Maillog #336167

PotomacEdison
A FirstEnergy Company

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November 9, 2026

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: Administrative Docket Public Conference 59
Limited Income Mechanisms for Utility Customers

Dear Executive Secretary Johnston:

Pursuant to Maryland Public Utilities Article Section 4-309, and Order No. 92190 issued by the Maryland Public Service Commission ("Commission") on February 12, 2026, The Potomac Edison Company ("Potomac Edison" or "Company") hereby submits its proposed Residential Customer Assistance Program ("RCAP") Tariff Filing for the Commission's consideration and approval. Potomac Edison recognizes the affordability challenges for ratepayers, and as such, actively participated in the extensive discussions held in the Public Conference 59 ("PC59") Work Group to ensure that the R-CAP program addresses affordability concerns for eligible residential customers while also balancing rate impacts to other ratepayers.

In accordance with Order No. 92190, Potomac Edison also sought feedback from Commercial and Industrial customers regarding cost allocation. In response to feedback received through outreach to these customers, which also includes small businesses, Potomac Edison proposes a cost allocation of 75% to the residential class and 25% to the non-residential classes, excluding streetlighting.

Enclosed within this filing are the proposed RCAP discount and surcharge calculations as Attachment 1, RCAP proposed tariff pages as Attachment 2, the surcharge calculations under alternative cost allocation scenarios as Attachment 3, and the Company's marketing and outreach plan as Attachment 4. The Company respectfully requests timely consideration of this filing and approval of its requested cost allocation of 75% to the residential classes and 25% to the non-residential classes. To ensure adequate time for the Company to meet an effective date of January 1, 2027, the Company requests a decision by December 16, 2026, which will provide at least 15 days to implement any revisions from its requested filing.

Please contact me if you have any further questions.

Respectfully submitted,

Kintéshia Scott

Kintéshia Scott
Counsel to The Potomac Edison Company

KS/dml

Enclosures

Cc: PC59 Service List

ATTACHMENT 1

RCAP Discount and Surcharge Calculations

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THE POTOMAC EDISON COMPANY
RCAP Program
Discount Calculation

Credit Calculation

Utility	Primary Heat Source	Utility	Poverty Level	Total Credit Cost	Accounts in Tier	Monthly Credit	Discount per KWH
PE	Electricity	Electric	1	$ 893,792	974	$ 76	0.06191
PE	Electricity	Electric	2	$ 642,515	678	$ 79	0.06245
PE	Electricity	Electric	3	$ 819,565	2663	$ 26	0.02399
PE	Electricity	Electric	4	$ 431,975	2514	$ 14	0.01246
PE	Electricity	Electric	5	$ 76,105	1391	$ 5	0.00374
PE	Other	Electric	1	$ 745,396	736	$ 84	0.08809
PE	Other	Electric	2	$ 521,763	497	$ 87	0.09023
PE	Other	Electric	3	$ 1,557,173	2068	$ 63	0.07209
PE	Other	Electric	4	$ 1,594,855	2334	$ 57	0.06454
PE	Other	Electric	5	$ 881,435	1315	$ 56	0.06210
Total Cost				$ 8,164,576			

Outreach Budget

	Letter Quantity	Cost Per Communicatic	Est. Cost
Program Letters	30000	0.86	25800
Email Campaigns	261000	0.04	10440

Total Estimated Cost **$** **8,200,815.51**

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THE POTOMAC EDISON COMPANY
RCAP Program
Surcharge Calculation

GRT AND PSC ASSESSMENT 2.33%

Surcharge Requirement

ESTIMATED SURCHARGE TO BE COLLECTED	ACTUAL SURCHARGE COLLECTEED	PRIOR YEAR ESTIMATED DISCOUNTS	TRUE-UP	TOTAL LIMITED INCOME REQUIREMENT
$ 8,392,140.54	$ -	$ -	$ -	$ 8,392,140.54

Allocation of Surcharge Requirement

	RES / COMM ALLOCATION	R-CAP ALLOCATION PERCENTAGE	SURCHARGE REQUIREMENT	SEIF ALLOCATION[1]	NUMBER OF CUSTOMERS[2]	2027 TOTAL BILLS	RATE PER MONTH
Schedule R	75%	75%	$ 6,294,105.40	$ (4,285,100.00)	246,657	2,959,888	$ 0.68
Schedule G/C/CA/CSH	25%	24%	$ 1,988,341.82		33,037	396,448	$ 5.02
Schedule PH/PP		1%	$ 109,693.32		1,823	21,871	$ 5.02

[1] Commission Order No. 92620, September 11, 2026 granted PE a SEIF alloccation of $4,285,100. Any over funding of SEIF will be rolled over to the next year.

