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March 2, 2026

**VIA E-FILING**

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

**Re: Annual Asset Optimization Plan of FirstEnergy Pennsylvania Electric Company;  
Docket No.**

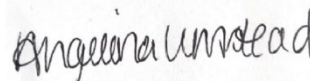
Dear Secretary Homsher:

Enclosed for filing please find the Annual Asset Optimization Plan (“AAO”) of FirstEnergy Pennsylvania Electric Company (“FE PA”)<sup>1</sup> containing information relevant to the Met-Ed Rate District (“Met-Ed”), Penelec Rate District (“Penelec”), Penn Power Rate District (“Penn Power”), and West Penn Rate District (“West Penn”). FE PA’s AAO is filed pursuant to Section 1356 of the Public Utility Code, 66 Pa.C.S. § 1356, and pursuant to Section 121.6 of the Commission’s Rules and Regulations, 52 Pa. Code § 121.6. FE PA’s AAO is filed for informational purposes in regard to FE PA’s Long-Term Infrastructure Improvement Plan (“LTIIIP”) which was approved by Commission Order entered December 19, 2024, at Docket No. P-2024-3050269.

As shown on the attached Certificate of Service FE PA is serving copies of its AAO on the parties to the associated LTIIIP proceeding at Docket No. P-2024-3050269.

Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,



Angelina Umstead

AU/dml

Enclosures

c: As Per Certificate of Service  
Paul Diskin, Technical Utility Services (pdiskin@pa.gov)

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<sup>1</sup> By Order entered on December 7, 2023, the Pennsylvania Public Utility Commission (the “Commission”) granted certain approvals and certificates of public convenience for the unification of the four Companies into one company, FirstEnergy Pennsylvania Electric Company, or “FE PA”. *Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company*, Docket Nos. A-2023-3038771, et al. (Order entered December 7, 2023).

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Annual Asset Optimization Plan of** :  
**FirstEnergy Pennsylvania Electric** : **Docket No.**  
**Company** :

**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).

Service by electronic mail as follows:

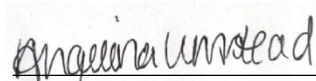
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Dated: March 2, 2026

  
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# **FirstEnergy Pennsylvania Electric Company**

## **Annual Asset Optimization Plan**

**March 1, 2026**

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**Table of Contents**

I. Introduction .....	3
II. Background .....	3
III. Requirements of an AAO Plan .....	3
IV. Summary .....	4
V. Pole CAP Status Report .....	4
Appendix A .....	5
FE PA In-Service Summary by Year .....	6
Battery Storage .....	7
Customers Experiencing Multiple Interruptions (“CEMI”) .....	8
Circuit Improvement .....	10
Distribution Circuit Protection and Sectionalizing .....	12
Network and Underground Ducted Systems .....	14
New Sources .....	16
Overhead Circuit Replacement/Rehabilitation .....	18
Pole Replacement .....	20
Remote Sectionalizing (Distribution Automation Preparation) .....	22
Substation Equipment Replacement/Rehabilitation .....	24
Underground Cable Replacement/Rejuvenation and Equipment Replacement .....	26
Unreimbursed Highway Relocation .....	28
Voltage Conversion .....	29
Appendix B .....	31
Selective Undergrounding Projects .....	32
Appendix C .....	33

## I. Introduction

As a public utility<sup>1</sup> operating under a Long-Term Infrastructure Improvement Plan (“LTIIIP”) and Distribution System Improvement Charge (“DSIC”), FirstEnergy Pennsylvania Electric Company (“FE PA” or the “Company”) respectfully submits its Annual Asset Optimization Plan (“AAO Plan”) containing information relevant to the Met-Ed Rate District (“Met-Ed”), Penelec Rate District (“Penelec”), Penn Power Rate District (“Penn Power”), and West Penn Rate District (“West Penn”). The Company’s AAO Plan reports on eligible property repaired, improved, or replaced during calendar year 2025, the first year of the Company’s five-year LTIIIP for the period spanning 2025 through 2029 (“LTIIIP III”). The Company’s AAO Plan also reports on the anticipated LTIIIP work for 2026.

## II. Background

On July 22, 2024, FE PA submitted its petition for approval of its LTIIIP III programs for the five-year period of 2025 through 2029.<sup>2</sup> The Commission found that the Company’s LTIIIP III fulfilled the requirements of 52 Pa. Code § 121.3(a)(1) by identifying the types and ages of eligible property for which it seeks DSIC recovery. The Company’s LTIIIP III programs were therefore approved in an Opinion and Order (“LTIIIP III Order”) entered on December 19, 2024.

