

March 23, 2026

VIA ELECTRONIC FILING

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

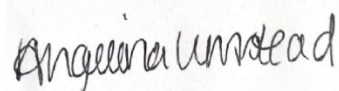
**Re: Petition of FirstEnergy Pennsylvania Electric Company to Modify
Tax Cuts and Jobs Act of 2017 Voluntary Surcharge Rider Refund;
Docket No. _____**

Dear Secretary Homsher:

Enclosed please find the Petition of FirstEnergy Pennsylvania Electric Company to Modify Tax Cuts and Jobs Act of 2017 Voluntary Surcharge Rider Refund. This document has been served as shown in the attached Certificate of Service.

Please contact me if you have any questions regarding this matter.

Very truly yours,



Angelina Umstead

AU/dml

Enclosures

c: As per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of FirstEnergy Pennsylvania Electric
Company to Modify Tax Cuts and Jobs Act
of 2017 Voluntary Surcharge Rider Refund** :
: **Docket No.** _____
:
:

**PETITION OF FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY TO
MODIFY TAX CUTS AND JOBS ACT OF 2017
VOLUNTARY SURCHARGE RIDER REFUND**

Pursuant to 52 Pa. Code § 5.41, FirstEnergy Pennsylvania Electric Company (“FE PA” or “Company”) is proposing to modify its Default Service Support (“DSS”) Rider to refund the Tax Cuts and Jobs Act of 2017 (“TCJA”) Voluntary Surcharge Rider residual balance to customers of the Penelec Rate District.¹ In support of this Petition, the Company states as follows:

1. The Pennsylvania Public Utility Commission (“Commission”) issued the TCJA Voluntary Surcharge Orders on May 17, 2018, and, in those Orders, directed the Company to establish a TCJA Voluntary Surcharge Rider to refund the amount of the tax savings as result of the reduction of the corporate federal income tax rate, which 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.²

2. FE PA filed a base rate case at Docket No. R-2024-3047068 on April 2, 2024. A settlement, which was filed on September 13, 2024, was approved by the Commission on November 21, 2024, with new base rates effective on January 1, 2025.³ In its base rate case, FE

¹ With customer affordability in mind, the Company will write off the residual under collections in the Met-Ed, Penn Power and West Penn Rate Districts totaling approximately \$93,000.00.

² *Tax Cuts and Jobs Act of 2017 – Pennsylvania Electric Company*, Docket Nos. R-2018-3000599, et al. (Order entered May 17, 2018).

³ *PaPUC, et al. v. FirstEnergy Pennsylvania Electric Company*, Docket Nos. R-2024-3047068, et al. (Order entered November 21, 2024).

PA proposed to set TCJA Voluntary Surcharge Rider rates to zero effective January 1, 2025, with a final TCJA Voluntary Surcharge Rider rate to be effective July 1, 2025 to refund or recoup the remaining over-or under-collection balance related to 2023 and 2024. The TCJA Voluntary Surcharge Rider rate was reset to zero effective January 1, 2026.

3. In the instant Petition, the Company is proposing to move the residual over collection of \$60,796 at the Penelec Rate District as one time reduction of the E-factor balance of the non-market based component of the DSS Rider. This will be reflected in the DSS Rider rate that will begin on June 1, 2026 as reductions of \$41,331 to the residential customer class; \$13,487 to the commercial customer class; and \$5,978 to the industrial customer class. This methodology is both simple and transparent treatment for small amounts pertaining to only one rate district.

4. Moving the over collection to the DSS Rider is consistent with the Commission's prior Orders where it approved moving remaining over-/under-collections to the DSS Rider and setting the Non-Utility Generation Charge and the Solar Photovoltaic Requirements Charge to zero in 2020 and 2025, respectively.⁴

5. Attachment A attached hereto includes all required information identified in 52 Pa. Code § 53.52.

6. The actual DSS Rider rate, effective June 1, 2026, will be filed with the Commission by May 1, 2026.

7. The Company is seeking the Commission's approval of this Petition on or before April 30, 2026 in advance of its May 1, 2026 DSS Rider rate filing.

