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April 30, 2025

VIA ELECTRONIC FILING

Andrew S. Johnston, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street, 16th Floor
Baltimore, MD 21202

**Re: The Potomac Edison Company
Electricity Supplier Coordination Tariff Filing for Purchase of Receivables**

Dear Secretary Johnston:

Enclosed for filing pursuant to the Commission's current filing procedures please find the clean and red-lined version of Page No. 37 to The Potomac Edison Company's ("PE" or the "Company") Electricity Supplier Coordination Tariff, Electric P.S.C. Md. No. 54. This revised tariff page updates the discount rates for the purchase of receivables ("POR") effective June 1, 2025. Workpapers showing the development of the revised discount rates are enclosed as Exhibit 1. The calculated discount rates are negative for the Residential, Type I, Type II and Hourly-Priced Service Types, therefore the Company has set these discount rates to zero in accordance with past Commission decisions.

PE would note that its POR discount rate design for Residential was modified to address the ending of POR for Residential contracts on December 31, 2025 (*see* Order No. 91463). The Company has designed the Residential discount rate to be in effect for the period of June 1, 2025 through December 31, 2025, however, it notes that uncollectibles will likely continue to occur on residential accounts in 2026 and forecasted amounts through the end of that period for collection.

At this time, PE is in an over-recovered position on Residential POR, which is the driver for the discount rate being set to zero. The Company will provide an informational update to the Commission in January 2026 which will include the current balance for Residential POR. It will then continue to track actual late payment revenues and uncollectible expense for Residential POR during 2026 and provide an informational update in July 2026 with a final update in January 2027.

If the final Residential POR deferral balance is in an over-recovered position on December 31, 2026, PE is requesting approval to use those funds to help offset the costs it has incurred for the development of the Supplier Consolidated Billing ("SCB") system, which suppliers are required to pay at a charge of \$2.00 per bill once implemented (*see* Order No. 90696).

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If the Residential POR deferral balance moves into an under-recovered position during 2026, the Company would begin billing suppliers for their uncollectible expense since the Company tracks it by supplier. PE would include the amounts owed by each supplier in its informational filings to the Commission, as well as provide an update on invoice issuance and collections. Should the Company have an under-recovered balance remaining on December 31, 2026, it requests authorization to establish a regulatory asset, which it would request recovery for in its next distribution base rate case.

Attached as Exhibit 2 are clean and redlined tariff pages containing the rates proposed by the Company to be effective June 1, 2025 (including late payment revenues and uncollectible expense forecasted through December 2026 for Residential POR and May 2026 for Non-residential POR).

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jessica M. Raba", with a stylized flourish at the end.

Jessica M. Raba
Counsel to The Potomac Edison Company

JMR/dml

Attachments

Exhibit 1

Non-Residential Workpapers

THE POTOMAC EDISON CO. - MARYLAND
June 2025-May 2026 Non-Residential POR Discount Rate

	<u>Type I SOS</u>	<u>Type II SOS</u>	<u>HPS</u>
Initial Discount Rate	-0.1349%	0.0225%	-0.0945%
Reconciliation Adjustment Rate	-0.6973%	-0.7299%	-0.8318%
June 2025-May 2026 Non-Residential POR Discount Rate	-0.8322%	-0.7074%	-0.9263%

