

November 30, 2018

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Power Company Tariff Electric Pa. P.U.C. No. 36 – Tax Cuts and Jobs Act of 2017 (TCJA) Voluntary Surcharge Rate Change; Docket No. R-2018-3000602

Dear Secretary Chiavetta:

Transmitted herewith for filing with the Pennsylvania Public Utility Commission ("Commission") is an original copy of Supplement No. 52 to Pennsylvania Power Company's ("Penn Power") Tariff Electric Pa. P.U.C. No. 36, which bears an issue date of November 30, 2018. The tariff changes contained in Supplement No. 52 are proposed to be effective with bills rendered on or after January 1, 2019.

The purpose of Tariff Supplement No. 52 is to reflect the percentage change for the voluntary rate reduction TCJA Voluntary Surcharge Rider. The change in the surcharge is consistent with the Commission's Order entered May 17, 2018 at Docket No. R-2018-3000602.

The confidential schedules supporting this tariff filing have been contemporaneously filed with the Commission under separate cover.

If you have any questions regarding the enclosed documents, please contact me.

Sincerely,



Charles V. Fullem
Director of Rates & Regulatory Affairs-PA
610-921-6525

Enclosures

c: Certificate of Service
·Paul Diskin, TUS
Lori Burger, Bureau of Audits

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**TAX CUTS AND JOBS ACT OF 2017 – : Docket No. R-2018-3000602
PENNSYLVANIA POWER 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).

VIA FIRST CLASS MAIL

John R. Evans
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Richard Kanaskie
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Tanya J. McCloskey
Office of Consumer Advocate
555 Walnut Street, 5th Floor Forum Place
Harrisburg, PA 17101

Dated: November 30, 2018



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Supplement No. 52
Electric Pa. P.U.C. No. 36

PENNSYLVANIA POWER COMPANY
READING, PENNSYLVANIA

Electric Service Tariff
Effective in
The Territory as Defined on
Page Nos. 8 - 9 of this Tariff

Issued: November 30, 2018

Effective: January 1, 2019

By: Samuel L. Belcher, President
Reading, Pennsylvania

NOTICE

This Supplement 52 makes decreases in rates.
See Forty-Ninth Revised Page 2

LIST OF MODIFICATIONS

Riders

Rider B – Tax Cuts and Job Acts (TCJA) Voluntary Surcharge has been changed and decreased (See Second Revised Page 103).

RIDERS

RIDER B
TAX CUTS AND JOBS ACT
VOLUNTARY SURCHARGE

To implement the effects of the Tax Cuts and Jobs Act (“TCJA”), on March 15, 2018 the Pennsylvania Public Utility Commission (“Commission”) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the Company to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018, the Commission entered an Order superseding the March 15, 2018 Temporary Rates Order directing the utility to establish rates as follows:

A negative surcharge of -8.58% will apply as a credit for intrastate service to all customer bills rendered on and after January 1, 2019. This negative surcharge will apply equally to all customers in the Residential Customer Class, the Commercial Customer Class and the Industrial Customer Class, exclusive of STAS and all automatic adjustment clause rider revenues. (D) (C)

This negative surcharge will be reconciled at the end of each calendar year and 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.

The Tax Cuts and Jobs Act Voluntary Surcharge (“TCJAVSC”) shall be calculated in accordance with the formula set forth below:

$$\frac{\text{TCJAVSC} = (\text{TS} - \text{E})}{\text{Distribution Revenues}}$$

Where:

TS = The estimated current tax savings for the Company, resulting from all changes in corporate taxes resulting from the TCJA compared to taxes that would have been accrued absent TCJA, based on the Company’s most current budget for the Computational Period. Calculated consistent with Appendix A, attached to the Commission’s Order at Docket No. R-2018-3000597.

E = The over or under-refunding of the TCJAVSC that result from the billing of the TCJVSC during the Reconciliation Period, with interest. The reconciliation report showing the actual amounts of over refund / (under

(D) Decrease
(C) Change