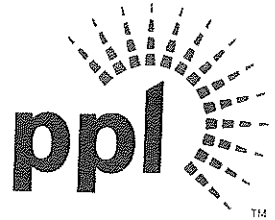


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E-File

September 19, 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 October 1, 2014 through December 31, 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 September 19, 2014, which is the date they were filed electronically using the Commission's E-Filing System.

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,

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
October 1, 2014 through December 31, 2014**

Docket No.

September 19, 2014

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 1 - COMPUTATION OF CUMULATIVE PROPOSED DSIC
 APPLICATION PERIOD: OCTOBER 1, 2014 THROUGH DECEMBER 31, 2014

Line No.		Total
	Distribution System Improvement Charge	
1	Applicable Plant (Schedule 2, Line 2, Column Y)	
	Less:	\$ 207,956,286
2	Accumulated Depreciation (Schedule 2, Line 3, Column T)	4,067,651
3	Retirements (Schedule 2, Line 4, Column Y)	(188,182)
4	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	203,700,453
5	Pre-tax return rate applicable to DSIC-eligible property (Schedule 3, Line 4)	2.84%
6	Dep = Depreciation Expense (Schedule 2, Line 6, Column R through T)	5,785,093
7	E=Experienced Net Over/(Under) Collections, excluding interest (A)	1,191,653
8	Net Amount to be Recovered (includes Over/(Under) Collection) (w/o GRT) (Line 5 + Line 6 - Line 7)	<u>6,992,258</u>
9	Net Amount to be Recovered (includes Over/(Under) Collection) (w/ GRT) (Line 8 x Note 1)	<u>7,430,673</u>
10	PQR = Projected Quarterly Distribution Revenue (Schedule 2, Line 7, Columns V through X)	<u>219,414,262</u>
11	DSIC = Distribution System Improvement Rider	
	Rate % of Billed Revenues (w/ GRT) (Line 9 / Line 10)	3.39%
	Note 1:	
	$\frac{1}{(1 - T)} = (T = 5.9\% \text{ Gross Receipts Tax})$	1.0627

(A) Schedule 1, Line 6 divided by 4, of the Distribution System Improvement Charge ("DSIC") Reconciliation Report, dated January 30, 2014 at Docket No. M-2014-2405341.

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: OCTOBER 1, 2014 THROUGH DECEMBER 31, 2014

Line No.	(A)	(B)	(C)	(D)	(E)	(F)
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
1						
2			\$ 4,728,791	11,839,302	11,620,967	12,776,130
3			4,728,791	16,568,093	28,189,060	40,965,190
4			5,175	32,267	87,700	170,232
5			-	-	-	(2,365)
6	-	-	4,723,616	16,535,826	28,101,360	40,792,593
7	-	-	5,175	27,092	55,433	82,532

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: OCTOBER 1, 2014 THROUGH DECEMBER 31, 2014

Line No.	(G)	(H)	(I)	(J)	(K)	(L)	
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	
1	Incremental Plant Additions (Schedule 4)	14,672,496	10,580,389	10,537,008	20,231,642	15,649,991	10,876,532
2	Cumulative Plant (Sum of Line 1) Less:	55,637,686	66,218,075	76,755,083	96,986,725	112,636,716	123,513,248
3	Accumulated Depreciation (Sum of Line 6)	288,716	437,250	611,013	822,581	1,074,025	1,356,169
4	Retirements (Schedule 4)	(13)	-		(423)	(38,910)	-
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4)	55,348,957	65,780,825	76,144,070	96,163,721	111,523,781	122,157,079
6	Dep = Depreciation Expense (Schedule 4)	118,484	148,534	173,763	211,568	251,444	282,144
7	Projected Distribution Revenues	\$ 76,326,006	\$ 78,213,991	\$ 75,410,975	\$ 70,482,327	\$ 71,465,507	\$ 81,794,627