The LTIIIP III Order included the following directives:

- That FE PA shall file with the Commission a report, within one-hundred-twenty (120) days after its LTIIIP III period ends, that details the cumulative System Average Interruption Duration Index and System Average Interruption Frequency Index benefits of LTIIIP III for FE PA and each of its Rate Districts, and that a copy of said report shall be filed with the Reliability and Emergency Preparedness Section of the Bureau of Technical Utility Services.
- That beginning with its AAO Plan filed in March 2025 and in each subsequent AAO Plan, FE PA shall specifically identify and provide detailed information regarding the cost and expected benefits for any selective undergrounding projects that are undertaken in the course of its LTIIIP III.

## III. Requirements of an AAO Plan

A utility which is operating under a Commission approved LTIIIP and DSIC must file an AAO Plan. As defined in 52 Pa. Code § 121.6(b), an AAO Plan must include:

- (1) A description that specifies all the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIIIP and prior year’s AAO Plan.

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<sup>1</sup> As defined in Sections 102 and 2803 of the Pennsylvania Public Utility Code, 66 Pa.C.S. §§ 102, 2803.

<sup>2</sup> *Petition of FirstEnergy Pennsylvania Electric Company for Approval of its Long-Term Infrastructure Improvement Plan*, Docket No. P-2024-3050269 (Opinion and Order entered on December 19, 2024).

(2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.

#### **IV. Summary**

Appendix A of this AAO Plan provides the information listed below for each of the LTIP III programs.

- Relating to the 2025 twelve-month period:
  - Approved schedule reflecting the number of units planned to be placed in service as identified in LTIP III;
  - Schedule reflecting the number of units projected to be placed in service as identified in the 2025 AAO Plan<sup>3</sup>;
  - Actual number of units placed in-service;
  - Approved estimated in-service dollars as identified in LTIP III;
  - Projected in-service dollars as identified in the 2025 AAO Plan; and
  - Actual in-service dollars.
  
- Relating to the 2026 twelve-month period:
  - Approved schedule reflecting the number of units planned to be placed in service as identified in LTIP III;
  - Schedule reflecting the number of units projected to be placed in-service;
  - Approved estimated in-service dollars as identified in LTIP III; and
  - Projected in-service dollars.

FE PA also included comments in Appendix A, as necessary, to describe any deviation or modification from the Company's LTIP III programs as approved. Additionally, a table summarizing the Company's planned versus actual in-service dollars is contained on the first page of Appendix A.

Actual costs and expected benefits for any selective undergrounding projects undertaken in 2025 are provided in Appendix B.

#### **V. Pole CAP Status Report**

The 2025 Pole CAP status report is provided in Appendix C.

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<sup>3</sup> Annual Asset Optimization Plan for the Companies, Docket No. M-2025-3053675.

**Appendix A**

**FE PA In-Service Summary by Year<sup>4</sup>**

<b>Initiative</b>	<b>2025 LTIP III (\$M)</b>	<b>2025 AAO Projection (\$M)</b>	<b>2025 Actual (\$M)</b>	<b>2026 LTIP III (\$M)</b>	<b>2026 Projected (\$M)</b>
Battery Storage	\$0.00	\$0.00	\$0.00	\$3.00	\$0.00
CEMI	\$3.77	\$3.38	\$3.98	\$3.84	\$3.78
Circuit Improvement	\$77.40	\$83.25	\$38.13	\$79.62	\$280.42
Distribution Circuit Protection and Sectionalizing	\$30.99	\$29.12	\$19.83	\$20.89	\$36.87
Network and Underground Ducted Systems	\$9.63	\$7.73	\$5.53	\$8.97	\$8.18
New Sources	\$12.62	\$10.94	\$8.89	\$12.83	\$7.64
Overhead Circuit Replacement/Rehab	\$59.70	\$58.28	\$62.58	\$81.77	\$145.16
Pole Replacement	\$4.48	\$4.83	\$6.08	\$4.48	\$4.62
Remote Sectionalizing (Distribution Automation Prep)	\$42.80	\$43.11	\$45.06	\$47.64	\$115.00
Substation Equipment Replacement	\$6.00	\$6.54	\$14.33	\$5.10	\$34.49
Underground Cable and Equipment Replacement	\$8.95	\$13.24	\$19.76	\$14.23	\$26.32
Unreimbursed Highway Relocation	\$6.20	\$5.89	\$7.12	\$6.34	\$5.53
Voltage Conversion	\$15.75	\$11.98	\$3.06	\$9.00	\$36.99
<b>Total</b>	<b>\$278.29</b>	<b>278.29</b>	<b>\$234.35</b>	<b>\$297.71</b>	<b>\$705.00</b>