THE POTOMAC EDISON CO. - MARYLAND

Calculation of June 2025-May 2026 Non-Residential Uncollectibles Percentage

		Type I SOS	Type II SOS	HPS	Total
Uncollectibles ¹	(a)	\$ 6,243.66	\$ 130,380.58	\$ -	\$ 136,624.24
Late fees	(b)	\$ 18,205.04	\$ 114,555.61	\$ 30,713.42	\$ 163,474.07
Uncollectible expense	(c) = (a)-(b)	\$ (11,961.38)	\$ 15,824.97	\$ (30,713.42)	\$ (26,849.83)
Amount collected ¹	(d)	\$ -	\$ -	\$ -	\$ -
Over/(under)-collection	(e) = (d)-(c)	\$ 11,961.38	\$ (15,824.97)	\$ 30,713.42	\$ 26,849.83
Interest	(f)	\$ 2,080.87	\$ 18,545.51	\$ 9,856.35	\$ 30,482.73
Prior Filing over/(under)-collection	(g)	\$ 47,790.47	\$ 511,032.90	\$ 229,847.78	\$ 788,671.15
Cumulative over/(under)-collection	(h) = (e)+(f)+(g)	\$ 61,832.72	\$ 513,753.44	\$ 270,417.55	\$ 846,003.71
Estimated going-forward uncollectibles	(i) = (c)	\$ (11,961.38)	\$ 15,824.97	\$ (30,713.42)	\$ (26,849.83)
Prior period over/(under)-collection	(j) = (h)	\$ 61,832.72	\$ 513,753.44	\$ 270,417.55	\$ 846,003.71
Amount to collect June 2025-May 2026	(l) = (i)-(j)	\$ (73,794.10)	\$ (497,928.47)	\$ (301,130.97)	\$ (872,853.54)
Purchased supplier bills ²	(m)	\$ 8,867,614.11	\$ 70,384,634.77	\$ 32,510,043.22	\$ 111,762,292.10
Initial Discount Rate	(n) = (c)/(m)	-0.1349%	0.0225%	-0.0945%	
Reconciliation Adjustment Rate	(o) = -(j) / (m)	-0.6973%	-0.7299%	-0.8318%	
June 2025-May 2026 Uncollectibles %	(p) = (n)+(o)	-0.8322%	-0.7074%	-0.9263%	

¹Actual through March 2025 including Apr-May 2024 True-up; estimated Apr-May 2025²Actual Through March 2025; estimated Apr-May 2025

THE POTOMAC EDISON CO. - MARYLAND
Programming Cost and Uncollectibles withheld from Supplier Billings

