

May 29, 2026

**VIA ELECTRONIC MAIL**

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

**Re: Quarterly Financial Reports for Twelve Months Ended March 31, 2026,**  
**Docket No. M-2026-3059582**

Dear Secretary Homsher:

In accordance with 52 Pa. Code §§ 71.1 through 71.9, attached is the Quarterly Financial Report for the twelve months ended March 31, 2026 for FirstEnergy Pennsylvania Electric Company ("FE PA").

Sincerely,



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

cc: Paul Diskin - Bureau of Technical Utility Services (pdiskin@pa.gov)  
Allison Kaster - Bureau of Investigation and Enforcement (akaster@pa.gov)  
Kimberly Hafner - Office of Special Assistants (ra-osa@pa.gov)  
Darryl Lawrence - Office of Consumer Advocate (ra-oca@paoca.org)  
NazAarah Sabree - Office of Small Business Advocate (ra-sba@pa.gov)

**SCHEDULE A**

Company Name: FirstEnergy Pennsylvania Electric Company  
 Financial Report for Twelve Months Ended  
 March 31, 2026  
 (Thousands of Dollars)

	Actual per <u>Books</u> (1)	Intrastate <u>Percent</u> (2)	Intrastate <u>per books</u> (3)	<u>Adjustments (a)</u> (4)	<u>Adjusted Results</u> (5)
(1) Original Cost of Plant In Service	\$ 12,743,346	0.9980	\$ 12,718,241	\$ 2,124,883	\$ 14,843,124
(2) Less: Depreciation Reserve	3,896,510	0.9981	3,889,062	404,756	4,293,818
(3) Net Plant in Service	\$ 8,846,836		\$ 8,829,179	\$ 1,720,126	\$ 10,549,306
<u>Additions:</u>					
(4) Land/Plant Held for Future Use	\$ -	0.0000	\$ -	\$ -	\$ -
(5) Materials & Supplies & Fuel Stocks	99,368	0.9980	99,168	-	99,168
(6) Cash Working Capital (b)	202,724	0.9939	201,495	-	201,495
(7) Other	-	0.0000	-	-	-
<u>Deductions:</u>					
(8) Accumulated Deferred Income Taxes Liberalized Depreciation	\$ 1,971,983	0.9979	\$ 1,967,803	\$ 159,778	\$ 2,127,580
(9) Investment Tax Credit	-	0.0000	-	-	-
(10) Customer Deposits	127,613	1.0000	127,609	-	127,609
(11) Customer Advances	1,278	1.0000	1,278	-	1,278
(12) Contributions in Aid of Construction	-	0.0000	-	-	-
(13) Other	-	0.0000	-	-	-
(14) <b>RATE BASE</b>	<u>\$ 7,048,055</u>		<u>\$ 7,033,153</u>	<u>\$ 1,560,349</u>	<u>\$ 8,593,502</u>
(15) Operating Revenues	\$ 4,497,377	0.9993	\$ 4,494,449	\$ (16,531)	\$ 4,477,919
<u>Operating Expenses</u>					
(16) Operation & Maintenance	\$ 3,066,802	0.9997	\$ 3,065,825	\$ 122,667	\$ 3,188,492
(17) Annual Depreciation	322,911	0.9983	322,348	53,363	375,710
(18) Annual Amortization	(46,827)	1.0000	(46,827)	-	(46,827)
(19) Taxes - Other than Income	271,991	0.9989	271,684	(975)	270,709
(20) State Income Tax - Current	1,024	0.9990	1,023	(15,068)	(14,045)
(21) Federal Income Tax - Current	8,235	0.9985	8,223	(37,069)	(28,846)
(22) Deferred Income Taxes	126,893	0.9978	126,615	-	126,615
(23) Investment Tax Credit (Net)	(268)	1.0000	(268)	-	(268)
(24) Total Operating Expenses	<u>\$ 3,750,762</u>		<u>\$ 3,748,623</u>	<u>\$ 122,918</u>	<u>\$ 3,871,541</u>
(25) <b>INCOME AVAILABLE FOR RETURN</b>	<u>\$ 746,615</u>		<u>\$ 745,826</u>	<u>\$ (139,448)</u>	<u>\$ 606,378</u>
(26) <b>RATE OF RETURN - OVERALL</b>	10.59%		10.60%		7.06%

(a) Schedule B and Schedule C

(b) As filed in last rate case

**SCHEDULE B**

COMPANY NAME: FirstEnergy Pennsylvania Electric Company

Summary of Pro Forma Intrastate Adjustments

(Thousands of Dollars)

