>
13	Total	<u><u>\$ 323,720,804</u></u>

**PA Corporate Net Income Tax Declaration
for a State e-file Report**

Exhibit B

2021

FEDERAL EMPLOYER
IDENTIFICATION NUMBER (FEIN)
25-0718810

For calendar year 2021 or tax year beginning, 2021, ending, , 20 .

Name of Corporation

Pennsylvania Power Company

Address 76 South Main Street	City Akron	State OH	ZIP Code 44308	Revenue ID Number 1000072985
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SECTION I TAX REPORT INFORMATION (Whole dollars only.)

1. Income or Loss from Federal Return on a Separate Company Basis (From RCT- 101, Section B, Line 1)	1.	15,697,072
2. PA Taxable Income or Loss (From RCT- 101, Section B, Line 12)	2.	11,739,468
3. PA Corporate Net Income Tax Due (From RCT- 101, Section B, Line 15)	3.	1,172,773

SECTION II DECLARATION OF OFFICER (See instructions.) **Keep a copy of the corporation's tax report, RCT- 101.**

- 4a. I consent that the corporation's refund check may be mailed directly to the address provided on RCT- 101.
- 4b. I do not want a refund mailed to the corporation, or the corporation is not receiving a refund.
- 4c. I authorize (1) the PA Department of Revenue and its designated financial institution to initiate an electronic funds withdrawal entry to my financial institution account designated in the electronic portion of my 2021 Pennsylvania Corporate Net Income Tax Report for payment of my state taxes owed; and (2) my financial institution to debit the entry to my account. I also authorize the financial institutions involved in the processing of my electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to my payment.
To revoke a payment, I must contact my financial institution account indicated in the tax preparation software for payment of the corporation state taxes.

If I filed a balance- due report, I understand if the PA Department of Revenue does not receive full and timely payment of my tax liability, I remain liable for the tax due and all applicable interest and penalties. If I filed a joint federal and state tax return/report and there is an error on my federal return, I understand my state report will be rejected.

Under penalties of perjury, I declare I am an officer of the above- named corporation and the information I provided to my electronic return originator (ERO) and/or transmitter and the amounts in Part I above agree with the amounts on the corresponding lines of the corporation's 2021 Pennsylvania Corporate Net Income Tax Report. To the best of my knowledge and belief, the corporation's report is true, correct and complete. I consent to my ERO and/or transmitter sending the corporation's report and accompanying schedules and statements to the Internal Revenue Service (IRS) and subsequently by the IRS to the PA Department of Revenue. I also consent to the PA Department of Revenue sending my ERO and/or transmitter, through the IRS, an acknowledgment of receipt of transmission, an indication of whether or not the corporation's report is accepted and, if rejected, the reason(s) for rejection.

SIGN HERE	Signature of Officer Gregory J Gawlik <i>Gregory J. Gawlik</i>	Date 11/08/2022	Title Assistant Controller,	Social Security number	
	Address 76 South Main Street	City Akron	State OH	ZIP Code 44308	

PART III DECLARATION OF ELECTRONIC RETURN ORIGINATOR (ERO) AND PAID PREPARER (See instructions.)

I declare I have reviewed the above- named corporation's report, and the entries on Form PA 8453 C are true, correct and complete to the best of my knowledge and belief. I obtained the corporate officer's signature on this form before submitting the report to the PA Department of Revenue, provided the corporate officer a copy of all forms and information to be filed with the PA Department of Revenue and followed all other requirements specified by the PA Department of Revenue and in IRS Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e- File (MeF) Information for Authorized IRS e- file Providers of forms 1120/1120S. If I am also the preparer, under penalties of perjury, I declare I examined the above- named corporation's report, accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct and complete. I understand I am required to keep this form and the supporting documents for three years.

ERO'S USE ONLY	ERO'S Signature	Date	Check if also paid preparer <input type="checkbox"/>	Check if self- employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self- employed), address and ZIP code				EIN
					Telephone Number

Under penalties of perjury, I declare I examined the above- named corporation's report, accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct and complete.