FE PA has made the decision to pull forward additional LTIP III funding into 2026 to realize the planned reliability benefits earlier. Per the table above, the FE PA in-servicing target will be \$705 million for 2026, which is a 230% increase from the original filed amount for 2026. This increase will focus on circuit improvement, overhead circuit replacement/rehab, remote sectionalizing, substation equipment replacement, and voltage conversion initiatives. FE PA will be holistically targeting circuits to increase their resiliency via infrastructure replacement, adding or strengthening tie points, adding supervisory control and data acquisition (“SCADA”) devices, and standardizing voltages on circuits.

<sup>4</sup> This chart represents the consolidated amounts of the Met-Ed, Penelec, Penn Power, and West Penn rate districts.

## Battery Storage

### Description

This initiative will be to install battery energy storage systems (“BESS”) in select locations within the FE PA service territory. These systems would serve as a backup feed in case of an outage to a particular circuit or partial circuit where a traditional lines solution is not viable. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

### Schedule of Planned Projects (Unit of Measure: Project) <sup>5</sup>

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	0	0	0	0	0
Penelec	0	0	0	0	0
Penn Power	0	0	0	0	0
West Penn	0	0	0	0	0

### Planned Annual In-Service Dollars (in millions)

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Penelec	\$0.00	\$0.00	\$0.00	\$3.00	\$0.00
Penn Power	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
West Penn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

### Comments

Work on the Penelec battery storage project will begin in 2026 with the completed project and dollars to be in serviced in 2027.

<sup>5</sup> As a result of the consolidation from four separate operating companies to the consolidated FE PA, the Anticipated Locations Table has been combined with the Schedule of Planned Projects Table.

**Customers Experiencing Multiple Interruptions (“CEMI”)**

**Description**

This initiative provides for distribution line equipment projects focused on addressing individual or small clusters of customers that have experienced frequent outages. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

**Schedule of Planned Projects (Unit of Measure: Project)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	42	42	58	28	42
Penelec	55	55	41	58	58
Penn Power	49	49	42	47	47
West Penn	34	34	26	35	35

**Planned Annual In-Service Dollars (in millions)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$0.87	\$0.87	\$0.96	\$0.89	\$0.84
Penelec	\$0.74	\$0.55	\$0.83	\$0.76	\$0.84
Penn Power	\$0.83	\$0.84	\$1.23	\$0.83	\$0.80
West Penn	\$1.33	\$1.12	\$0.96	\$1.36	\$1.30

**Comments**

**Met-Ed**

Units and in-service dollars were greater than projected in 2025 due to an effort to target additional CEMI locations, because of the large number of customers in the Met-Ed footprint experiencing more than 8 outages in the year. Units are projected to be higher in 2026 while in-service dollars are expected to generally align with the filing.

**Penelec**

Based on the cost of projects for 2025, which was driven by a handful of projects that had significantly larger scopes than we have historically had within this initiative and included reconductoring and more costly material, in-service dollars were higher than anticipated and, as a result, the units were less than expected. Additionally, there were 2025 4<sup>th</sup> quarter CEMI projects identified that were not able to get constructed by the end of 2025. The 2026 in-service dollars and units are expected to generally align with the original filing in 2026.

**Penn Power**

Based on the cost of projects for 2025, which was driven by projects touching larger portions of circuits and utilizing more material and labor than historically needed for projects within this initiative, in-service dollars were higher than anticipated and, as a result, the units were less than expected. Additionally, there were 2025 4<sup>th</sup> quarter CEMI projects identified that could not get constructed by the end of 2025. The 2026 in-service dollars and units are expected to generally align with the original filing in 2026.

**West Penn**

The in-service dollars and units were less than expected in 2025, which was due to several CEMI projects identified that were not able to get constructed by the end of 2025 because of the priority of projects in other initiatives with larger reliability benefits. The in-service dollars and units are projected to generally align with the original filing in 2026.

