

May 31, 2013

The Honorable Jeffrey Cohen  
Acting Secretary  
New York Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

Re: Reconciliation of Tax Expenses Charged and Deferred for the year 2012 required under Case 00-M-1556

Dear Acting Secretary Cohen:

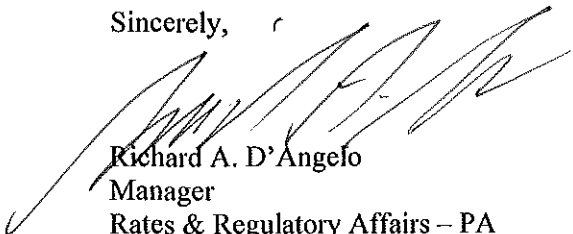
Attached please find Pennsylvania Electric Company's ("Company") Waverly, New York updated report of reconciliation of tax expenses charged and deferred for calendar year 2012 as required by Case 00-M-1556 under the Order Implementing Tax Law Changed on a Permanent Basis, issued and effective June 28, 2001. This report is being updated to include the New York State Gross Income Tax Liability as reflected on the Company's return filed on May 13, 2013.

This Reconciliation Filing consists of three (3) schedules. Schedule 1 shows the 2012 Annual Reconciliation of Over/Under Collection of Gross Revenue Taxes and State Income Taxes and the interest calculations thereof. Schedule 2 shows the total tax revenue collected for the calendar year 2012. Schedule 3 shows the 2011 State Income Tax Calculation of interest.

The Company filed its 2012 CT-186-P New York State Gross Income Tax Return in May 2013. A copy of the 2012 CT-186-P New York State Gross Income Tax Return for Pennsylvania Electric Company is attached.

If you have any questions or need further clarification, please contact me at 610-921-6498.

Sincerely,



Richard A. D'Angelo  
Manager  
Rates & Regulatory Affairs - PA

Enclosures

c: K. Adkins

**Pennsylvania Electric Company  
Waverly, NY**

**2012 Annual Reconciliation of Over/Under Collection  
of  
Gross Revenue Taxes and State Income Taxes**

Line No.	Month	Total Revenue Collected (1)	Total Tax Revenue Collected (2) <small>Schedule 2, col. (1)</small>	NYS Gross Income Tax Liability (3)	Tax Over/(Under) Collection (4)=(2)+(3)	Cumulative End of Month Balance (5)	Cumulative 2 Month Average Balance (6)	Over/(Under) Balance Subject to Int Calculation net of FIT (7)=(6)*(1-T)	Interest on Deferral @ 3.40% (8)=(7)*r/12	Franchise Tax Liab. & Interest (9)	NYS Cumulative Over/(Under) Collection (10)=(5)+(8)+(9)
										2011 Opening Balance	\$ 29,291
1	January	\$ 429,325	\$ 5,747	\$ (2,516)	\$ 3,231	\$ 32,522	\$ 30,907	\$ 20,089	\$ 57		\$ -
2	February	447,534	2,313	(2,516)	(203)	32,375	32,477	21,110	60		-
3	March	462,086	2,163	(2,516)	(353)	32,082	32,259	20,968	59		-
4	April	387,054	1,684	(2,516)	(832)	31,309	31,725	20,621	58		-
5	May	374,054	1,627	(2,516)	(890)	30,478	30,923	20,100	57		-
6	June	362,030	1,543	(2,516)	(973)	29,561	30,048	19,531	55		-
7	July	404,018	1,524	(2,516)	(992)	28,625	29,121	18,928	54		-
8	August	537,952	1,840	(2,516)	(676)	28,003	28,341	18,421	52		-
9	September	532,769	1,675	(2,516)	(841)	27,214	27,634	17,962	51		-
10	October	422,668	1,575	(2,516)	(941)	26,324	26,794	17,416	49		-
11	November	433,388	1,663	(2,516)	(853)	25,520	25,947	16,865	48		-
12	December	434,099	1,752	(2,516)	(765)	24,803	25,185	16,371	46	(6,430)	18,420
13	Total	\$ 5,226,978	\$ 25,105	\$ (30,194)	\$ (5,089)			\$ 647	\$ (6,430)		
14	2011 Tax Revenue Collected				\$ 25,105						
15	NYS Gross Income Tax Liability				(30,194)						
16	Interest on Deferral Owed from Company				647						
17	2009 NYS Franchise Tax Liab. & Interest				(6,430)						
18	<b>Total Over (Under) collection for 2012</b>				<b>(10,871)</b>						
19	Opening Balance for 2012					29,291					
20	End of Year Balance					<b>18,420</b>					

**Pennsylvania Electric Company  
Waverly, NY**

**2012 Revenues from the Report of Electric Sales**

STATE SURCHARGE TAX

		<u>TOTAL</u>
		(1)
1	January	\$ 5,747
2	February	2,313
3	March	2,163
4	April	1,684
5	May	1,627
6	June	1,543
7	July	1,524
8	August	1,840
9	September	1,675
10	October	1,575
11	November	1,663
12	December	1,752
13	Total	\$ 25,105