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: OCTOBER 1, 2014 THROUGH DECEMBER 31, 2014

Line No.	(M)	(N)	(O)	(P)	(Q)	(R)	
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	
1	Incremental Plant Additions (Schedule 4)	11,029,030	6,147,884	4,960,249	11,602,458	15,480,157	9,108,808
2	Cumulative Plant (Sum of Line 1)	134,542,278	140,690,162	145,650,411	157,252,869	172,733,026	181,841,834
3	Less: Accumulated Depreciation (Sum of Line 6)	1,626,136	1,913,861	2,213,161	2,529,990	2,875,998	3,247,810
4	Retirements (Schedule 4)	(61,869)	(48,777)	-	(35,825)	-	-
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4)	132,854,273	138,727,524	143,437,250	154,687,054	169,857,028	178,594,024
6	Dep = Depreciation Expense (Schedule 4)	269,967	287,725	299,300	316,829	346,008	371,812
7	Projected Distribution Revenues	\$ 88,618,531	\$ 88,894,593	\$ 82,743,666	\$ 76,125,908	\$ 69,221,141	\$ 71,188,504

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: OCTOBER 1, 2014 THROUGH DECEMBER 31, 2014

Line No.	(S)	(T)	(U)	(V)	(W)	(X)	(Y)
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total
1	Incremental Plant Additions (Schedule 4)	14,984,417	11,130,035				
2	Cumulative Plant (Sum of Line 1)						\$ 207,956,286
	Less:	196,826,251	207,956,286				
3	Accumulated Depreciation (Sum of Line 6)	3,644,531	4,067,651				207,956,286
4	Retirements (Schedule 4)	-	-				4,067,651
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4)	193,181,720	203,888,635				(188,182)
6	Dep = Depreciation Expense (Schedule 4)	396,721	423,120				203,700,453
7	Projected Distribution Revenues	\$ 75,965,014	\$ 77,714,666	\$ 73,878,384	\$ 69,198,791	\$ 69,876,615	\$ 80,338,856

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 3 - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN
APPLICATION PERIOD: OCTOBER 1, 2014 THROUGH DECEMBER 31, 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	50.54%	5.08%	2.57%	-	2.57%
2	Common Equity	49.46%	10.40%	5.14%	1.709211797	8.79%
3	Total	<u>100.00%</u>		<u>7.71%</u>		<u>11.36%</u>
4	11.36% Annual PTRR / 4 quarters = 2.84% 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%.
 $1/[(1-9.99%)*(1-35\%)] = 1.709211797$

PPL Electric Utilities Corporation
Schedule 4 - Distribution System Improvement Charge

Rate Base and Depreciation Expense

From Date: 6/1/2014
 To Date: 6/30/2014

Gross Plant Total	\$181,653,650
Gross Reserve Total	\$3,059,627
Rate Base	\$178,594,023