Purchased Supplier Billings (before POR reduction)								Purchased Supplier Billings (before POR reduction)				
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>
Type I SOS	\$ (739,723.05)	\$ (739,723.05)	\$ 660,982.47	\$ 679,013.14	\$ 681,188.52	\$ 787,955.32	\$ 766,451.09	\$ 627,789.83	\$ 623,000.09	\$ 523,386.73	\$ 698,163.48	\$ 902,329.00
Type II SOS	\$ (4,908,853.54)	\$ (4,908,853.54)	\$ 4,812,384.55	\$ 4,743,875.02	\$ 5,285,834.23	\$ 6,690,021.60	\$ 6,542,754.00	\$ 5,388,984.25	\$ 5,381,854.88	\$ 4,406,864.11	\$ 5,571,802.10	\$ 6,402,793.32
HPS	\$ (2,523,190.39)	\$ (2,523,190.39)	\$ 2,733,181.68	\$ 2,894,401.13	\$ 2,993,782.01	\$ 3,049,118.07	\$ 3,731,118.14	\$ 3,097,285.22	\$ 3,293,207.52	\$ 2,625,296.29	\$ 2,724,723.41	\$ 2,895,117.34
	\$ (8,171,766.98)	\$ (8,171,766.98)	\$ 8,206,548.70	\$ 8,317,289.29	\$ 8,960,804.76	\$ 10,527,094.99	\$ 11,040,323.23	\$ 9,114,059.30	\$ 9,298,062.49	\$ 7,555,547.13	\$ 8,994,688.99	\$ 10,200,239.66
Uncollectibles								Uncollectibles				
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>
Type I SOS	\$ (1,329.40)	\$ (1,329.40)	\$ 39.36	\$ 129.21	\$ 60.57	\$ 1,489.92	\$ 230.14	\$ 2,359.91	\$ 658.06	\$ 676.06	\$ 422.73	\$ -
Type II SOS	\$ (1,788.20)	\$ (1,788.20)	\$ 2,081.50	\$ 5,223.12	\$ -	\$ -	\$ 56,743.18	\$ 15,951.74	\$ 7,159.81	\$ 12,839.13	\$ 6,308.01	\$ 6,582.89
HPS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ (3,117.60)	\$ (3,117.60)	\$ 2,120.86	\$ 5,352.33	\$ 60.57	\$ 1,489.92	\$ 56,973.32	\$ 18,311.65	\$ 7,817.87	\$ 13,515.19	\$ 6,730.74	\$ 6,582.89
Late Fees								Late Fees				
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>
Type I SOS	\$ (1,150.10)	\$ (1,150.10)	\$ 1,112.54	\$ 1,044.18	\$ 855.17	\$ 1,159.14	\$ 1,503.52	\$ 1,645.27	\$ 1,245.34	\$ 1,090.41	\$ 1,260.56	\$ 1,821.75
Type II SOS	\$ (6,113.72)	\$ (6,113.72)	\$ 5,377.14	\$ 7,442.41	\$ 4,817.91	\$ 5,900.77	\$ 9,875.76	\$ 9,838.55	\$ 7,474.84	\$ 6,963.35	\$ 8,350.39	\$ 12,808.69
HPS	\$ (3,105.44)	\$ (3,105.44)	\$ 3,013.27	\$ 1,124.00	\$ 2,623.01	\$ 2,154.61	\$ 1,439.41	\$ 4,209.57	\$ 2,242.90	\$ 264.11	\$ 2,747.50	\$ 4,514.58
	\$ (10,369.26)	\$ (10,369.26)	\$ 9,502.95	\$ 9,610.59	\$ 8,296.09	\$ 9,214.52	\$ 12,818.69	\$ 15,693.39	\$ 10,963.08	\$ 8,317.87	\$ 12,358.45	\$ 19,145.02
Uncollectible Expense								Uncollectible Expense				
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>
Type I SOS	\$ (179.30)	\$ (179.30)	\$ (1,073.18)	\$ (914.97)	\$ (794.60)	\$ 330.78	\$ (1,273.38)	\$ 714.64	\$ (587.28)	\$ (414.35)	\$ (837.83)	\$ (1,821.75)
Type II SOS	\$ 4,325.52	\$ 4,325.52	\$ (3,295.64)	\$ (2,219.29)	\$ (4,817.91)	\$ (5,900.77)	\$ 46,867.42	\$ 6,113.19	\$ (315.03)	\$ 5,875.78	\$ (2,042.38)	\$ (6,225.80)
HPS	\$ 3,105.44	\$ 3,105.44	\$ (3,013.27)	\$ (1,124.00)	\$ (2,623.01)	\$ (2,154.61)	\$ (1,439.41)	\$ (4,209.57)	\$ (2,242.90)	\$ (264.11)	\$ (2,747.50)	\$ (4,514.58)
	\$ 7,251.66	\$ 7,251.66	\$ (7,382.09)	\$ (4,258.26)	\$ (8,235.52)	\$ (7,724.60)	\$ 44,154.63	\$ 2,618.26	\$ (3,145.21)	\$ 5,197.32	\$ (5,627.71)	\$ (12,562.13)
Amounts Collected								Amounts Collected				
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>
Type I SOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Type II SOS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HPS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Over/(Under)-collection								Over/(Under)-collection				
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>
Type I SOS	\$ 179.30	\$ 179.30	\$ 1,073.18	\$ 914.97	\$ 794.60	\$ (330.78)	\$ 1,273.38	\$ (714.64)	\$ 587.28	\$ 414.35	\$ 837.83	\$ 1,821.75
Type II SOS	\$ (4,325.52)	\$ (4,325.52)	\$ 3,295.64	\$ 2,219.29	\$ 4,817.91	\$ 5,900.77	\$ (46,867.42)	\$ (6,113.19)	\$ 315.03	\$ (5,875.78)	\$ 2,042.38	\$ 6,225.80
HPS	\$ (3,105.44)	\$ (3,105.44)	\$ 3,013.27	\$ 1,124.00	\$ 2,623.01	\$ 2,154.61	\$ 1,439.41	\$ 4,209.57	\$ 2,242.90	\$ 264.11	\$ 2,747.50	\$ 4,514.58
	\$ (7,251.66)	\$ (7,251.66)	\$ 7,382.09	\$ 4,258.26	\$ 8,235.52	\$ 7,724.60	\$ (44,154.63)	\$ (2,618.26)	\$ 3,145.21	\$ (5,197.32)	\$ 5,627.71	\$ 12,562.13
Cumulative Over/(Under)-collection								Cumulative Over/(Under)-collection				
	<u>Mar-23 Balance</u>		<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>
Type I SOS	\$ 36,810.24		\$ 37,883.42	\$ 38,798.39	\$ 39,592.99	\$ 39,262.21	\$ 40,535.59	\$ 39,820.95	\$ 40,408.23	\$ 40,822.58	\$ 41,660.41	\$ 43,482.16
Type II SOS	\$ 382,278.99		\$ 385,574.63	\$ 387,793.92	\$ 392,611.83	\$ 398,512.60	\$ 351,645.18	\$ 345,531.99	\$ 345,847.02	\$ 339,971.24	\$ 342,013.62	\$ 348,239.42
HPS	\$ 179,335.18		\$ 182,348.45	\$ 183,472.45	\$ 186,095.46	\$ 188,250.07	\$ 189,689.48	\$ 193,899.05	\$ 196,141.95	\$ 196,406.06	\$ 199,153.56	\$ 203,668.14
	\$ 598,424.41		\$ 605,806.50	\$ 610,064.76	\$ 618,300.28	\$ 626,024.88	\$ 581,870.25	\$ 579,251.99	\$ 582,397.20	\$ 577,199.88	\$ 582,827.59	\$ 595,389.72
Interest-Uncollectibles								Interest-Uncollectibles				
			<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>	5.38% <u>Nov-24 act.</u>	<u>Dec-24 act.</u>	4.19% <u>Jan 25 act.</u>
Type I SOS			\$ 169.84	\$ 173.95	\$ 177.51	\$ 176.03	\$ 181.73	\$ 178.53	\$ 181.16	\$ 183.02	\$ 186.78	\$ 151.83
Type II SOS			\$ 1,728.66	\$ 1,738.61	\$ 1,760.21	\$ 1,786.66	\$ 1,576.54	\$ 1,549.14	\$ 1,550.55	\$ 1,524.20	\$ 1,533.36	\$ 1,215.94
HPS			\$ 817.53	\$ 822.57	\$ 834.33	\$ 843.99	\$ 850.44	\$ 869.31	\$ 879.37	\$ 880.55	\$ 892.87	\$ 711.14
			\$ 2,716.03	\$ 2,735.12	\$ 2,772.05	\$ 2,806.68	\$ 2,608.72	\$ 2,596.98	\$ 2,611.08	\$ 2,587.78	\$ 2,613.01	\$ 2,078.90

