



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET  
HARRISBURG, PENNSYLVANIA 17120

December 4, 2025

TO ALL JURISDICTIONAL FIXED UTILITIES SUBJECT TO PENNSYLVANIA  
CORPORATE NET INCOME TAX:

On July 8, 2022, Governor Tom Wolf signed into law House Bill 1342<sup>1</sup>, which includes a nine-year phase down of the Pennsylvania Corporate Net Income Tax (CNIT).

Effective January 1, 2026, the CNIT will decrease from its current rate of 7.99% to 7.49%. Pursuant to the Pennsylvania Public Utility Commission's State Tax Adjustment Surcharge (STAS) procedures,<sup>2</sup> this reduction in the CNIT requires all fixed utilities to file a recomputed STAS within 10 days of the effective date of the tax rate change, i.e. by December 21, 2025, with the effective date of January 1, 2026.<sup>3</sup> All such filings shall include workpapers demonstrating the calculation of the recomputed STAS at the reduced CNIT. The calculation should reflect the difference between what is currently being recovered in base rates versus the new statutory rate of 7.49%. The difference should be divided by the projected 2026 revenues. Subsequent annual reductions to the CNIT shall require similar filings.

We recognize that there are scenarios, circumstances, and instances whereby a jurisdictional fixed utility may not be required to submit a recomputed STAS within 10 days of the effective date of the reduction in the CNIT. Further, there may be scenarios, circumstances, and instances whereby the submission of a recomputed STAS within 10

---

<sup>1</sup> Act 53 of 2022.

<sup>2</sup> 52 Pa. Code § 69.51, *et seq.*

<sup>3</sup> If the fixed utility operates on a fiscal year, this filing is due 10 days prior to the beginning of the relevant fiscal year. For those fixed utilities that have been granted a waiver for the relevant time period, no STAS filing is necessary at this time.

days of the effective date of the reduction in CNIT may be unnecessary, overly administratively burdensome, or otherwise not in the public interest.

We hereby clarify that jurisdictional fixed utilities believing that they meet the aforementioned criteria are nonetheless expected to file a notification with the Commission within 10 days of the effective date of the reduction in the CNIT. Such filings shall detail the exact circumstances and justifications for why any such jurisdictional fixed utilities will not be submitting a recomputed STAS. All such filings shall be accompanied by sufficient supporting information and documentation including, but not limited to, workpapers, calculations, tax returns, rationale, legal citations, etc.

All such filings shall be submitted by eFile or mailed to:

Matthew Homsher, Secretary  
Pennsylvania Public Utility Commission  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**Your answers must be verified per 52 Pa. Code § 1.36.** Accordingly, the following statement must accompany all such filings:

*I, [print name of company representative], 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).*

Signature \_\_\_\_\_

Title \_\_\_\_\_

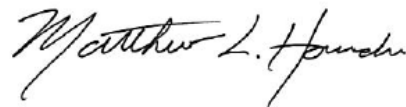
Copies of all such filings must be provided to the Office of Consumer Advocate, the Office of Small Business Advocate, and the Commission's Bureau of Investigation and Enforcement.

**Tariff supplements filed pursuant to 52 Pa Code § 69.51, *et seq.*, implementing a recomputed STAS showing the reduction to the CNIT will be issued a new R-docket from the Commission at the time of the filing. Any utilities making such a filing should select “New Case” if eFiling. If submitting a paper filing, please do not include a reference to any existing docket numbers.**

**All filings requiring notification only, *i.e.* no recomputed STAS or tariff supplement necessary, should select “Existing Case” if eFiled and enter Docket No. M-2025-3059055. If submitting a paper filing, include reference to Docket No. M-2025-3059055 on the cover letter accompanying the filing. Any information that is confidential or proprietary should NOT be efiled, but submitted by overnight delivery.**

Questions regarding this matter may be directed to Marc Hoffer Bureau of Technical Utility Services at (717) 787-1869 or [mhoffer@pa.gov](mailto:mhoffer@pa.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew L. Homsher". The signature is written in a cursive style with a large initial "M".

Matthew L. Homsher  
Secretary