Total Depreciation Expense MTD	\$371,813
Total Depreciation Expense YTD	N/A

Plant Activity

Depreciation Group	Beginning Plant						End Plant Balance
	Balance	Additions	Retirements	Transfers To	Transfers From	Adjustments	
360.4 - Land Rights	\$1,393,539	\$50,778	\$0	\$59,060	\$0	\$0	\$1,503,377
361.0 - Structures and Improvements	\$944,237	\$682	\$0	\$0	\$0	\$0	\$944,918
362.0 - Station Equipment	\$28,881,890	\$916,349	\$0	\$0	\$0	\$0	\$29,798,239
364.2 - Towers and Fixtures	\$68,570	\$27,805	\$0	\$0	\$0	\$0	\$96,374
364.4 - Poles and Fixtures	\$35,449,090	\$1,464,870	\$0	\$0	(\$29,858)	\$0	\$36,884,102
364.8 - Clearing Land and Rights	\$694,172	\$4,409	\$0	\$28,285	\$0	\$0	\$726,865
365.0 - Overhead Conductors, Device	\$69,047,574	\$5,133,311	\$0	\$0	(\$50,456)	\$0	\$74,130,430
366.0 - Underground Conduit	\$4,930,237	\$153,424	\$0	\$0	\$0	\$0	\$5,083,661
367.0 - Undergrnd Conductors, Device	\$21,155,542	\$1,182,514	\$0	\$0	(\$2,471)	\$0	\$22,335,585
368.2 - Overhead Type Transformers	\$2,760,763	(\$229,867)	\$0	\$0	(\$1,511)	\$0	\$2,529,385
368.4 - Submersible or Padmt Type	\$959,429	\$22,571	\$0	\$0	\$0	\$0	\$982,000
368.6 - Non-Network Housing	\$0	\$976	\$0	\$0	\$0	\$0	\$976
369.0 - Services	\$4,249,675	\$303,341	\$0	\$0	(\$2,145)	\$0	\$4,550,872
371.4 - Area Lighting Fixtures	\$58,170	\$4,174	\$0	\$0	\$0	\$0	\$62,344
373.2 - Street Lighting & Sig Sys	\$1,951,954	\$73,471	\$0	\$0	(\$903)	\$0	\$2,024,522
Total Assets	\$172,544,842	\$9,108,808	\$0	\$87,344	(\$87,344)	\$0	\$181,653,650

Reserve Activity

Depreciation Group	Beginning Reserve				End Reserve Balance	Depreciation Rate
	Balance	Depreciation Expense	Retirements	Adjustments		
360.4 - Land Rights	\$25,594	\$2,549	\$0	\$0	\$28,143	2.11%
361.0 - Structures and Improvements	\$14,105	\$1,662	\$0	\$0	\$15,767	2.14%
362.0 - Station Equipment	\$424,816	\$57,090	\$0	\$0	\$481,906	2.37%
364.2 - Towers and Fixtures	\$435	\$162	\$0	\$0	\$597	2.37%
364.4 - Poles and Fixtures	\$501,481	\$73,943	\$0	\$0	\$575,424	2.49%
364.8 - Clearing Land and Rights	\$11,342	\$1,471	\$0	\$0	\$12,813	2.48%
365.0 - Overhead Conductors, Device	\$1,021,524	\$148,962	\$0	\$0	\$1,170,486	2.53%
366.0 - Underground Conduit	\$83,820	\$9,465	\$0	\$0	\$93,285	2.31%
367.0 - Undergrnd Conductors, Device	\$417,897	\$49,490	\$0	\$0	\$467,387	2.79%
368.2 - Overhead Type Transformers	\$52,872	\$6,352	\$0	\$0	\$59,224	2.94%
368.4 - Submersible or Padmt Type	\$13,048	\$1,663	\$0	\$0	\$14,711	2.08%
368.6 - Non-Network Housing	\$0	\$1	\$0	\$0	\$1	2.85%
369.0 - Services	\$83,941	\$11,464	\$0	\$0	\$95,405	3.19%
371.4 - Area Lighting Fixtures	\$5,675	\$332	\$0	\$0	\$6,007	7.29%
373.2 - Street Lighting & Sig Sys	\$31,264	\$7,207	\$0	\$0	\$38,471	4.42%
Total Reserve	\$2,687,814	\$371,813	\$0	\$0	\$3,059,627	

PPL Electric Utilities Corporation
Schedule 4 - Distribution System Improvement Charge
 Rate Base and Depreciation Expense

From Date: 7/1/2014
 To Date: 7/31/2014

Gross Plant Total \$196,638,068
 Gross Reserve Total \$3,456,348
 Rate Base \$193,181,720