### ***Circuit Improvement***

#### **Description**

This initiative provides for the comprehensive improvement or upgrade of selected circuit sections that may include replacing aging equipment such as transformers, poles, wire, crossarms, cutouts, insulators arresters and cable; installing animal guards, and additional protective devices; creating loops and ties; splitting large circuits; relocating circuits and reconductoring. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

#### **Schedule of Planned Projects (Unit of Measure: Circuit)**

<b>Rate District</b>	<b>2025 LTIP III</b>	<b>2025 Projected</b>	<b>2025 Actual</b>	<b>2026 LTIP III</b>	<b>2026 Projected</b>
Met-Ed	30	30	17	37	55
Penelec	27	27	15	37	100
Penn Power	6	6	5	3	10
West Penn	24	35	23	9	40

#### **Planned Annual In-Service Dollars (in millions)**

<b>Rate District</b>	<b>2025 LTIP III</b>	<b>2025 Projected</b>	<b>2025 Actual</b>	<b>2026 LTIP III</b>	<b>2026 Projected</b>
Met-Ed	\$21.60	\$22.09	\$13.87	\$27.60	\$57.26
Penelec	\$34.26	\$37.29	\$10.56	\$43.64	\$170.74
Penn Power	\$4.50	\$3.36	\$1.04	\$2.00	\$4.57
West Penn	\$17.04	\$20.51	\$12.66	\$6.38	\$47.85

#### **Comments**

##### **Met-Ed**

Due to larger projects carrying over from 2025 into 2026, 2025 units and in-service dollars were less than projected. There were several factors impacting projects not completed in 2025. These include issues related to right-of-way, environmental permitting, railroad permitting, highway occupancy permitting, major equipment delays (viper recloser, regulators), and third-party poles. Due to some of these deferrals and the overall increased investment in 2026, in-service dollars and units are expected to be higher than anticipated.

**Penelec**

Based on the average cost of projects from the previous years and high cost projects that were deferred, in-service dollars are anticipated to be more than filed in 2026. In 2025, in-service dollars and units were lower than projected due to projects being deferred due to permitting and right-of-way issues. The 2025 in-service dollars not utilized in this initiative were moved to Overhead Replacement/Rehab and Remote Sectionalizing. The additional in-service dollars and units in 2026 reflect the overall increased investment in 2026.

**Penn Power**

The in-service dollars in 2025 were less than projected. Some of the larger projects that were planned for completion in 2025 were deferred because of right-of-way issues, and smaller projects were brought into this initiative in an effort to achieve as many units as possible. In alignment with the overall LTIIP strategy to increase investment in 2026, units and in-service dollars are projected to be greater than filed.

**West Penn**

Due to larger projects carrying over from 2025 into 2026, 2025 units and in-service dollars were less than projected. There were several factors impacting projects not completing in 2025. These include issues related to right-of-way, environmental permitting, railroad permitting, highway occupancy permitting, major equipment delays (viper recloser, regulators), and third-party poles. Due to some of these deferrals and the overall increased investment in 2026, in-service dollars and units are expected to be greater than filed.

### ***Distribution Circuit Protection and Sectionalizing***

#### **Description**

This initiative provides for the technical review of the reliability, capacity, and operating performance of the existing distribution circuits. It is aimed at identifying and correcting or improving coordination between protective devices; and isolating smaller segments of the circuit. The potential need for the addition, or removal, upgrade, and replacement of the existing over current protection, sectionalizing and voltage regulation equipment on the circuit will be addressed. Work to be completed typically includes the installation or upgrade of existing reclosers, fuses and TripSavers. Work may also include other minor items such as installing regulators, switches, or capacitors, or performing load balancing. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

#### **Schedule of Planned Projects (Unit of Measure: Device)**

<b>Rate District</b>	<b>2025 LTIP III</b>	<b>2025 Projected</b>	<b>2025 Actual</b>	<b>2026 LTIP III</b>	<b>2026 Projected</b>
Met-Ed	56	60	71	14	75
Penelec	89	89	71	56	650
Penn Power	47	70	60	0	17
West Penn	136	140	197	144	90

#### **Planned Annual In-Service Dollars (in millions)**

<b>Rate District</b>	<b>2025 LTIP III</b>	<b>2025 Projected</b>	<b>2025 Actual</b>	<b>2026 LTIP III</b>	<b>2026 Projected</b>
Met-Ed	\$5.27	\$5.44	\$6.56	\$1.40	\$1.89
Penelec	\$8.45	\$8.56	\$3.19	\$5.45	\$18.89
Penn Power	\$4.40	\$4.89	\$4.62	\$0.00	\$0.98
West Penn	\$12.87	\$10.23	\$5.46	\$14.04	\$15.11

#### **Comments**

##### **Met-Ed**

Units and in-service dollars were greater than projected in 2025, which was driven by work that was deferred from 2024 being completed in early 2025 along with all of the planned 2025 projects.