	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
Type I SOS	\$ 840,504.68	\$ 852,098.62	\$ 852,098.62	\$ 852,098.62	\$ 8,867,614.11
Type II SOS	\$ 6,012,972.81	\$ 6,320,733.66	\$ 6,320,733.66	\$ 6,320,733.66	\$ 70,384,634.77
HPS	<u>\$ 1,832,191.41</u>	<u>\$ 1,895,667.26</u>	<u>\$ 1,895,667.26</u>	<u>\$ 1,895,667.26</u>	<u>\$ 32,510,043.22</u>
	\$ 8,685,668.90	\$ 9,068,499.54	\$ 9,068,499.54	\$ 9,068,499.54	\$ 111,762,292.10

	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
Type I SOS	\$ 948.34	\$ 616.38	\$ 635.89	\$ 635.89	\$ 6,243.66
Type II SOS	\$ 1,930.89	\$ -	\$ 9,568.36	\$ 9,568.36	\$ 130,380.58
HPS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	\$ 2,879.23	\$ 616.38	\$ 10,204.25	\$ 10,204.25	\$ 136,624.24

	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
Type I SOS	\$ 2,498.74	\$ 2,339.30	\$ 1,464.66	\$ 1,464.66	\$ 18,205.04
Type II SOS	\$ 16,933.73	\$ 12,887.64	\$ 9,055.93	\$ 9,055.93	\$ 114,555.61
HPS	<u>\$ 1,836.93</u>	<u>\$ 5,479.51</u>	<u>\$ 2,637.45</u>	<u>\$ 2,637.45</u>	<u>\$ 30,713.42</u>
	\$ 21,269.40	\$ 20,706.45	\$ 13,158.04	\$ 13,158.04	\$ 163,474.07