Total Depreciation Expense MTD 396,721
 Total Depreciation Expense YTD N/A

Plant Activity

Depreciation Group	Beginning Plant						End Plant Balance
	Balance	Additions	Retirements	Transfers To	Transfers From	Adjustments	
360.4 - Land Rights	\$1,503,377	\$93,954	\$0	\$0	\$0	\$0	\$1,597,331
361.0 - Structures and Improvements	\$944,918	\$3,810	\$0	\$0	\$0	\$0	\$948,728
362.0 - Station Equipment	\$29,798,239	\$2,161,031	\$0	\$0	\$0	\$0	\$31,959,270
364.2 - Towers and Fixtures	\$96,374	\$0	\$0	\$0	\$0	\$0	\$96,374
364.4 - Poles and Fixtures	\$36,884,102	\$4,472,392	\$0	\$0	\$0	\$0	\$41,356,494
364.8 - Clearing Land and Rights	\$726,565	\$38,304	\$0	\$0	\$0	\$0	\$765,169
365.0 - Overhead Conductors, Device	\$74,130,430	\$4,876,287	\$0	\$0	\$0	\$0	\$79,006,717
366.0 - Underground Conduit	\$5,083,661	\$405,219	\$0	\$0	\$0	\$0	\$5,488,880
367.0 - Undergrnd Conductors, Device	\$22,335,585	\$1,640,592	\$0	\$0	\$0	\$0	\$23,976,177
368.2 - Overhead Type Transformers	\$2,529,385	\$169,828	\$0	\$0	\$0	\$0	\$2,699,213
368.4 - Submersible or Padmt Type	\$982,000	\$493,392	\$0	\$0	\$0	\$0	\$1,475,392
368.6 - Non-Network Housing	\$976	\$98	\$0	\$0	\$0	\$0	\$1,074
369.0 - Services	\$4,550,872	\$405,140	\$0	\$0	\$0	\$0	\$4,956,012
371.4 - Area Lighting Fixtures	\$62,344	\$1,888	\$0	\$0	\$0	\$0	\$64,232
373.2 - Street Lighting & Sig Sys	\$2,024,522	\$222,483	\$0	\$0	\$0	\$0	\$2,247,005
Total Assets	\$181,653,650	\$14,984,418	\$0	\$0	\$0	\$0	\$196,638,068

Reserve Activity

Depreciation Group	Beginning Reserve				End Reserve Balance	Depreciation Rate
	Balance	Depreciation Expense	Retirements	Adjustments		
360.4 - Land Rights	\$28,143	\$2,874	\$0	\$0	\$30,816	2.11%
361.0 - Structures and Improvements	\$15,767	\$1,665	\$0	\$0	\$17,431	2.15%
362.0 - Station Equipment	\$481,907	\$60,069	\$0	\$0	\$541,976	2.37%
364.2 - Towers and Fixtures	\$597	\$189	\$0	\$0	\$786	2.37%
364.4 - Poles and Fixtures	\$575,424	\$79,976	\$0	\$0	\$655,400	2.49%
364.8 - Clearing Land and Rights	\$12,813	\$1,515	\$0	\$0	\$14,328	2.48%
365.0 - Overhead Conductors, Device	\$1,170,487	\$159,117	\$0	\$0	\$1,329,604	2.53%
366.0 - Underground Conduit	\$93,285	\$9,996	\$0	\$0	\$103,281	2.31%
367.0 - Undergrnd Conductors, Device	\$467,386	\$52,672	\$0	\$0	\$520,058	2.79%
368.2 - Overhead Type Transformers	\$59,224	\$6,263	\$0	\$0	\$65,487	2.94%
368.4 - Submersible or Padmt Type	\$14,710	\$2,108	\$0	\$0	\$16,818	2.08%
368.6 - Non-Network Housing	\$1	\$2	\$0	\$0	\$4	2.86%
369.0 - Services	\$95,405	\$12,388	\$0	\$0	\$107,793	3.19%
371.4 - Area Lighting Fixtures	\$6,006	\$348	\$0	\$0	\$6,355	7.30%
373.2 - Street Lighting & Sig Sys	\$38,471	\$7,740	\$0	\$0	\$46,211	4.43%
Total Reserve	\$3,055,626	\$396,721	\$0	\$0	\$3,456,348	

