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FEDERAL EXPRESS

July 1, 2013

Rosemary Chiavetta, Esquire
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RECEIVED

JUL -1 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: PPL Electric Utilities Corporation
Supplement No. 135 to Tariff - Electric Pa. P.U.C. No. 201 and
Calculation of Distribution System Improvement Charge
Docket No. P-2012-2325034**

Dear Ms. Chiavetta:

On June 20, 2013, PPL Electric Utilities Corporation ("PPL Electric") filed Supplement No. 135 to PPL Electric's Tariff – Electric Pa. P.U.C. No. 201 with various supporting documentation. Supplement No. 135 implements PPL Electric's Distribution System Improvement Charge for the period July 1, 2013 through September 30, 2013.

At the direction of the Public Utility Commission's Staff, PPL Electric is filing the following two corrected pages to Supplement No. 135:

1. Page 19Z.18 – Under QUARTERLY UPDATES, the "Bureau of Audits" is added to the parties receiving quarterly update data.
2. Page 19Z.19 – Under B. Audit/Reconciliation, the end of the fifth sentence is modified to read, "commencing on April 1 of each year."

Please insert these corrected pages in Supplement No. 135 and discard the corresponding pages contained in the June 20, 2013 filing. Thank you in advance for your assistance in this regard.

Pursuant to 52 Pa. Code § 1.11, the enclosed documents are to be deemed filed on July 1, 2013, which is the date they were deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding the enclosed report or need additional data, please call me or Bethany L. Johnson, PPL Electric's Manager-Regulatory Compliance at (610) 774-7011.

Very truly yours,

A handwritten signature in black ink that reads "Paul E. Russell". The signature is written in a cursive style with a large initial "P" and "R".

Paul E. Russell

Enclosures

cc: Mr. Carl Lesney
Tanya J. McCloskey, Esquire
Ms. Lori Burger
Mr. John R. Evans
J. Edward Simms, Esquire

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (Continued)

COMPUTATION OF THE DSIC (Continued)

D. Formula: The formula for calculation of the DSIC is as follows:

$$DSIC = \frac{((DSI \times PTRR) + Dep + e)}{PQR} \times \frac{1}{(1-T)}$$

Where:

- DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.
- PTRR = Pre-tax return rate applicable to DSIC-eligible property.
- Dep = Depreciation expense related to DSIC-eligible property.
- e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.
- PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.
- T = Pennsylvania gross receipts tax rate in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the DSIC, nor shall charges hereunder be a part of the monthly rate schedule minimum. The DSIC shall not be subject to any credits or discounts. The State Tax Adjustment Surcharge (STAS) included in this Tariff is applied to charges under the DSIC.

QUARTERLY UPDATES

Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

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(Continued)

JUL - 1 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

(I) Indicates Increase (D) Indicates Decrease (C) Indicates Change

Issued: June 20, 2013

Effective: July 1, 2013

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (Continued)

CUSTOMER SAFEGUARDS

A. Cap: The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue received under the DSIC for the reconciliation period will be compared to PPL Electric's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection.

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in PPL Electric's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert also shall be included with the first billing.

E. All customer classes: The DSIC shall be applied equally to all customer classes.

F. Earning Reports: The DSIC also will be reset at zero if, in any quarter, data filed with the Commission in PPL Electric's then most recent Annual or Quarterly Earnings reports (Schedule D-2) show that PPL Electric would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section.

From: (610) 774-4254
Paul E Russell
PPL Corporation
2 N 8th Street

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Allentown, PA 18101

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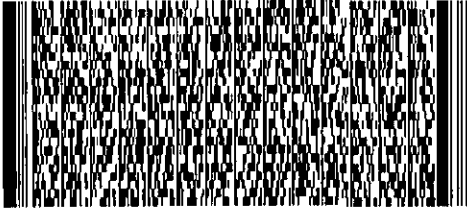


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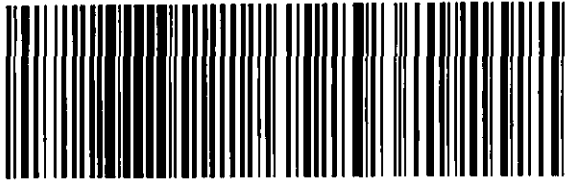
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