##### **Penelec**

The in-service dollars and units were less than anticipated in 2025. This was driven by construction delays such as constraints around bench testing and commissioning. There were also material delays associated with some of the projects. The additional in-service dollars and units in 2026 reflect the overall increased investment in 2026.

**Penn Power**

The in-service dollars generally aligned with the 2025 projection, but units were less than expected. This was driven by construction delays including constraints around bench testing, commissioning, and material delays.

**West Penn**

Additional less costly sectionalizing devices such as cutouts and TripSavers were chosen to be installed versus higher in-service dollar devices such as Vipers, which drove the 2025 units to be higher than projected while the in-service dollars were less than projected.

**Network and Underground Ducted Systems**

**Description**

This initiative provides for the proactive repair or replacement of aged capital asset infrastructure such as conduits, duct banks, vaults, manholes, handholes, primary cable, network transformers, network protectors, switches, secondary cable, cable limiters, and neutral conductors. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

**Schedule of Planned Projects (Unit of Measure: Capital Asset)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	40	14	5	32	15
Penelec	17	20	15	17	23
Penn Power	0	0	0	0	0
West Penn	0	0	0	0	0

**Planned Annual In-Service Dollars (in millions)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$4.75	\$3.23	\$0.44	\$3.92	\$2.52
Penelec	\$4.88	\$4.50	\$5.09	\$5.05	\$5.66
Penn Power	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
West Penn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**Comments**

**Met-Ed**

Based on the average cost of projects from the previous years and expected material lead times, units and in-service dollars were lower than filed in 2025 and projected to be lower than filed in 2026.

**Penelec**

Due to a higher than anticipated cost of a project in the Johnstown network, the overall in-service dollars were higher than expected in 2025, which resulted in the units being less than expected. The 2026 units are expected to be higher than filed and the in-service dollars slightly higher than filed because the components that were selected have a lower cost per unit but have equal reliability benefit.

**Penn Power**

This initiative was not included in LTIP III.

**West Penn**

This initiative was not included in LTIP III.

**New Sources**

**Description**

This initiative provides for the proactive construction of new distribution substations or sources to add capacity to support remote sectionalizing and address N-1 source issues. Projects include creation of new circuit and substation sources, and installation of substation power transformers. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

**Schedule of Planned Projects (Unit of Measure: Project)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	1	1	2	1	3
Penelec	1	0	0	1	0
Penn Power	1	1	0	1	1
West Penn	1	1	0	1	0

**Planned Annual In-Service Dollars (in millions)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$2.16	\$1.12	\$1.70	\$2.20	\$5.10
Penelec	\$4.74	\$0.00	\$0.00	\$4.80	\$0.00
Penn Power	\$2.84	\$6.99	\$6.95	\$2.90	\$2.54
West Penn	\$2.88	\$2.83	\$0.24	\$2.93	\$0.00

**Comments**

**Met-Ed**

Due to material lead times shifting larger planned projects to later years, in-service dollars were less than filed in 2025.

**Penelec**

Due to material lead times shifting larger planned projects to later years, in-service dollars were less than filed in 2025 and will not enable Penelec to in-service any projects within this initiative in 2026.

**Penn Power**

The 2025 in-service dollars aligned with the 2025 projection, but the unit was deferred to 2026 due to unforeseen right of way issues. The 2026 units and in-service dollars are expected to align with the original filing.

**West Penn**

Due to material lead times shifting larger planned projects to later years, in-service dollars and units were less than filed in 2025 and anticipated to be less than filed in 2026.

### Overhead Circuit Replacement/Rehabilitation

#### Description

This initiative provides for the targeted rehabilitation or replacement of aged overhead infrastructure. Typical work performed includes replacing crossarms and braces, insulators, cutouts, poles, conductor, switches, transformers, capacitor banks, voltage regulators, and other miscellaneous equipment; and installing animal guarding. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

#### Schedule of Planned Projects (Unit of Measure: Circuit)

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	40	50	55	62	45
Penelec	24	55	38	40	60
Penn Power	27	20	19	21	15
West Penn	24	75	73	29	20

#### Planned Annual In-Service Dollars (in millions)

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$16.80	\$14.80	\$15.24	\$27.07	\$32.74
Penelec	\$16.80	\$18.72	\$26.14	\$29.30	\$46.60
Penn Power	\$12.30	\$11.20	\$8.60	\$8.10	\$15.45
West Penn	\$13.80	\$13.56	\$12.60	\$17.30	\$50.37

#### Comments

##### Met-Ed

Due to scope changes in 2025, units were greater than filed and in-service dollars were less than filed. Based on the selection of projects for 2026, units are expected to be less than filed while in-service dollars are expected to be greater than filed.