2012

# CT-186-P

New York State Department of Taxation and Finance

## Utility Services Tax Return - Gross Income

Tax Law - Article 9, Section 186-a

Final return  Amended return

For calendar year 2012

Employer identification number <b>25-0718085</b>	File number <b>HH8</b>	Business telephone number <b>973.401.8383</b>	If you claim an overpayment, mark an X in the box <input type="checkbox"/>
Legal name of corporation <b>Pennsylvania Electric Company</b>		Trade name/DBA	
Mailing name (if different from legal name above) <b>c/o FirstEnergy Corp.</b>		State or country of incorporation <b>PA</b>	Date received (for Tax Department use only)
Number and street or PO box <b>300 Madison Ave PO Box 1911</b>		Date of incorporation <b>06/11/1919</b>	
City <b>Morristown</b>	State <b>NJ</b>	ZIP code <b>07962-1911</b>	Foreign corporations: date began business in NYS
NAICS business code number (from federal return)	If address/phone above is new, mark an X in box <input type="checkbox"/>	If you need to update your address or phone information for corporation tax, or other tax types, you can do so online. See <i>Business Information</i> in Form CT-1.	
Date corporation came under the supervision of the NYS Department of Public Service		Audit (for Tax Department use only)	

Type of service or commodity you sell (mark an X in all boxes that apply)

Gas •  Electricity •

If this is your first return, enter name of prior owner or operator, if any	Address of prior owner or operator
If this is your final return, enter name of new owner, if any	Address of new owner

### Metropolitan transportation business tax (MTA surcharge) (mark an X in the appropriate box below)

Do you do business in the Metropolitan Commuter Transportation District? If Yes, you must file Form CT-186-P/M (see Instructions). Yes  No   
Do not file Form CT-186-P - If you are a telephone or telegraph company or other provider of telecommunication services, even if those services are not your primary business, do not file this form. Instead, file Form CT-186-E, *Telecommunications Tax Return and Utility Services Tax Return*.

A. Pay amount shown on line 17. Make payable to: <b>New York State Corporation Tax</b>	Payment enclosed
← Attach your payment here. Detach all check stubs. (See Instructions for details.)	<b>2,718.</b>

### Computation of tax

1	Receipts from transportation, transmission, or distribution of gas or electricity . . . . .	1	5,204,892.
2	Allowable exclusions from receipts on line 1 (see Instructions) . . . . .	2	3,695,188.
3	Net receipts from transportation, transmission, or distribution of gas or electricity after allowable exclusions (subtract line 2 from line 1; see Instructions) . . . . .	3	1,509,704.
4	Tax on gross income (multiply line 3 receipts by rate; see Instructions) . . . . .	4	30,194.
5	Power for Jobs tax credit (see Instructions) . . . . .	5	
6	Tax after Power for Jobs credit (subtract line 5 from line 4) . . . . .	6	30,194.
7	Tax credits: Mark an X in the box(es) to indicate the form(s) filed and attach form(s) CT-243 • <input type="checkbox"/> CT-249 • <input type="checkbox"/> CT-631 • <input type="checkbox"/> Other credits (see Instructions) • <input type="checkbox"/> . . . . .	7	
8	Net tax (subtract line 7 from line 6) . . . . .	8	30,194.
<b>First installment of estimated tax for next period:</b>			
9	If you filed a request for extension, enter amount from Form CT-5.9, line 2 . . . . .	9	7,549.
10	If you did not file Form CT-5.9 and line 8 is over \$1,000, see instructions; otherwise enter 0 . . . . .	10	
11	Total (add lines 8 and 9 or 10) . . . . .	11	37,743.
12	Total prepayments (enter amount from line 32) . . . . .	12	35,025.
13	Balance (if line 12 is less than line 11, subtract line 12 from line 11) . . . . .	13	2,718.
14	Estimated tax penalty (see Instructions; mark an X in the box if Form CT-222 is attached) • <input type="checkbox"/> . . . . .	14	
15	Interest on late payment (see Instructions) . . . . .	15	
16	Late filing and late payment penalties (see Instructions) . . . . .	16	
17	Balance due (add lines 13 through 16 and enter here; enter the payment amount on line A above) . . . . .	17	2,718.
18	Overpayment (if line 11 is less than line 12, subtract line 11 from line 12) . . . . .	18	
19	Amount of overpayment to be credited to next period . . . . .	19	
20	Balance of overpayment (subtract line 19 from line 18) . . . . .	20	

(continued on page 2)

413001121062



2W3573 1.000

**Computation of tax (continued)**

21	Amount to be credited to Form CT-186-P/M . . . . .	21	
22	Amount of overpayment to be refunded (subtract line 21 from line 20). . . . .	22	
23	Amount of unused tax credits to be refunded (see Instructions) . . . . .	23	
24	Refundable tax credits to be credited to next year's tax (see Instructions) . . . . .	24	

Composition of prepayments claimed on line 12 (see Instructions)		Date paid	Amount
25	Mandatory first installment . . . . .	03/15/2012	5,720.
26	Second installment from Form CT-400 . . . . .		
27	Third installment from Form CT-400 . . . . .		
28	Fourth installment from Form CT-400. . . . .	12/15/2012	9,621.
29	Payment with extension request, Form CT-5.9, line 5 . . . . .	03/15/2013	19,684.
30	Overpayment credited from prior years. . . . .		
31	Overpayment credited from Form CT-186-P/M <small>Period</small> . . . . .		
32	Total prepayments (add lines 25 through 31; enter here and on line 12). . . . .		35,025.