	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
Type I SOS	\$ (1,550.40)	\$ (1,722.92)	\$ (828.77)	\$ (828.77)	\$ (11,961.38)
Type II SOS	\$ (15,002.84)	\$ (12,887.64)	\$ 512.42	\$ 512.42	\$ 15,824.97
HPS	<u>\$ (1,836.93)</u>	<u>\$ (5,479.51)</u>	<u>\$ (2,637.45)</u>	<u>\$ (2,637.45)</u>	<u>\$ (30,713.42)</u>
	\$ (18,390.17)	\$ (20,090.07)	\$ (2,953.80)	\$ (2,953.80)	\$ (26,849.83)

	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
Type I SOS	\$ -	\$ -	\$ -	\$ -	\$ -
Type II SOS	\$ -	\$ -	\$ -	\$ -	\$ -
HPS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	\$ -	\$ -	\$ -	\$ -	\$ -

	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
Type I SOS	\$ 1,550.40	\$ 1,722.92	\$ 828.77	\$ 828.77	\$ 11,961.38
Type II SOS	\$ 15,002.84	\$ 12,887.64	\$ (512.42)	\$ (512.42)	\$ (15,824.97)
HPS	<u>\$ 1,836.93</u>	<u>\$ 5,479.51</u>	<u>\$ 2,637.45</u>	<u>\$ 2,637.45</u>	<u>\$ 30,713.42</u>
	\$ 18,390.17	\$ 20,090.07	\$ 2,953.80	\$ 2,953.80	\$ 26,849.83

	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>
Type I SOS	\$ 45,032.56	\$ 46,755.48
Type II SOS	\$ 363,242.26	\$ 376,129.90
HPS	<u>\$ 205,505.07</u>	<u>\$ 210,984.58</u>
	\$ 613,779.89	\$ 633,869.96

	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Total</u>
Type I SOS	\$ 157.24	\$ 163.25	\$ 2,080.87
Type II SOS	\$ 1,268.32	\$ 1,313.32	\$ 18,545.51
HPS	<u>\$ 717.56</u>	<u>\$ 736.69</u>	<u>\$ 9,856.35</u>
	\$ 2,143.11	\$ 2,213.26	\$ 30,482.73

THE POTOMAC EDISON CO. - MARYLAND
Programming Cost and Uncollectibles

Uncollectibles for Alternate Supplied Accounts as of March 2025

<u>Service Type</u>	<u>Uncollectibles thru Mar 25</u>	<u>Late Fees thru Mar 25</u>	<u>Uncollectibles less Late Fee</u>
Type I SOS	\$ 7,630.68	\$ 17,575.92	\$ (9,945.24)
Type II SOS	\$ 114,820.27	\$ 108,671.18	\$ 6,149.09
HPS	\$ -	\$ 31,649.40	\$ (31,649.40)
	\$ 122,450.95	\$ 157,896.50	\$ (35,445.55)

<u>Service Type</u>	<u>Uncollectibles Apr-May '25 est</u>	<u>Late Fees Apr-May '25 est</u>	<u>Uncollectibles less Late Fee</u>
Type I SOS	\$ 1,271.78	\$ 2,929.32	\$ (1,657.54)
Type II SOS	\$ 19,136.71	\$ 18,111.86	\$ 1,024.85
HPS	\$ -	\$ 5,274.90	\$ (5,274.90)
	\$ 20,408.49	\$ 26,316.08	\$ (5,907.59)

<u>Service Type</u>	<u>Less Uncollectibles Apr-May '24 est</u>	<u>Late Fees Apr-May '24 est</u>	<u>Uncollectibles less Late Fee</u>
Type I SOS	\$ (2,658.80)	\$ (2,300.20)	\$ (358.60)
Type II SOS	\$ (3,576.40)	\$ (12,227.43)	\$ 8,651.03
HPS	\$ -	\$ (6,210.88)	\$ 6,210.88
	\$ (6,235.20)	\$ (20,738.51)	\$ 14,503.31

<u>Service Type</u>	<u>Uncollectibles thru May 2025</u>	<u>Late Fees thru May 2025</u>	<u>Uncollectibles less Late Fee</u>
Type I SOS	\$ 6,243.66	\$ 18,205.04	\$ (11,961.38)
Type II SOS	\$ 130,380.58	\$ 114,555.61	\$ 15,824.97
HPS	\$ -	\$ 30,713.42	\$ (30,713.42)
	\$ 136,624.24	\$ 163,474.07	\$ (26,849.83)