##### Penelec

Based on the cost of projects for 2025, in-service dollars were higher than anticipated, which was driven by increased labor costs due to the off-road nature of a majority of the work, but the units were less than expected. There were less units completed in 2025 due to issues including right-of-way, environmental permitting, railroad permitting, highway occupancy permitting, major equipment delays (viper recloser, regulators), and third-party poles. Due to some of these deferrals and the overall increased investment in 2026, in-service dollars and units are expected to be higher than anticipated.

**Penn Power**

Based on the cost of projects for 2025, in-service dollars were lower than anticipated and the units generally aligned with the 2025 projection. A few of the larger projects had right-of-way and permitting issues, so smaller scope alternative projects were pulled into the 2025 plan to achieve the units. Based on the selection of projects for 2026, units are expected to be less than filed while in-service dollars are expected to be greater than filed. The 2026 projects are larger in scope, involving reconductoring and significant asset replacement, than have historically been pursued within this initiative.

**West Penn**

The 2025 units aligned with projections while in-service dollars were lower than anticipated, which was driven by a few of the projects involving replacing one piece of equipment vs. replacing multiple pieces of equipment over a section of the circuit. Due to scope changes in 2026, units are anticipated to be greater than filed, with in-service dollars expected to generally align with the filing.

## Pole Replacement

### Description

This initiative will pivot from addressing poles that have failed inspection to the proactive replacement of the Company’s pole plant. This initiative provides for the accelerated replacement of wood poles. Work includes the proactive replacement of poles identified using advanced data analytics, which selects poles to be replaced based on a number of factors such as age and customer count in the protective zone where the pole is located. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIIIP III programs filed on July 22, 2024.

### Schedule of Planned Projects (Unit of Measure: Pole)

Rate District	2025 LTIIIP III	2025 Projected	2025 Actual	2026 LTIIIP III	2026 Projected
Met-Ed	107	28	102	104	38
Penelec	35	37	34	34	25
Penn Power	0	0	0	0	0
West Penn	483	467	458	483	460

### Planned Annual In-Service Dollars (in millions)

Rate District	2025 LTIIIP III	2025 Projected	2025 Actual	2026 LTIIIP III	2026 Projected
Met-Ed	\$0.28	\$0.32	\$1.66	\$0.28	\$0.35
Penelec	\$0.20	\$0.22	\$0.21	\$0.20	\$0.24
Penn Power	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
West Penn	\$4.00	\$4.29	\$4.21	\$4.00	\$4.03

### Comments

#### Met-Ed

The units generally align with the 2025 filing. In-service dollars were higher than filed and anticipated due to increased labor rates and material costs.

#### Penelec

The in-service dollars and units generally align with the 2025 projection. The 2026 in-service dollars and units are expected to generally align with the original filing.

#### Penn Power

This initiative was not included in LTIIIP III.

### **West Penn**

The in-service dollars and units generally align with the 2025 projection. The 2026 in-service dollars and units are expected to generally align with the original filing.

**Remote Sectionalizing (Distribution Automation Preparation)**

**Description**

This initiative provides for the upgrade of distribution circuits and associated substation equipment to allow for remote sectionalizing using SCADA. This includes the installation or replacement of existing breakers, reclosers, and switches with units having communication capabilities for remote operation. Circuit work to strengthen transfer capacity such as conductor, pole, regulator, and associated hardware upgrades and installations may also be performed on each targeted circuit and associated tie circuits. Selective undergrounding and resilient aerial cable installation may be considered as conditions warrant. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

**Schedule of Planned Projects (Unit of Measure: Device)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	40	45	66	51	60
Penelec	156	55	103	156	100
Penn Power	40	21	13	33	46
West Penn	192	50	27	236	57

**Planned Annual In-Service Dollars (in millions)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$4.00	\$6.28	\$8.27	\$5.10	\$8.82
Penelec	\$15.60	\$17.14	\$26.22	\$15.60	\$35.26
Penn Power	\$4.00	\$3.12	\$1.35	\$3.30	\$4.84
West Penn	\$19.20	\$16.57	\$9.22	\$23.64	\$66.08

**Comments**

**Met-Ed**

Due to project carryover from 2024, units and in-service dollars were greater than filed in 2025. In 2026, in-service dollars and units are anticipated to be higher than filed because additional projects that will bring significant reliability benefits are being pulled into the portfolio to align with the expanded 2026 LTIP investment.