PAID PREPARER'S USE ONLY	Preparer's Signature <i>Nicole Whitman</i>	Date 11/3/2022	Check if self- employed <input type="checkbox"/>	Preparer's SSN or PT N P01970943
	Firm's name (or yours if self- employed), address and ZIP code KPMG LLP 191 W. NAITONWIDE BLVD. COLUMBUS OH 43215		STE. 500	Telephone Number 2168758221

**Electronic Return Originators (EROs) and paid preparers must retain this form and supporting documents for three years.
DO NOT SUBMIT THIS FORM TO THE PA DEPARTMENT OF REVENUE UNLESS REQUESTED TO DO SO.**

BUREAU OF TAXATION SUPPORT
PO BOX 280704
HARRISBURG PA 17128-0704



August 1, 2022

PENNSYLVANIA POWER CO
76 S MAIN STREET
AKRON, OH 44308

Re: 2021 Pennsylvania Public Utility Realty Tax
Notice of Determination

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, the Department of Revenue herein provides notice of the state taxable values of PURTA realty and the millage rate for tax year 2021. This notice is based on information provided by County Tax Assessor offices. Any discrepancies must be addressed with that agency and not with the Pennsylvania Department of Revenue. Please note, any net liabilities resulting from prior years' adjustments are due and payable along with the current year liability.

Payment of tax is required within 45 days of the mailing date of this notice. Previous payments, adjustments and credits should be taken into consideration. Payments and correspondence relevant to the PURTA tax or this notice should be mailed directly to the above address.

All payments of \$1,000 or more must be made electronically or by certified or cashier's check remitted in person or by express mail courier. For information on electronic filing options, visit www.etides.state.pa.us.

If you do not agree with this Notice of Determination, you may file a Petition with the Board of Finance and Revenue pursuant to Section 1109-A of the Tax Reform Code of 1971. The petition must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within 30 days of the mailing date of this notice.

Important update: Beginning in 2023, utilities must file and pay electronically at mypath.pa.gov. More information about the transition to myPATH will be available soon and can be found at www.revenue.pa.gov/mypathinformation.

Tax Year	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
1) Total Realty Tax Equivalent (RTE):	\$29,971,978	\$30,289,428	\$29,192,135	\$28,862,295	\$28,069,503
2) Total State Taxable Value (STV) for all utilities:	\$1,530,348,789	\$1,485,072,289	\$1,389,010,454	\$1,278,147,745	\$1,234,849,928
3) PURTA Millage Rate, including PTA (7.6 mills)	27.1851 mills	27.9959 mills	28.6165 mills	30.1813 mills	30.3311 mills
4) Utility STV:	\$14,740,751	\$13,769,762	\$11,512,585	\$9,982,701	\$9,808,973
5) Liability (Line 3 x Line 4):	\$400,729	\$385,497	\$329,450	\$301,291	\$297,517
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	N/A	(\$22)	(\$3)	(\$12)	\$3
8) Utility Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A

Account ID: 3500089

NOTICES

DEPARTMENT OF REVENUE

Public Utility Realty Tax Act (PURTA); Surcharge Rate Notice for the Tax Year Beginning January 1, 2023; Corrected Notice

[52 Pa.B. 6279]

[Saturday, October 1, 2022]

An error occurred in the notice published at 52 Pa.B. 6121 (September 24, 2022). In the second sentence of the notice, section 1111-A(c) was inadvertently published as 1111-A(d). The following notice corrects the version published at 52 Pa.B. 6121.

Section 1111-A(d) of the Tax Reform Code of 1971 (act) (72 P.S. § 8111-A(d)) requires the Secretary of Revenue to publish the rate of the Public Utility Realty Tax Act (PURTA) surcharge in the form of a notice in the *Pennsylvania Bulletin* by October 1, 2003, and by each October 1 thereafter. The tax rate established in section 1111-A(d) of the act shall be imposed upon gross receipts taxes as provided in section 1111-A(c) of the act for the period beginning the next January 1.

The result of the PURTA surcharge calculation provided in section 1111-A of the act for the tax year beginning January 1, 2023, is zero mills (0.0000). Therefore, no PURTA surcharge under section 1111-A(d) of the act will be imposed for the taxable period beginning January 1, 2023.

C. DANIEL HASSELL,
Secretary

[Pa.B. Doc. No. 22-1525. Filed for public inspection September 30, 2022, 9:00 a m.]

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