[2] Total Customers Assumed 2027 Monthly Average Less OHEP Customers

ATTACHMENT 2

RCAP Proposed Tariff Pages

INDEX (Continued)

	SCHEDULE	PAGE
Montgomery County Fuel Energy Local Tax Adjustment		5-3
Maryland Environmental Surcharge		5-4
EmPower MD Surcharge		5-5
Retail Customer and Third-Party Retail Fees and Services		5-7
Administrative Credit		5-8
Energy Cost Adjustment Surcharge		5-9
Electric Distribution Investment Surcharge		5-10
Grid Programs Surcharge		5-11
Residential Customer Assistance Program		5-12
Residential Service - General	R	6
Multi-Family Home EV Charger Service	MFH-EV	6-2
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Power Service	PH	9
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Outdoor Lighting- Equipment, Maintenance and Unmetered Service	EMU	11
Outdoor Lighting- Maintenance and Unmetered Service	MU	12
Outdoor Lighting- Equipment and Maintenance Service	EM	13
LED Street Lighting Service	LED	14

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~~Approved at Public Service Commission Administrative Meeting of November 4, 2026.~~

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	SCHEDULE	PAGE
Montgomery County Fuel Energy Local Tax Adjustment		5-3
Maryland Environmental Surcharge		5-4
EmPower MD Surcharge		5-5
Retail Customer and Third-Party Retail Fees and Services		5-7
Administrative Credit		5-8
Energy Cost Adjustment Surcharge		5-9
Electric Distribution Investment Surcharge		5-10
Grid Programs Surcharge		5-11
Residential Customer Assistance Program		5-12
Residential Service - General	R	6
Multi-Family Home EV Charger Service	MFH-EV	6-2
Residential Time of Use Service	R-TOU	6-4
General Service	G	7
General and Commercial Service (Restricted)	C	7-4
General Service - All Electric (Restricted)	C-A	8
Power Service	PH	9
Large Power Service	PP	10
Outdoor Lighting- Equipment, Maintenance and Unmetered Service	EMU	11
Outdoor Lighting- Maintenance and Unmetered Service	MU	12
Outdoor Lighting- Equipment and Maintenance Service	EM	13
LED Street Lighting Service	LED	14

Residential Customer Assistance Program

Residential Customer Assistance Program Discount

Effective for Service rendered on and after January 1, 2027, the Residential Customer Assistance Program ("RCAP") provides a discount to residential Customers served under Schedules R and R-TOU who are determined to be eligible for the RCAP Discount by the Maryland Office of Home Energy Programs ("OHEP"). Master-metered accounts are not eligible for the RCAP Discount. OHEP's determination of Customer eligibility will include the OHEP poverty level and OHEP heating source categories ("Category" or "Categories") as shown below.

OHEP Benefit Level and Heating Source Categories

	Electric Heating	Non-Electric Heating
OHEP Benefit Level 1	EH1	NH1
OHEP Benefit Level 2	EH2	NH2
OHEP Benefit Level 3	EH3	NH3
OHEP Benefit Level 4	EH4	NH4
OHEP Benefit Level 5	EH5	NH5

The applicable RCAP Discount rate shall apply as a reduction to eligible Customers' bills. RCAP will apply for 18 months beginning with OHEP's determination of eligibility for a Customer. The Company shall begin applying the RCAP Discount with the first billing cycle following the application of eligibility in the Company's billing system. In the next billing cycle following a Customer's recertification with OHEP, the 18-month RCAP eligibility period for that Customer will be reset. At the conclusion of 18 months, if a Customer has not recertified eligibility with OHEP, the RCAP Discount will no longer be applied.

Calculation of R-CAP Discount Rates

Following the initial implementation of the R-CAP Discount Program, RCAP Discount rates for the 12-month period beginning January 1 of each year will be determined and filed with the Commission for each eligible residential electric schedule by OHEP benefit level and heating source Category.

Annual Energy Burden: For each OHEP benefit level and heating source Category, OHEP will provide the Company with an average annual income based on the prior fiscal year, which runs from July 1 – June 30. For electric Customers with an electric heating source, as determined by OHEP, the energy burden will be calculated as six percent (6.0%) of the average annual income for that Category. For electric Customers with a non-electric heating source, as determined by OHEP, the energy burden will be calculated as three percent (3.0%) of the average annual income for that Category.

Average Annual Electric Billings: For each Category, the OHEP average annual usage will be used to calculate the average electric bills. The Average Annual Electric Billings will be calculated using the past 12-month period average electric supply rate and the distribution rates for Schedule R effective at the time of the filing applied to the average annual usage by Category.