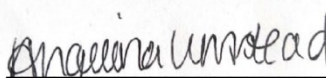
⁴ *Petition of Pennsylvania Electric Company to Modify Non-Utility Generation Charge Collection and Reconciliation*, Docket No. P-2020-3019245 (Order entered April 16, 2020); *Petition of FirstEnergy Pennsylvania Electric Company to Modify Solar Photovoltaic Requirements Charge Rider*, Docket No. P-2025-3054284 (Order entered April 24, 2025).

8. Accordingly, the Company is seeking approval of this Petition on less than 60 days' notice.⁵ All information required to support the Commission's expedited consideration of this filing is included consistent with 52 Pa. Code § 53.103.

WHEREFORE, for all the reasons set forth above, FirstEnergy Pennsylvania Electric Company respectfully requests that the Pennsylvania Public Utility Commission permit the Company to refund the residual over collection of the TCJA Voluntary Surcharge Rider as part of the Company's Default Service Support Rider.

Respectfully submitted,

Date: March 23, 2026



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⁵ See 52 Pa. Code § 53.102.

**FirstEnergy Pennsylvania Electric Company
Supplemental Information Required by 52 Pa. Code § 53.52(a)**

FirstEnergy Pennsylvania Electric Company (“FE PA” or “Company”) submits the following information in support of the Petition of FE PA to Modify Tax Cuts and Jobs Act of 2017 Voluntary Surcharge (“TCJA”) Rider Refund. In response to each of the applicable subsections of 52 Pa. Code § 53.52(a), FE PA states the following:

52 Pa. Code § 53.52(a)(1)

- Q. The specific reasons for each change.
- A. The Company is requesting to move the Penelec Rate District’s residual overcollection of the TCJA into the Default Service Support (“DSS”) Rider as one time reduction of the Non-Market Based Services Transmission Charge (“NMB”) E-Factor. This will be reflected in the DSS Rider rates effective June 1, 2026. The TCJA was set to zero effective January 1, 2026.

52 Pa. Code § 53.52(a)(2)

- Q. The total number of Customers served by the utility.
- A. As of December 31, 2025, FE PA served a total of 2,096,846 Customers. The Penelec Rate District serves 584,819 customers.

52 Pa. Code § 53.52(a)(3)

- Q. A calculation of the number of Customers, by tariff subdivision, whose bills could be affected by the change.
- A. Customer bills will not be affected by the proposed changes as we are moving the overcollection from the TCJA Rider into the DSS Rider.

52 Pa. Code § 53.52(a)(4)

- Q. The effect of the change on the utility’s Customers.
- A. There will be no effect on the utility’s Customers.

52 Pa. Code § 53.52(a)(5)

- Q. The effect, whether direct or indirect, of the proposed change on the utility’s revenues and expenses.
- A. There will be no effect on the utility’s revenues and expenses.

52 Pa. Code § 53.52(a)(6)

- Q. The effect of the change on the service rendered by the utility.
- A. There will be no effect on the service rendered by the Company.

52 Pa. Code § 53.52(a)(7)

- Q. A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. C.S. § 1308 (relating to voluntary changes in rates).
- A. Moving the over collection to the DSS Rider is consistent with the Commission's prior Orders where it approved moving remaining over/under collections to the DSS Rider and setting the Non-Utility Generation Charge and the Solar Photovoltaic Requirements Charge to zero in 2020 (Docket No. P-2020-3019245) and 2025 (Docket No. P-2025-3054284), respectively.

52 Pa. Code § 53.52(a)(8)

- Q. Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. C.S. § 1308.
- A. The Company has not performed any specific studies concerning the proposed changes.

52 Pa. Code § 53.52(a)(9)

- Q. Customer polls taken and other documentation which indicates Customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible opposition, an explanation of why the change is in the public interest shall be provided.
- A. The Company did not conduct any Customer polls.

52 Pa. Code § 53.52(a)(10)

- Q. Plans the utility has for introducing or implementing the changes with respect to its ratepayers.
- A. Other than this filing, the Company has no plans for introducing the changes with respect to its ratepayers. There will be no noticeable change to rates, bills, or service rendered.

