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June 13, 2018

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

VIA ELECTRONIC FILING

Re: Tax Cuts and Jobs Act of 2017 – Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company; Docket Nos. R-2018-3000597, R-2018-3000599, R-2018-3000602, and R-2018-3000604

Dear Secretary Chiavetta:

On February 12, 2018, the Pennsylvania Public Utility Commission ("PUC" or "Commission") issued a Secretarial Letter opening Docket No. M-2018-2641242 to determine the effects of the Tax Cuts and Jobs Act of 2017 ("TCJA") on the tax liability of regulated utilities for 2018 and future test years and the feasibility of reflecting such impacts in the rates charged to Pennsylvania ratepayers ("TCJA Proceeding"). The Secretarial Letter requested that interested parties submit comments addressing: (1) whether the PUC should adjust current rates to reflect the reduced income tax expenses of public utilities; (2) if so, the appropriate negative surcharge or other methodologies that would permit immediate modifications to rates; and (3) the effective date of the surcharge or other methodology. On March 9, 2018, the Industrial Energy Consumers of Pennsylvania ("IECPA") submitted Comments in the TCJA Proceeding. IECPA members receive electric service from a variety of electric utilities in Pennsylvania, including FirstEnergy operating companies that include Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), and West Penn Power Company ("West Penn") (collectively, "Companies").

On May 17, 2018, the Commission issued Orders in the above-referenced proceedings directing the Companies to file tariff supplements to establish a negative surcharge to be effective July 1, 2018 ("TCJA Surcharge") in addition to a "deferred regulatory liability" account to record the tax savings associated with the TCJA Surcharge from January 1, 2018, through June 30, 2018. On June 1, 2018, the Companies filed a Joint Petition for Reconsideration requesting, *inter alia*, that the Commission "permit the Companies to record the tax savings for the period from January 1, 2018 through March 15, 2018, together with carrying charges as computed in the manner required by the TCJA Surcharge Orders, in a separate memorandum account and not as 'deferred regulatory liability.'" Joint Petition for Reconsideration, p. 13.

On June 11, 2018, the Office of Consumer Advocate ("OCA") submitted an Answer to the Joint Petition requesting that the Commission grant, in part and deny in part the Companies' Joint Petition. In pertinent part, the OCA requests the Commission deny the Companies' request to record deferred tax

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savings from January 1, to March 14, 2018, in a separate memorandum account. IECPA submits this Letter in Support of the OCA's Answer and agrees in full with the OCA's sound practical and legal reasoning in support of deferred regulatory liability treatment for the tax savings at issue, which should be properly preserved for the benefit of ratepayers.

This document is being filed electronically with the Commission on this date. All parties are being served a copy of this document in accordance with the enclosed Certificate of Service.

Please contact me if you have any questions concerning this filing.

Respectfully submitted,

SPILMAN THOMAS & BATTLE, PLLC

By /s/ Derrick Price Williamson
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Barry A. Naum

*Counsel for the Industrial Energy Consumers of
Pennsylvania*

DPW/sds
Enclosure
c: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Tax Cuts and Jobs Act of 2017 –	:	
Metropolitan Edison Company	:	Docket Nos. R-2018-3000597
Pennsylvania Electric Company	:	R-2018-3000599
Pennsylvania Power Company	:	R-2018-3000602
West Penn Power Company	:	R-2018-3000604

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the following parties to this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

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Dated: June 13, 2018