For each Category, the RCAP Discount rate will be calculated as the difference between the calculated Annual Energy Burden and the Average Annual Electric Billings, after considering current average OHEP benefits for that Category, divided by the average annual usage for Customers in that Category.

Residential Customer Assistance Program
(Concluded)

The current RCAP Discount rates are as follows:

	Electric Heating	Non-Electric Heating
OHEP Benefit Level 1	($0.06191) per kwh	($0.08809) per kwh
OHEP Benefit Level 2	($0.06245) per kwh	($0.09023) per kwh
OHEP Benefit Level 3	($0.02399) per kwh	($0.07209) per kwh
OHEP Benefit Level 4	($0.01246) per kwh	($0.06454) per kwh
OHEP Benefit Level 5	($0.00374) per kwh	($0.06210) per kwh

RCAP Recovery Surcharge

For those Customers not identified as eligible for the RCAP Discount, the RCAP Recovery Surcharge recovers the costs of providing discounts to eligible RCAP Discount Customers as well as incremental costs associated with the implementation and management of the program.

Calculation and Reconciliation of the RCAP Recovery Surcharge

Subject to Commission approval, costs recoverable under the RCAP Recovery Surcharge may include, but are not limited to, bill discounts provided to eligible Customers receiving the RCAP Discount and any over- or under-recoveries from prior recovery periods.

State funding received by the Company for Residential Customer Assistance Program purposes, including the RCAP Discount, shall be applied to offset direct bill credits, thereby reducing the amount otherwise recoverable through the RCAP Recovery Surcharge.

The RCAP Recovery Surcharge revenue requirement shall consist of forecasted RCAP costs, adjusted for any over- or under-recoveries from prior periods, and any state funding applied to offset direct bill credits.

The RCAP Recovery Surcharge shall be designed to recover the Commission-approved Residential Customer Assistance Program revenue requirement, including bill discounts provided under the RCAP Discount and other eligible program costs, with cost recovery allocated seventy-five percent (75%) to residential Customers and twenty-five percent (25%) to non-residential Customers, unless otherwise directed by the Commission.

Recovery of RCAP costs through the RCAP Recovery Surcharge consists of a fixed monthly rate by Rate Schedule as follows:

Rate Schedule	RCAP Recovery Surcharge
Schedule R	$0.68 per month
Schedule G/C/CA/CSH	$5.02 per month
Schedule PH/PP	$5.02 per month

ATTACHMENT 3

RCAP Surcharge Calculations Under Alternative Cost Allocation Scenarios

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THE POTOMAC EDISON COMPANY
RCAP Program
Surcharge Calculation

GRT AND PSC ASSESSMENT 2.33%

Surcharge Requirement

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$ 8,392,140.54	$ -	$ -	$ -	$ 8,392,140.54

Allocation of Surcharge Requirement

	RES / COMM ALLOCATION	R-CAP ALLOCATION PERCENTAGE	SURCHARGE REQUIREMENT	SEIF ALLOCATION[1]	NUMBER OF CUSTOMERS[2]	2027 TOTAL BILLS	RATE PER MONTH
Schedule R	25%	25%	$ 2,098,035.13	$ (4,285,100.00)	246,657	2,959,888	$ -
Schedule G/C/CA/CSH	75%	71%	$ 5,965,025.46		33,037	396,448	$ 15.05
Schedule PH/PP		4%	$ 329,079.95		1,823	21,871	$ 15.05

[1] Commission Order No. 92620, September 11, 2026 granted PE a SEIF alloccation of $4,285,100. Any over funding of SEIF will be rolled over to the next year.

[2] Total Customers Assumed 2027 Monthly Average Less OHEP Customers

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$ 8,392,140.54	$ -	$ -	$ -	$ 8,392,140.54

Allocation of Surcharge Requirement

	RES / COMM ALLOCATION	R-CAP ALLOCATION PERCENTAGE	SURCHARGE REQUIREMENT	SEIF ALLOCATION[1]	NUMBER OF CUSTOMERS[2]	2027 TOTAL BILLS	RATE PER MONTH
Schedule R	50%	50%	$ 4,196,070.27	$ (4,285,100.00)	246,657	2,959,888	$ -
Schedule G/C/CA/CSH	50%	47%	$ 3,976,683.64		33,037	396,448	$ 10.03
Schedule PH/PP		3%	$ 219,386.63		1,823	21,871	$ 10.03

[1] Commission Order No. 92620, September 11, 2026 granted PE a SEIF alloccation of $4,285,100. Any over funding of SEIF will be rolled over to the next year.