Residential Workpapers

THE POTOMAC EDISON CO. - MARYLAND
June 2025-December 2025 Residential POR Discount Rate

	<u>Res SOS</u>
Initial Discount Rate	2.0525%
Reconciliation Adjustment Rate	-3.4918%
June 2025-December 2025 Residential POR Discount Rate	-1.4393%

THE POTOMAC EDISON CO. - MARYLAND
June 2025-December 2025 Residential POR Discount Rate

		Res SOS Costs Through Dec 2026
		<u>Recovery</u>
Uncollectibles ¹	(a)	\$ 96,455.62
Late fees	(b)	\$ 54,022.70
Uncollectible expense	(c) = (a)-(b)	\$ 42,432.92
Amount collected ¹	(d)	\$ 966,817.87
Over/(under)-collection	(e) = (d)-(c)	\$ 924,384.95
Interest	(f)	\$ (7,086.64)
Prior Filing over/(under)-collection	(g)	\$ (449,968.74)
Cumulative over/(under)-collection	(h) = (e)+(f)+(g)	\$ 467,329.56
Estimated going-forward uncollectibles	(i)	\$ 361,839.12
Estimated late fees	(j)	\$ 87,144.69
Prior period over/(under)-collection	(k) = (h)	\$ 467,329.56
Amount to collect June 2025-December 2025	(l) = (i)-(j)-(k)	\$ (192,635.13)
Purchased supplier bills ²	(m)	\$ 13,383,709.94
Initial Discount Rate	(n) = ((i)-(j)) / (m)	2.0525%
Reconciliation Adjustment Rate	(o) = -(k) / (m)	-3.4918%
June 2025-December 2025 Uncollectibles %	(p) = (n)+(o)	-1.4393%

¹Actual through March 2025 including Apr-May 2024 True-up; estimated Apr-May 2025

²Estimated June-December 2025

THE POTOMAC EDISON CO. - MARYLAND
Programming Cost and Uncollectibles withheld from Supplier Billings

	Purchased Supplier Billings (before POR reduction)								Purchased Supplier Bill
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>
Res SOS	\$ (2,077,114.20)	\$ (2,077,114.20)	\$ 1,717,229.76	\$ 1,541,274.36	\$ 1,691,299.61	\$ 2,473,814.58	\$ 2,432,611.09	\$ 1,539,544.89	\$ 1,582,365.94
	Uncollectibles								Uncollectibles
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>
Res SOS	\$ (50,476.31)	\$ (50,476.31)	\$ 32,349.80	\$ 13,163.71	\$ 8,472.86	\$ 5,446.56	\$ 12,374.87	\$ 4,478.25	\$ 14,522.60
	Late Fees								Late Fees
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>
Res SOS	\$ (5,094.59)	\$ (5,094.59)	\$ 4,545.50	\$ 3,810.58	\$ 3,160.89	\$ 4,544.44	\$ 4,608.49	\$ 7,322.04	\$ 4,001.04
	Uncollectible Expense								Uncollectible Expense
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>
Res SOS	\$ (45,381.72)	\$ (45,381.72)	\$ 27,804.30	\$ 9,353.13	\$ 5,311.97	\$ 902.12	\$ 7,766.38	\$ (2,843.79)	\$ 10,521.56
	Amounts Collected								Amounts Collected
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>
Res SOS	\$ (20,333.77)	\$ (20,333.77)	\$ 22,404.01	\$ 14,124.97	\$ 12,877.85	\$ 55,505.70	\$ 91,810.11	\$ 105,956.31	\$ 67,835.29
	Over/(Under)-collection								Over/(Under)-collection
	<u>Apr-24 est. Reversal</u>	<u>May-24 est. Reversal</u>	<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>
Res SOS	\$ 25,047.95	\$ 25,047.95	\$ (5,400.29)	\$ 4,771.84	\$ 7,565.88	\$ 54,603.58	\$ 84,043.73	\$ 108,800.10	\$ 57,313.73
	Cumulative Over/(Under)-collection								Cumulative Over/(Unde
	<u>Mar-23 Balance</u>		<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>
Res SOS	\$ (401,410.51)		\$ (406,810.80)	\$ (402,038.96)	\$ (394,473.08)	\$ (339,869.50)	\$ (255,825.77)	\$ (147,025.67)	\$ (89,711.94)
	Interest-Uncollectibles								Interest-Uncollectibles
			<u>Apr-24 act.</u>	<u>May-24 act.</u>	<u>June-24 act.</u>	<u>July-24 act.</u>	<u>Aug-24 act.</u>	<u>Sept-24 act.</u>	<u>Oct-24 act.</u>
Res SOS			\$ (1,823.87)	\$ (1,802.47)	\$ (1,768.55)	\$ (1,523.75)	\$ (1,146.95)	\$ (659.17)	\$ (402.21)