**Penelec**

In-service dollars and units were higher than the 2025 projection due to some 2024 deferrals and an increased focus to expand the SCADA fleet. In 2026, in-service dollars are expected to be higher than anticipated due to increased material costs and, as a result, the units are expected to be less than the original filing.

**Penn Power**

In-service dollars and units were lower than the anticipated 2025 projections.

**West Penn**

Due to a focus on remote sectionalizing projects in substations, in-service dollars and units were less than filed in 2025. In 2026, in-service dollars are expected to be higher than anticipated due to the focus on substation projects and, as a result, the units are expected to be less than the original filing.

***Substation Equipment Replacement/Rehabilitation***

**Description**

This initiative provides for the proactive and accelerated replacement of legacy substation equipment, materials, and infrastructure within the confines of the substation fence. Work may include replacement of capital assets such as reclosers, breakers, voltage regulators, switches, relays, cables, batteries, instrument transformers, insulators, and lightning arresters, conversion of degraded substations to modular substations; ground grid repair; and substation infrastructure rehabilitation of wood pole structures, buses, and other substation infrastructure components. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

**Schedule of Planned Projects (Unit of Measure: Capital Asset)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	8	5	8	7	8
Penelec	5	8	11	4	18
Penn Power	5	0	0	4	46
West Penn	41	5	2	41	8

**Planned Annual In-Service Dollars (in millions)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$1.75	\$3.03	\$2.70	\$1.45	\$7.56
Penelec	\$1.75	\$2.20	\$7.04	\$1.45	\$12.59
Penn Power	\$1.50	\$0.00	\$0.00	\$1.20	\$7.41
West Penn	\$1.00	\$1.31	\$4.59	\$1.00	\$6.93

**Comments**

**Met-Ed**

2025 units aligned with the original filing. For the 2026 projects the decision was made to pursue projects involving different pieces of equipment that impact more customers and are typically larger in scope than planned in the original filing. Therefore, the projected in-service dollars are higher than initially filed.

**Penelec**

Due to deferral projects from 2024, the in-service dollars and units were higher than the 2025 projections. In alignment with the general increase of the planned LTIP investment in 2026, additional projects focusing on replacing larger pieces of equipment within substations will be targeted in 2026.

**Penn Power**

Work in this initiative aligned with projections in 2025. The projects that are planned for 2026 will allow for the catch up on the 2025 units and in-service dollars that were not achieved in 2025 and also achieve the 2026 in-service dollars and units from the original filing.

**West Penn**

The specific planned projects in 2025 involved different pieces of equipment that impact more customers and are typically larger in scope than planned in the original filing, so the projected in-service dollars are higher than initially filed, and units are lower than filed. The 2026 projects are similar, with units projected to be lower than filed and in-service dollars greater than filed because they involve different pieces of equipment that impact more customers and are typically larger in scope than planned in the original filing.

***Underground Cable Replacement/Rejuvenation and Equipment Replacement***

**Description**

This initiative provides for the targeted and proactive replacement of underground cable and associated equipment. Work may include replacing or upgrading cable; cable treatment; and installation or replacement of transformers, switchgear, fused elbows, and other related equipment. Work may also involve creating loops and ties. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

**Schedule of Planned Projects (Unit of Measure: Cable Feet)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	50,130	50,130	89,127	95,724	23,951
Penelec	24,305	39,230	27,405	26,837	45,000
Penn Power	37,844	51,616	19,807	55,342	140,000
West Penn	16,908	64,721	48,545	30,589	38,000

**Planned Annual In-Service Dollars (in millions)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$2.16	\$3.12	\$6.05	\$4.25	\$3.63
Penelec	\$2.25	\$2.55	\$1.24	\$2.56	\$4.41
Penn Power	\$2.92	\$4.19	\$2.50	\$4.40	\$13.12
West Penn	\$1.62	\$3.38	\$9.97	\$3.02	\$5.16

**Comments**

**Met-Ed**

Due to carryover work from 2024, units and in-service dollars were higher than filed in 2025. As a result of completing more work than anticipated in 2025, the 2026 units and in-service dollars are anticipated to be lower than filed.

**Penelec**

In-service dollars and units were lower than the anticipated 2025 projections because the cable injection contractor was not able to complete the volume of work assigned. The additional in-service dollars and units in 2026 reflect the overall increased investment in 2026.