	Rate Base	Revenues	Expenses	Taxes*		
				State	Federal	Other
<u>Rate Base Adjustments</u>						
(1) Additional Plant In Service	\$ 2,124,883					
(2) Additional Accumulated Reserve	\$ 404,756					
(3) Additional Accumulated Deferred Income Taxes	\$ 159,778					
<u>Income Statement Adjustments</u>						
(4) Weather Normalization of Distribution Revenues		\$ (16,531)		\$ (1,223)	\$ (3,010)	\$ (975)
(5) OPEB Expense			\$ 9,569	\$ (753)	\$ (1,851)	\$ -
(6) Pension Expense			\$ 104,921	\$ (8,252)	\$ (20,300)	\$ -
(7) Interest on Customer Deposits			\$ 8,178	\$ (643)	\$ (1,582)	\$ -
(8) Book Depreciation on Year End Asset Basis			\$ 53,363	\$ (4,197)	\$ (10,325)	\$ -
(9)				\$ -	\$ -	\$ -
Totals	<u>\$ 1,560,349</u>	<u>\$ (16,531)</u>	<u>\$ 176,030</u>	<u>\$ (15,068)</u>	<u>\$ (37,069)</u>	<u>\$ (975)</u>

\*Includes gross receipts tax (GRT), where applicable

## SCHEDULE C

COMPANY NAME: FirstEnergy Pennsylvania Electric Company

### Explanation of Adjustments

#### Rate Base Adjustments

- (1) Adjustment for additional plant in service
- (2) Adjustment for additional accumulated reserve
- (3) Adjustment for additional accumulated deferred income taxes

#### Income Statement Adjustments

- (4) Adjustment to reflect the effect of weather normalization on distribution revenue
- (5) Adjustment to reflect OPEB expense consistent with the as filed methodology at Docket No. R-2024-3047068
- (6) Adjustment to reflect pension expense consistent with the as filed methodology at Docket No. R-2024-3047068
- (7) Adjustment to reflect interest expense on customer deposits
- (8) Adjustment to reflect a full year of depreciation expense on plant in service as adjusted
- (9)

#### Explanation of Changes to Intrastate Allocation Factors (if applicable)

**SCHEDULE D-1**

COMPANY NAME: FirstEnergy Pennsylvania Electric Company  
 Intrastate Per Books  
 Calculation of Return on Common Equity  
 for the 12 Months Ended March 31, 2026  
 (Thousands of Dollars)

	Capital Ratios (a) (1)		Rate Base (b) (2)	=	Totals (3)		Embedded Cost Rates(c) (4)	=	Total Rate Base Related Cost of Debt and Preferred & Preference (5)
	Sch. E Col. 2	x	Sch. A. Col. 3 Line 14	=		x	Sch. F Col. 7	=	
1) Debt	48.66%		\$ 7,033,153		\$ 3,422,634		4.50%		\$ 154,140
2) Preferred	0.00%		\$ 7,033,153		-		0.00%		-
3) Common Equity	51.34%		\$ 7,033,153		3,610,519				
4) Total	100.00%				\$ 7,033,153				\$ 154,140

12 Months ended March 31, 2026

	Intrastate Per Books
5) Income Available for Return (from Sch. A, Col. 3, Line 25)	\$ 745,826
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	154,140
7) Income Available for Common Equity (Line 5 Less Line 6)	\$ 591,686
8) Debt Cost (Col 5., Line 1)	\$ 154,140
9) Less: Interest Expense used to compute State and Federal Income Taxes	167,731
10) Difference (Line 8 Less Line 9)	\$ (13,591)
11) Times: Composite State and Federal Income Tax Rate	27.21%
12) Net Addition or (Deduction) (Line 10 x Line 11)	\$ (3,699)
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	\$ 587,987
14) Return on Common Equity (Line 7/Line 3, Col. 3)	16.39%
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	16.29%

**SCHEDULE D-2**

COMPANY NAME: FirstEnergy Pennsylvania Electric Company  
 Intrastate Pro Forma Results  
 Calculation of Return on Common Equity  
 for the 12 Months Ended March 31, 2026

(Thousands of Dollars)

	Capital Ratios(a) (1) Sch. E Col. 2	x	Rate Base(b) (2) Sch. A. Col. 5 Line 14	=	Totals (3)	x	Embedded Cost Rates(c) (4) Sch. F Col. 7	=	Total Rate Base Related Cost of Debt and Preferred & Preference (5)
1) Debt	48.66%		\$ 8,593,502		\$ 4,181,967		4.50%		\$ 188,337
2) Preferred	0.00%		\$ 8,593,502		-		0.00%		-
3) Common Equity	<u>51.34%</u>		\$ 8,593,502		<u>4,411,535</u>				
4) Total	<u>100.00%</u>				<u>\$ 8,593,502</u>				<u>\$ 188,337</u>

for the 12 Months Ended March 31, 2026

	Intrastate Adjusted
5) Income Available for Return (from Sch. A, Col. 5, Line 25)	\$ 606,378
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>188,337</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$ 418,041</u>
8) Debt Cost (Col 5., Line 1)	\$ 188,337
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>167,731</u>
10) Difference (Line 8 Less Line 9)	\$ 20,606
11) Times: Composite State and Federal Income Tax Rate	<u>27.21%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>\$ 5,608</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$ 423,649</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	9.48%
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	9.60%