	ings (before POR reduction)							
Res SOS	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
	\$ 1,337,999.03	\$ 2,134,252.83	\$ 2,747,118.26	\$ 2,172,421.69	\$ 1,573,570.72	\$ 1,573,570.72	\$ 1,573,570.72	\$ 21,936,415.80
Res SOS	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
	\$ 10,753.08	\$ 15,043.47	\$ 5,242.64	\$ 8,916.20	\$ 5,794.91	\$ 31,954.73	\$ 28,894.55	\$ 96,455.62
Res SOS	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
	\$ 2,876.34	\$ 3,343.64	\$ 6,513.12	\$ 5,517.91	\$ 4,794.76	\$ 4,586.56	\$ 4,586.56	\$ 54,022.70
Res SOS	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
	\$ 7,876.74	\$ 11,699.83	\$ (1,270.48)	\$ 3,398.29	\$ 1,000.15	\$ 27,368.17	\$ 24,307.99	\$ 42,432.92
Res SOS	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
	\$ 56,963.71	\$ 72,670.96	\$ 75,914.55	\$ 109,066.10	\$ 107,451.95	\$ 107,451.95	\$ 107,451.95	\$ 966,817.87
Res SOS	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>	<u>Apr-25 est.</u>	<u>May-25 est.</u>	<u>Total</u>
	\$ 49,086.97	\$ 60,971.13	\$ 77,185.03	\$ 105,667.81	\$ 106,451.80	\$ 80,083.78	\$ 83,143.96	\$ 924,384.95
Res SOS	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>			
	\$ (40,624.97)	\$ 20,346.16	\$ 97,531.19	\$ 203,199.00	\$ 309,650.80	\$ 389,734.59	\$ 472,878.55	
Res SOS	<u>Nov-24 act.</u>	<u>Dec-24 act.</u>	<u>Jan 25 act.</u>	<u>Feb-25 act.</u>	<u>Mar-25 act.</u>			<u>Total</u>
	\$ (182.14)	\$ 91.22	\$ 340.55	\$ 709.50	\$ 1,081.20			\$ (7,086.64)

Exhibit 2

SCHEDULE 3

POR Discount Rate Calculation

The Discount Rate recovers prudently incurred costs arising from the purchase of supplier receivables for retail customers receiving Company Consolidated Billing. The Discount Rate is recalculated each year and is effective for the 12 month period beginning each June, pending Commission approval. The Discount Rate will consist of estimated costs for the upcoming June through May and a Reconciliation Adjustment to correct for over/under-collection of actual and estimated data from the prior period ending each May.

The initial (unadjusted) Discount Rate is separated into the Service Types of Residential Standard Offer Service, Type I Standard Offer Service, Type II Standard Offer Service and Hourly-Priced Large Customer Service. The initial Discount Rate is derived by adding the Program Development Cost percentage and the Uncollectible Cost percentage, as defined below:

- a) The Program Development Cost percentage is calculated by dividing the actual and estimated Program Development Costs by the estimated electricity revenues billed for Electricity Suppliers, respective to each Service Type. Program Development Costs include, but are not limited to, programming, testing and other information technology costs directly associated with COMAR 20.53. Program Development Costs will be deferred and amortized over two years.
- b) The Uncollectible Cost percentage is calculated by dividing the estimated uncollectible expenses offset by collected late fee revenues by the electricity revenues billed for Electricity Suppliers, respective to each Service Type. Uncollectible Costs include all uncollectible costs associated with the obligation to purchase supplier receivables for retail customers receiving Company Consolidated Billing. Subsequent reconciliation of the Discount Rate will use actual uncollectible experience.