**Penn Power**

In-service dollars and units were lower than the anticipated 2025 projections. This was driven by one major project in the Penn Power footprint that experienced easement and permitting issues, which prohibited the project from starting until late in the year. The additional in-service dollars and units in 2026 reflect the overall increased investment in 2026.

**West Penn**

Due to carryover work from 2024 and a higher than anticipated mix of cable replacement instead of rejuvenation, units were lower than anticipated and in-service dollars were higher than anticipated in 2025. The additional in-service dollars and units in 2026 reflect the overall increased investment in 2026.

**Unreimbursed Highway Relocation**

**Description**

This initiative provides for recovery of the unreimbursed costs of distribution facility relocations in support of highway and bridge construction projects. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

**Schedule of Planned Projects (Unit of Measure: Project)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	25	25	23	25	25
Penelec	57	90	49	57	50
Penn Power	23	16	6	23	16
West Penn	48	67	41	47	47

**Planned Annual In-Service Dollars (in millions)**

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$1.72	\$1.72	\$2.43	\$1.76	\$1.69
Penelec	\$2.28	\$2.00	\$0.91	\$2.33	\$1.69
Penn Power	\$0.61	\$0.64	(\$0.43)	\$0.63	\$0.60
West Penn	\$1.59	\$1.53	\$4.21	\$1.62	\$1.55

**Comments**

**Met-Ed, Penelec, and West Penn**

The 2025 in-service dollars and units were driven by Pennsylvania Department of Transportation project schedules. The number of projects and in-service dollars projected are the best estimates of what is currently known of the planned Pennsylvania Department of Transportation projects for 2026.

**Penn Power**

Penn Power completed 6 unreimbursed highway projects in 2025. Two projects completed in 2024 recognized customer contributions in 2025, resulting in a current-period credit against expenses incurred in prior years. The net effect for 2025 is a credit. The number of projects and in-service dollars projected are the best estimates of what is currently known of the planned Pennsylvania Department of Transportation projects for 2026.

## Voltage Conversion

### Description

This initiative provides for the proactive conversion of circuits operating at 8kV and below to the standard distribution voltage in the area it is serving. Typical work performed includes the replacement of insulators, distribution transformers, fuses, reconductoring, and/or installation of additional conductors. For detailed information regarding scope, acceleration, project determination method, success metric, long term goal, and age of infrastructure, please refer to the LTIP III programs filed on July 22, 2024.

### Schedule of Planned Projects (Unit of Measure: Project)

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	4	8	4	3	15
Penelec	8	8	2	2	10
Penn Power	2	1	0	1	1
West Penn	0	0	0	0	1

### Planned Annual In-Service Dollars (in millions)

Rate District	2025 LTIP III	2025 Projected	2025 Actual	2026 LTIP III	2026 Projected
Met-Ed	\$5.00	\$4.81	\$2.48	\$4.00	\$25.19
Penelec	\$5.50	\$3.72	\$0.57	\$2.00	\$7.56
Penn Power	\$5.25	\$3.45	\$0.01	\$3.00	\$3.15
West Penn	\$0.00	\$0.00	\$0.00	\$0.00	\$1.09

### Comments

#### Met-Ed

Due to several projects carrying over from 2025 into 2026, in-service dollars and units were lower than anticipated in 2025. The additional in-service dollars and units in 2026 reflect the overall increased investment in the 2026 LTIP plan to drive additional asset renewal and reliability impact.

#### Penelec

In-service dollars and units were lower than the anticipated 2025 projections due to several projects being delayed due to permitting and material lead time issues. The additional in-service dollars and units in 2026 reflect the overall increased investment in the 2026 LTIP plan to drive additional asset renewal and reliability impact.

**Penn Power**

Due to longer than anticipated material lead times, in-service dollars and units were deferred to the latter years of LTIP III. In 2026, in-service dollars and units are expected to generally align with the original filing.

**West Penn**

This initiative was not included in LTIP III.

**Appendix B**

***Selective Undergrounding Projects***

Met-Ed, Penelec, Penn Power, and West Penn did not undertake any selective undergrounding projects in 2025 but will have some selective undergrounding projects in 2026.

**Appendix C**

***2025 Pole CAP Status Report***

Met-Ed has 24 outstanding poles awaiting replacement. Of those, 12 are awaiting permits from the National Park Service, 2 are awaiting the remediation of environmental issues, 1 is awaiting a permit from PennDot, and 1 is awaiting permission from the property owner to allow access to the property.

West Penn has 1 outstanding pole awaiting replacement. This pole is awaiting a permit from PennDot.

There are no outstanding poles awaiting replacement in Penelec and Penn Power.