Third - party designee <i>(see Instructions)</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Designee's name (print)	Designee's phone number
	Designee's e-mail address		PIN

**Certification:** I certify that this return and any attachments are to the best of my knowledge and belief true, correct, and complete.

Authorized person	Printed name of authorized person James G. Garanich	Signature of authorized person <i>[Signature]</i>	Official title Vice President - Tax
	E-mail address of authorized person	Telephone number (973) 401-8383	Date 5/13/2013
Paid preparer use only <i>(see Instr.)</i>	Firm's name (or yours if self-employed)	Firm's EIN	Preparer's PTIN or SSN
	Signature of individual preparing this return	Address	
	E-mail address of individual preparing this return	Preparer's NYTPRN	Date

See instructions for where to file.

**CERTIFIED MAIL**

RE: PN NYS CT186P 2012

7162 0857 9740 0002 1991

413002121062



# CT-2

New York State Department of Taxation and Finance

# Corporation Tax Return Summary

2012

2c Legal name of corporation **2c. Pennsylvania Electric Company** Payment enclosed 8. **2,718.00**

- 1 Return type
- 2a Employer ID number (EIN)
- 2b File number (FCC)
- 3 Period beginning date (mm-dd-yy)
- 4 Period ending date (mm-dd-yy)
- 5 Amended (Y=1; N=0)
- 6 Address change (Y=1; N=0)
- 7 Final (Y=1; N=0)
- 9 NAICS code
- 10 MTA indicator (None=0; Y=1; N=2; Both=3)
- 11a Type of bank - Clearinghouse (Y=1; N=0)
- 11b Type of bank - Savings (Y=1; N=0)
- 11c Type of bank - Other commercial (Y=1; N=0)
- 12 Federal 1120-H filed (Y=1; N=0)
- 13 REIT/RIC indicator (Y=1; N=0)
- 14 QSSS indicator (Y=1; N=0)
- 15 Form ID number
- 16 Tax sub type
- 17 Tax due/MTA surcharge
- 18 Mandatory first instalment (MFI) - no extension filed and tax due is over \$1,000
- 19 Return a Gift to Wildlife
- 20 Breast Cancer Research and Education Fund
- 21 Prostate Cancer Research, Detection, and Education Fund
- 22 9/11 Memorial
- 23 Volunteer Firefighting & EMS Recruitment Fund
- 24 Balance due
- 25 Amount of overpayment credited to next period - NYS
- 26 Refund of overpayment
- 27 Refund of unused tax credits
- 28 Tax credits to be credited as an overpayment to next year's return
- 29 Amount of overpayment credited to next period - MTA
- 30 Amount of MTA surcharge retaliatory tax credit to be refunded
- 31 Total license fee
- 32 Maintenance fee due
- 33 Fixed dollar minimum
- 34 (Combined) parent's EIN
- 35 New York receipts
- 36 Alternative entire net income (ENI) percentage
- 37 Computation of issuer's allocation percentage
- 38 Issuer's allocation percentage
- 39 Paid preparer's EN

1.	CT186P		
2a.	25-	0718085	
	2b.	HH8	
3.	01-	01-	12
4.	12-	31-	12
		5.	0
		6.	0
		7.	

9.		10.	2
		11a.	
		11b.	
		11c.	
		12.	
		13.	
		14.	
15.	413001121062		
		16.	12
17.		30,194.	00
18.			
19.			
20.			
21.			
22.			
23.			
24.		2,718.	00
25.			
26.			
27.			
28.			
29.			
30.			
31.			
32.			
33.			
	34.	-	
35.			
		36.	
		37.	
		38.	
	39.	-	

For office use only



**FirstEnergy**

1940097

VOID IF NOT CASHED WITHIN 90 DAYS

50-937

213

Check No. 1940097

CHECK DATE

AMOUNT

05 | 09 | 2013

\*\*\*\*\*2,718.00

PAY TO THE ORDER OF NEW YORK STATE CORPORATION TAX  
PO BOX 1909  
ALBANY, NY 12201

EXACTLY \*\*\*\*\*2,718 DOLLARS 00 CENTS

JPMorgan Chase Bank, Syracuse, NY 13206

*James F. Pearson*  
Treasurer  
FirstEnergy Corp.

⑈1940097⑈ ⑆021309379⑆ 601864788⑈

VENDOR NO. 0047531001 DOC NO. 2000181144

PO NO	INVOICE / RCPT #	DATE	DOCUMENT #	VENDOR INV AMT	DISCOUNT	NET AMOUNT
	NYS CT186P RT 12	05/08/2013	1902211884	2,718.00	0.00	2,718.00

REVIEW INVOICE ACTIVITY AT [HTTPS://WWW.GPU.COM/APWEB](https://www.gpu.com/apweb). FOR ACCESS CALL 814-539-3200