[2] Total Customers Assumed 2027 Monthly Average Less OHEP Customers

ATTACHMENT 4

Marketing and Outreach Plan

PotomacEdison
A FirstEnergy Company

Potomac Edison
2027 PC-59 Outreach Plan
August 25, 2026

This outreach plan is in response to the Public Service Commission's February 12, 2026, Order regarding the proposed Limited Income Mechanism for utility customers, in compliance with Public Utilities Article ("PUA") 4-309 and PC-59. The plan outlines a targeted strategy to inform stakeholders about how the program helps eligible customers reduce their energy costs, as well as inform residential, commercial and industrial customers about the potential bill impact to help fund the program.

By delivering clear and accessible messaging, Potomac Edison aims to build understanding, encourage participation and meet expectations for transparency and outreach.

Target Audiences

- **Customers**
  - Targeted: limited income customers. To qualify for the program, a customer must: (i) be certified by the Office of Home Energy Programs ("OHEP") as eligible; and (ii) a residential utility customers categorized by OHEP as Poverty Level 6 or lower, which is around 200% of the Federal Poverty Limit or lower.
  - Broad: All Potomac Edison residential and commercial & industrial customers to:
    - Provide information about the rider that will be added to their monthly electric bill to help fund the program.
    - Raise awareness of the program and other assistance programs.
- **Employees**
  - Customer Care, Revenue Operations and Human Services employees who can directly assist customers needing assistance with their electric bills.

Key Messages

The following key messages are designed to emphasize the benefits of the program while generally promoting bill assistance programs:

- **The (Program Name) might be the boost you need**—by helping to lower your energy cost burden based on your household income, making managing your energy costs easier.
- **Struggling with your electric bill? Potomac Edison has your back.** We can help reduce the stress of managing your energy costs by lowering the impact of your monthly utility bills.

Strategies and Tactics

- **Educate eligible customers** about the program and the enrollment process.
- **Empower employees** to share information about the program and other assistance programs with customers who may benefit.

Strategy: Educate eligible customers about the program.	
Tactics: • **Website Promotions** ▪ Develop a dedicated landing page that provides information about the program, including: ▪ Program enrollment process; ▪ Frequently asked questions ("FAQs:); ▪ Cross promotion of additional assistance and energy efficiency programs. ▪ Promote the PC-59 program on the Company's homepage and other strategic, high-visibility locations throughout the website to help customers easily find program information. ▪	**Timeline** December 2026/ January 2027 and throughout the year
• **Social Media Outreach** o Develop a series of social media posts promoting the program and directing customers to the landing page.	Beginning January 2027
• **Media Outreach** o Develop a news release promoting the program and the enrollment process. The news release will include additional information about other bill assistance and energy efficiency programs. o Develop additional news releases or feature stories promoting the program and bill assistance during key times of the year.	Beginning January 2027
• **Bill Communications** o Develop monthly on-bill messages that show participants' program end date and inform participants about current credits used on the monthly bill. o Develop on-bill messages regarding reminding participants to reverify to remain enrolled to be issued 90, 60 and 30 days prior to the program end date.	Beginning January 2027
• **Customer Emails**	Beginning January 2027

○ Include stories or calls to action about the program and bill assistance in Potomac Edison's customer eNewsletter (goes to all customers for whom Potomac has email addresses). ○ Deploy emails promoting the program to targeted segments of customers.	
• **Outbound Calls** ○ Conduct outbound reminding participants to reverify at 90, 60 and 30 days prior to the benefit end date.	Beginning in 2028
• **Letters to Customers** ○ Consider sending letters (English and Spanish versions) to customers regarding enrollment, reverify reminders issued 90 and 60 days prior to benefit end date and program removal letters.	Beginning January 2028

Strategy: Empower employees to actively share information about the PC-59 program and other assistance programs with customers who may benefit, as well as customers who will pay the program rider.	
Tactics: • **Talking Points and FAQs** ○ Develop talking points and FAQs about the PC-59 program and enrollment process and information on the bill rider for residential and commercial & industrial customers. These materials can be shared with Care Center Agents, Field Collectors, Local Engagement, and more to help facilitate conversations with customers and other stakeholders. ○ Provide specific guidance for Care Center agents to promote the PC-59 program and to discuss the bill rider for residential and commercial & industrial customers.	**Timeline** December 2026/January 2027
• **Field Collections** Review and update materials to help Field Collectors promote the program to customers facing disconnection. Materials will be made available in Spanish and may include brochures, flyers or post cards.	Q2 2027

Some of the strategies and tactics discussed in this plan may require the approval of pending outreach recovery.