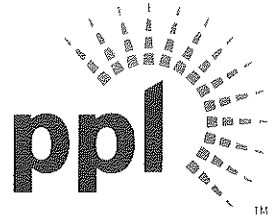


Paul E. Russell
Associate General Counsel

PPL
Two North Ninth Street
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perussell@pplweb.com



E-File

March 20, 2014

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

**Re: PPL Electric Utilities Corporation
Calculation of Distribution System Improvement Charge
Docket No.**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is the Calculation of Distribution System Improvement Charge ("DSIC"). Also enclosed is the verification of qualification and inspection required by the Final Implementation Order entered on August 2, 2012 at Docket No. M-2012-2293611. This calculation of the DSIC for the period April 1, 2014 through June 30, 2014, is being filed pursuant to the procedures set forth in PPL Electric's Tariff – Electric Pa. P.U.C. No. 201.

Pursuant to 52 Pa. Code § 1.11, the enclosed documents are to be deemed filed on March 20, 2014, which is the date they were filed electronically using the Commission's E-Filing System.

Rosemary Chiavetta, Secretary

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 cursive script that reads "Paul Russell". The signature is written in black ink and is positioned above the printed name.

Paul E. Russell

Enclosures

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

PPL ELECTRIC UTILITIES CORPORATION

**CALCULATION OF
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**

**For the Application Period
April 1, 2014 through June 30, 2014**

Docket Nos.

March 20, 2014

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE 1 - COMPUTATION OF CUMULATIVE PROPOSED DSIC
APPLICATION PERIOD: APRIL 1, 2014 THROUGH JUNE 30, 2014

Line No.		Total
	Distribution System Improvement Charge	
1	Applicable Plant (Schedule 2, Line 2, Column S)	\$ 140,690,161
2	Less: Accumulated Depreciation (Schedule 2, Line 3, Column N)	1,913,861
3	Retirements (Schedule 2, Line 4, Column S)	(152,358)
4	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	138,623,942
5	Pre-tax return rate applicable to DSIC-eligible property (Schedule 3, Line 4)	2.90%
6	Dep = Depreciation Expense (Schedule 2, Line 6, Column L through N)	839,836
7	E=Experienced Net Over/(Under) Collections, excluding Interest (A)	(62,048)
8	Net Amount to be Recovered (includes Over/(Under) Collection) (w/o GRT) (Line 5 + Line 6 + Line 7)	<u>4,797,882</u>
9	Net Amount to be Recovered (includes Over/(Under) Collection) (w/ GRT) (Line 8 x Note 1)	<u>5,098,709</u>
10	PQR = Projected Quarterly Distribution Revenue (Schedule 2, Line 9, Columns P through R)	<u>216,535,549</u>
11	DSIC = Distribution System Improvement Rider Rate % of Billed Revenues (w/ GRT) (Line 9 / Line 10)	2.35%
	Note 1: $\frac{1}{(1 - T)} = T = 5.9\% \text{ Gross Receipts Tax}$	1.0627

(A) Schedule 1, Line 6 of the Distribution System Improvement Charge (DSIC) Reconciliation Report, dated January 30, 2014 at Docket No. M-2014-2405341 (Attachment 1)

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: APRIL 1, 2014 THROUGH JUNE 30, 2014

Line No.	(A) Jan-13	(B) Feb-13	(C) Mar-13	(D) Apr-13	(E) May-13	(F) Jun-13
1			\$ 4,728,791	11,839,302	11,620,967	12,776,130
2			4,728,791	16,568,093	28,189,060	40,965,190
3			5,175	32,267	87,700	170,233
4			-	-	-	(2,365)
5	-	-	4,723,616	16,535,826	28,101,360	40,792,592
6	-	-	5,175	27,092	55,433	82,532
9						

DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4)

Dep = Depreciation Expense

Projected Distribution Revenues

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: APRIL 1, 2014 THROUGH JUNE 30, 2014

Line No.	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
	(G)	(H)	(I)	(J)	(K)	(L)
1	14,672,496	10,580,389	10,537,008	20,231,642	15,649,991	10,876,532
2	55,637,686	66,218,074	76,755,082	96,986,724	112,636,715	123,513,247
3	288,716	437,250	611,013	822,581	1,074,025	1,356,169
4	(13)	-	-	(423)	(38,910)	-
5	55,348,956	65,780,824	76,144,070	96,163,720	111,623,779	122,157,078
6	118,484	148,534	173,763	211,568	251,444	282,144
9	\$ 76,326,006	\$ 78,213,990	\$ 75,410,974	\$ 70,482,327	\$ 71,465,508	\$ 81,794,627

DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4)

Dep = Depreciation Expense

Projected Distribution Revenues

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: APRIL 1, 2014 THROUGH JUNE 30, 2014

Line No.	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Total
1	11,029,030	6,147,884					\$ 140,690,161
2	134,542,277	140,690,161					140,690,161
3	1,626,136	1,913,861					1,913,861
4	(61,869)	(48,777)					(152,558)
5	132,854,272	138,727,523					138,823,942
6	269,967	287,725					1,913,861
9	\$ 88,618,532	\$ 88,894,592	\$ 82,743,667	\$ 76,125,907	\$ 69,221,139	\$ 71,188,502	

DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4)

Dep = Depreciation Expense

Projected Distribution Revenues

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE 3 - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN
APPLICATION PERIOD: APRIL 1, 2014 THROUGH JUNE 30, 2014

Line No.	(A) Description	(B) Capitalization Ratio	(C) Embedded Cost	(D) Rate of Return	(E) Tax Multiplier (1)	(D) Pre-Tax Rate of Return (PTRR)
1	Long-Term Debt	48.93%	5.17%	2.53%	-	2.53%
2	Common Equity	51.07%	10.40%	5.31%	1.709211797	9.08%
3	Total	<u>100.00%</u>		<u>7.84%</u>		<u>11.61%</u>
4	11.61% Annual PTRR / 4 quarters = 2.90% Quarterly PTRR					

(1) The tax multiplier is calculated as follows: $1/[(1 - \text{Pa. Tax Rate}) \times (1 - \text{Fed. Tax Rate})]$ where the Pa. tax rate is 9.99% and Fed. tax rate is 35%.
 $1/[(1 - 9.99\%) \times (1 - 35\%)] = 1.709211797$

Attachment 1

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FEDERAL EXPRESS

January 30, 2014

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

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JAN 30 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: PPL Electric Utilities Corporation
Distribution System Improvement Charge
Reconciliation Report
Docket Nos. M-2013-2384650 and P-2012-2325034**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is the Distribution System Improvement Charge ("DSIC") Reconciliation Report. This reconciliation of the DSIC for the period July 1, 2013 through December 31, 2013, is being filed pursuant to the procedures set forth in PPL Electric's Tariff – Electric Pa. P.U.C. No. 201.

Pursuant to 52 Pa. Code § 1.11, the enclosed documents are to be deemed filed on January 30, 2014, 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.

Rosemary Chiavetta, Secretary

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, appearing to read "Paul E. Russell". The signature is written in a cursive style with a large initial "P" and "R".

Paul E. Russell

Enclosures

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

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SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Distribution System Improvement Charge (DSIC)

RECONCILIATION REPORT

For the Period July 1, 2013 to December 31, 2013

January 30, 2014

PPL ELECTRIC UTILITIES CORPORATION
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION
Report For The Period July 1, 2013 to December 31, 2013

Line No.		(A) Total
1	Filed Distribution Revenue (including GRT), (Schedule 2, Line 1, Column M)	\$ 453,693,432
2	Filed Distribution Revenue (excluding GRT), (Schedule 2, Line 3, Column M)	\$ 426,925,521
3	Filed Distribution System Improvement Charge Revenue Requirement (including GRT), (Schedule 2, Line 5, Column M)	\$ 3,162,192
4	Actual DSIC Revenues Billed (including GRT), (Schedule 2, Line 6, Column M)	\$ 3,294,522
5	Actual Distribution Revenue (excluding GRT), (Schedule 2, Line 8, Column M)	\$ 3,100,144
6	Net Over/(Under) Collection Amount (Schedule 2, Line 9, Column M)	\$ (62,048)
7	Interest on Over/(Under) Collection, (Schedule 2, Line 10, Column M)	\$ (3,560)
8	Net Over/(Under) Collection Amount, Including Interest (Line 7 plus Line 8)	\$ (65,608)
9	E-Factor Balance (Schedule 4, Line 13, Column B)	-
10	Total Over/(Under) Collection Balance	<u>(65,608)</u>