52 Pa. Code § 53.52(a)(11)

- Q. F.C.C., F.E.R.C., or Commission orders or rulings applicable to the filing.
- A. The Commission Order at Docket No. R-2018-3000599 for TCJA Voluntary Surcharge for the Penelec Rate District and Docket No. R-2024-3047068 for the FE PA base rate case.

**FirstEnergy Pennsylvania Electric Company
Supplemental Information Required by 52 Pa. Code § 53.52(b)**

FirstEnergy Pennsylvania Electric Company (“FE PA” or “Company”) submits the following information in support of the Petition of FE PA to Modify Tax Cuts and Jobs Act of 2017 Voluntary Surcharge Rider Refund. In response to each of the applicable subsections of 52 Pa. Code § 53.52(b), FE PA states the following:

52 Pa. Code § 53.52(b)(1)

- Q. The specific reasons for each increase or decrease.
- A. Not applicable.

52 Pa. Code § 53.52(b)(2)

- Q. The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing.
- A. See Page 4 of this response for FE PA’s operating income statement for the twelve months ended December 31, 2025.

52 Pa. Code § 53.52(b)(3)

- Q. A calculation of the number of customers, by tariff subdivision, whose bills will be increased.
- A. Not applicable.

52 Pa. Code § 53.52(b)(4)

- Q. A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.
- A. Not applicable.

52 Pa. Code § 53.52(b)(5)

- Q. A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.
- A. Not applicable.

52 Pa. Code § 53.52(b)(6)

- Q. A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.
- A. Not applicable.

FirstEnergy Pennsylvania Electric Company
Penelec Rate District
Statements of Income
(In Thousands)
Unaudited

Line No.	Description	Twelve months Ended December 31,	
		2025	2024
1	Operating Revenues	<u>\$1,236,245</u>	<u>\$1,105,957</u>
	Operating Expenses:		
2	Power purchased and interchange:	\$482,330	\$433,673
3	Nuclear operating costs	-	-
4	Other operation and maintenance	326,397	266,400
5	Depreciation and amortization	89,508	88,472
6	Goodwill impairment	-	-
7	Taxes, other than income taxes	<u>73,377</u>	<u>65,555</u>
8	Total operating expenses	<u>\$971,612</u>	<u>\$854,100</u>
9	Operating income before income taxes	<u>\$264,633</u>	<u>\$251,857</u>
10	Income taxes	<u>\$39,952</u>	<u>\$26,238</u>
11	Operating Income	<u>\$224,681</u>	<u>\$225,619</u>
	Other Income and Deductions:		
12	Allowance for other funds used during construction	\$ -	\$ -
13	Other income/(expense), net	(10,301)	(7,347)
14	Income taxes	2,531	4,926
15	Total other income and deductions	<u>(\$7,770)</u>	<u>(\$2,421)</u>
16	Income before interest charges	<u>\$232,451</u>	<u>\$228,040</u>
	Interest Charges:		
17	Long term debt	\$68,100	\$75,421
18	Trust preferred securities	-	-
19	Other interest	(887)	(17,436)
20	Deferred interest income	-	-
21	Company-obligated mandatorily redeemable preferred securities	-	-
22	Allowance for borrowed funds used during construction	-	-
23	Total interest charges	<u>\$67,213</u>	<u>\$57,985</u>
24	Income/(Loss) Before Extraordinary Items	\$165,238	\$170,055
25	Extraordinary item	-	-
26	Net income	\$165,238	\$170,055
27	Preferred stock dividends	-	-
28	Loss on preferred stock reacquisition	-	-
29	Earnings Available For Common Stock	<u>\$165,238</u>	<u>\$170,055</u>

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of FirstEnergy Pennsylvania Electric
Company to Modify Tax Cuts and Jobs Act
of 2017 Voluntary Surcharge Rider Refund** :
: **Docket No.** _____
:
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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).

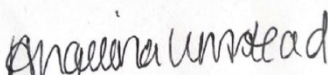
Service by electronic mail, as follows:

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Dated: March 23, 2026



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Company*