SCHEDULE E

COMPANY NAME: FirstEnergy Pennsylvania Electric Company  
 Calculation of Capital Structure and Related Ratios  
 for the Twelve Months Ended March 31, 2026

(Thousands of Dollars)

	Total Company Actual Amount Outstanding	Ratios
	(1)	(2)
Long-Term Debt (Sch. F., Col. 4)	\$ 4,300,000	
Unamortized Premium/(Discount)	<u>(1,757)</u>	
Total Long-Term Debt	\$ 4,298,243	48.66%
Total Preferred & Preference Stock Stock (Sch. F., Co.. 4)	\$ -	
Unamortized Expense	<u>-</u>	
Total Preferred Stock	\$ -	0.00%
<u>Common Equity</u>		
Common Stock	\$ 25	
Other Paid-in Capital	2,634,985	
Retained Earnings	1,906,953	
Accumulated Other Comprehensive Income	<u>(7,769)</u>	
Total Common Equity	\$ 4,534,194	<u>51.34%</u>
Total Capital	<u>\$ 8,832,436</u>	<u>100.00%</u>

## Schedule F

COMPANY NAME: FirstEnergy Pennsylvania Electric Company  
 Cost of Debt and Preferred Stock as Adjusted  
 For the 12 Months Ended March 31, 2026  
 (Thousands of Dollars)

Item/Description	Issue Date (1)	Maturity Date (2)	Interest Rate (3)	Outstanding Balance (4)	Effective Cost Rate (5)	Percent to Total (6)	Weighted Cost Rate (7)
Long-Term Debt							
Senior Notes:							
6.15% Series	09/28/09	10/01/38	6.15%	250,000	6.2394%	5.81%	0.36%
2015 Private Placement	09/17/15	09/15/45	4.45%	150,000	4.4959%	3.49%	0.16%
4.24% Series	07/11/16	07/11/56	4.24%	50,000	4.3184%	1.16%	0.05%
2016 Private Placement	12/15/16	12/15/46	3.84%	100,000	3.8822%	2.33%	0.09%
3.25% Series	09/08/17	03/15/28	3.25%	300,000	3.3742%	6.98%	0.24%
2017 Private Placement	09/15/17	09/15/47	4.09%	100,000	4.1292%	2.33%	0.10%
2017 Private Placement	12/15/17	12/15/47	4.14%	275,000	4.1767%	6.40%	0.27%
4.37% Series	10/03/18	10/01/48	4.37%	50,000	4.4357%	1.16%	0.05%
4.30% Series	01/10/19	01/15/29	4.30%	500,000	4.4255%	11.63%	0.51%
2019 Private Placement	05/21/19	06/01/59	4.22%	100,000	4.2565%	2.33%	0.10%
3.60% Series	06/03/19	06/01/29	3.60%	300,000	3.7320%	6.98%	0.26%
2019 Private Placement	08/15/19	08/15/59	4.22%	150,000	4.2519%	3.49%	0.15%
3.61% Series	04/20/20	05/01/32	3.61%	125,000	3.6750%	2.91%	0.11%
3.71% Series	04/20/20	05/01/35	3.71%	125,000	3.7650%	2.91%	0.11%
3.79% Series	11/29/22	12/01/32	3.79%	150,000	3.9052%	3.49%	0.14%
2022 Private Placement	12/13/22	01/15/33	5.29%	300,000	5.3857%	6.98%	0.38%
5.20% Series	03/30/23	04/01/28	5.20%	425,000	5.4403%	9.88%	0.54%
4.15% Senior Notes	03/19/26	03/15/28	4.15%	300,000	4.3213%	6.98%	0.30%
4.55% Senior Notes	03/19/26	03/15/31	4.55%	550,000	4.7191%	12.79%	0.60%
Total Long-Term Debt				<u>\$ 4,300,000</u>		<u>100.00%</u>	<u>4.50%</u>
Preferred Stock							
None							

FirstEnergy Pennsylvania Electric Company

**Summary of Returns**

Overall Return - Actual	Overall Return - Adjusted	Equity Return - Actual	Equity Return - Adjusted
10.60%	7.06%	16.29%	9.60%