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PPL ELECTRIC UTILITIES CORPORATION
RECONCILIATION OF DISTRIBUTION SYSTEM IMPROVEMENT CHARGES (DSIC) REVENUE REQUIREMENT AND ACTUAL REVENUES

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Months	January 2013	February 2013	March 2013	April 2013	May 2013	June 2013	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	Total
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841	0.841
3	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Gross Receipts Tax Factor (1.55%)

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PPL ELECTRIC UTILITIES CORPORATION
INTEREST EXPENSE ON DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC")
OVER/(UNDER) COLLECTIONS

Line No.	Month	(A) Interest Rate Overcollection	(B) Weighting Factor (number of months) (2)	(C) Over/(Under) Collection (1)	(D) Interest on Over/(Under) Collection
1	January 2013		21	\$ -	\$ -
2	February 2013		20	-	\$ -
3	March 2013		19	-	\$ -
4	April 2013		18	-	\$ -
5	May 2013		17	-	\$ -
6	June 2013		16	-	\$ -
7	July 2013	5.00%	15	(9,568)	\$ (598)
8	August 2013	5.50%	14	(4,647)	\$ (288)
9	September 2013	5.75%	13	(6,499)	\$ (405)
10	October 2013	5.75%	12	(20,721)	\$ (1,192)
11	November 2013	6.00%	11	(11,244)	\$ (618)
12	December 2013	5.75%	10	(9,369)	\$ (449)
13	Total			\$ (62,048)	\$ (3,550)

(1) From Schedule 2, Line 9.

(2) The interest calculation uses the over/(under) collections shown in column C times the interest rate in column (A) divided by 12 to obtain the monthly interest amount. The monthly amount calculated then is multiplied by the number of months in column (B).

PPL ELECTRIC UTILITIES CORPORATION
EFFECT ON THE OVER/(UNDER) COLLECTION BALANCE - DISTRIBUTION SYSTEM IMPROVEMENT CHARGE("DSIC")
Report For The Period July 1, 2013 to December 31, 2013

Line No.	Month	(A) (Refund)/ Recovery (1)	(B) Over/(Under) Balance (2)
1	Balance - December 31, 2013		
2	January 2014	-	-
3	February 2014	-	-
4	March 2014	-	-
5	April 2014	-	-
6	May 2014	-	-
7	June 2014	-	-
8	July 2014	-	-
9	August 2014	-	-
10	September 2014	-	-
11	October 2014	-	-
12	November 2014	-	-
13	December 2014	-	-
		<u>\$</u>	-

(1) From Schedule 5, Column (C), for the respective month and rate group.

(2) Calculated using Line 1, Column (B) less the (Refund)/Recovery for the respective month in Column (A) respectively.

** Schedule #4 is blank as this is the first year for the DSIC mechanism, therefore there was no e-factor.

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SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION
SUMMARY OF DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") REVENUES
 For the Period July 1, 2013 to December 31, 2013

Month:	(A)	(B)	(C)	(D)
	Distribution System Improvement Charge Revenues (DSIC)	Distribution System Improvement Charge Revenues (Excl. Gross Receipts Tax) (1)	Receiued Through E Factor	Net DSIC Revenue (2)
January 2013	\$ -	\$ -	\$ -	\$ -
February 2013	\$ -	\$ -	\$ -	\$ -
March 2013	\$ -	\$ -	\$ -	\$ -
April 2013	\$ -	\$ -	\$ -	\$ -
May 2013	\$ -	\$ -	\$ -	\$ -
June 2013	\$ -	\$ -	\$ -	\$ -
July 2013	\$ 318,034 (3)	\$ 299,270	\$ -	\$ 299,270
August 2013	\$ 331,362	\$ 311,830	\$ -	\$ 311,830
September 2013	\$ 317,361	\$ 298,637	\$ -	\$ 298,637
October 2013	\$ 725,092	\$ 682,312	\$ -	\$ 682,312
November 2013	\$ 745,596	\$ 701,596	\$ -	\$ 701,596
December 2013	\$ 857,067	\$ 806,500	\$ -	\$ 806,500
	\$ 3,294,522	\$ 3,100,145	\$ -	\$ 3,100,145

(1) Column (A) times (1 - GRT)
 (2) Column (B) less Column (C) for the respective month.
 (3) The revenues reported for July 2013 contain \$383 billed during the dual revenue period of June 2013.

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