The Reconciliation Adjustment is calculated on the over/under-collection separately by Service Type. Over/under-collections are recorded in a regulatory asset or regulatory liability and represent the difference between cumulative costs eligible for recovery and discount amounts for purchased receivables. During its disposition, an Imbalance earns interest at the same rate as is paid on customer deposits pursuant to Sections 20.30.01.04 and 20.30.02.04 of the Code of Maryland regulations as determined annually by the Public Service Commission. The Reconciliation Adjustment rate is calculated by dividing the over/under-collection, including interest earned or owed, separately for each Service Type by the estimated electricity revenues billed for Electricity Suppliers.

The final Discount Rate is derived by adding the initial (unadjusted) Discount Rate to the Reconciliation Adjustment rate.

The final Discount Rate is as follows:

<u>Service Type</u>	<u>Discount Rate</u>
Residential Standard Offer Service	0.0000% (ends 12/31/2025)
Type I Standard Offer Service	0.0000%
Type II Standard Offer Service	0.0000%
Hourly-Priced Large Customer Service	0.0000%

ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued April 30, 2025

Effective June 1, 2025

Issued in accordance with the Public Service Commission's Letter Order of

SCHEDULE 3

POR Discount Rate Calculation

The Discount Rate recovers prudently incurred costs arising from the purchase of supplier receivables for retail customers receiving Company Consolidated Billing. The Discount Rate is recalculated each year and is effective for the 12 month period beginning each June, pending Commission approval. The Discount Rate will consist of estimated costs for the upcoming June through May and a Reconciliation Adjustment to correct for over/under-collection of actual and estimated data from the prior period ending each May.

The initial (unadjusted) Discount Rate is separated into the Service Types of Residential Standard Offer Service, Type I Standard Offer Service, Type II Standard Offer Service and Hourly-Priced Large Customer Service. The initial Discount Rate is derived by adding the Program Development Cost percentage and the Uncollectible Cost percentage, as defined below:

- a) The Program Development Cost percentage is calculated by dividing the actual and estimated Program Development Costs by the estimated electricity revenues billed for Electricity Suppliers, respective to each Service Type. Program Development Costs include, but are not limited to, programming, testing and other information technology costs directly associated with COMAR 20.53. Program Development Costs will be deferred and amortized over two years.
- b) The Uncollectible Cost percentage is calculated by dividing the estimated uncollectible expenses offset by collected late fee revenues by the electricity revenues billed for Electricity Suppliers, respective to each Service Type. Uncollectible Costs include all uncollectible costs associated with the obligation to purchase supplier receivables for retail customers receiving Company Consolidated Billing. Subsequent reconciliation of the Discount Rate will use actual uncollectible experience.

The Reconciliation Adjustment is calculated on the over/under-collection separately by Service Type. Over/under-collections are recorded in a regulatory asset or regulatory liability and represent the difference between cumulative costs eligible for recovery and discount amounts for purchased receivables. During its disposition, an Imbalance earns interest at the same rate as is paid on customer deposits pursuant to Sections 20.30.01.04 and 20.30.02.04 of the Code of Maryland regulations as determined annually by the Public Service Commission. The Reconciliation Adjustment rate is calculated by dividing the over/under-collection, including interest earned or owed, separately for each Service Type by the estimated electricity revenues billed for Electricity Suppliers.

The final Discount Rate is derived by adding the initial (unadjusted) Discount Rate to the Reconciliation Adjustment rate.

The final Discount Rate is as follows:

<u>Service Type</u>	<u>Discount Rate</u>
Residential Standard Offer Service	<u>04.00002722%</u> <u>(ends 12/31/2025)</u>
Type I Standard Offer Service	0.0000%
Type II Standard Offer Service	0.0000%
Hourly-Priced Large Customer Service	0.0000%

ISSUED BY K. JON TAYLOR, SENIOR VICE PRESIDENT

Issued April ~~2930~~, ~~2024~~2025

Effective June 1, 20254

Issued in accordance with the Public Service Commission's Letter Order of ~~June 12~~, 2024