PPL Electric Utilities Corporation
Schedule 4 - Distribution System Improvement Charge

Rate Base and Depreciation Expense

From Date:	3/1/2014
To Date:	8/31/2014
Gross Plant Total	\$207,768,103
Gross Reserve Total	\$3,879,468
Rate Base	\$203,888,635
Total Depreciation Expense MTD	\$423,121
Total Depreciation Expense YTD	N/A

Plant Activity

Depreciation Group	Beginning Plant						End Plant Balance
	Balance	Additions	Retirements	Transfers To	Transfers From	Adjustments	
360.2 - Land	\$0	\$271,794	\$0	\$0	\$0	\$0	\$271,794
360.4 - Land Rights	\$1,597,330	\$53,406	\$0	\$0	\$0	\$0	\$1,650,737
361.0 - Structures and Improvements	\$948,728	\$3,083	\$0	\$305	(\$305)	\$0	\$951,811
362.0 - Station Equipment:	\$31,959,270	\$994,354	\$0	\$0	\$0	\$0	\$32,953,624
364.2 - Towers and Fixtures	\$96,374	\$0	\$0	\$0	\$0	\$0	\$96,374
364.4 - Poles and Fixtures	\$41,355,494	\$2,606,371	\$0	\$0	\$0	\$0	\$43,962,866
364.8 - Clearing Land and Rights	\$765,169	(\$8,796)	\$0	\$0	\$0	\$0	\$756,373
365.0 - Overhead Conductors, Device	\$79,006,717	\$5,325,684	\$0	\$0	\$0	\$0	\$84,332,402
366.0 - Underground Conduit	\$5,488,880	\$260,427	\$0	\$0	\$0	\$0	\$5,749,307
367.0 - Undergrnd Conductors, Device	\$23,976,177	\$657,612	\$0	\$0	\$0	\$0	\$24,633,788
368.2 - Overhead Type Transformers	\$2,699,213	\$169,969	\$0	\$0	\$0	\$0	\$2,868,182
368.4 - Submersible or Padmt Type	\$1,475,392	\$88,808	\$0	\$0	\$0	\$0	\$1,564,200
368.6 - Non-Network Housing	\$1,074	\$3	\$0	\$0	\$0	\$0	\$1,077
369.0 - Services	\$4,956,012	\$400,622	\$0	\$0	\$0	\$0	\$5,356,634
371.4 - Area Lighting Fixtures	\$64,232	\$738	\$0	\$0	\$0	\$0	\$64,970
373.2 - Street Lighting & Sig Sys	\$2,247,004	\$106,960	\$0	\$0	\$0	\$0	\$2,353,964
Total Assets	\$195,638,067	\$11,130,035	\$0	\$305	(\$305)	\$0	\$207,768,103

Reserve Activity

Depreciation Group	Beginning Reserve				End Reserve Balance	Depreciation Rate
	Balance	Depreciation Expense	Retirements	Adjustments		
360.4 - Land Rights	\$30,816	\$2,801	\$0	\$0	\$33,617	2.11%
361.0 - Structures and Improvements	\$17,431	\$1,670	\$0	\$0	\$19,101	2.15%
362.0 - Station Equipment	\$541,976	\$62,914	\$0	\$0	\$604,890	2.37%
364.2 - Towers and Fixtures	\$786	\$189	\$0	\$0	\$975	2.37%
364.4 - Poles and Fixtures	\$655,400	\$87,127	\$0	\$0	\$742,527	2.49%
364.8 - Clearing Land and Rights	\$14,328	\$1,544	\$0	\$0	\$15,872	2.48%
365.0 - Overhead Conductors, Device	\$1,329,604	\$169,426	\$0	\$0	\$1,499,030	2.53%
366.0 - Underground Conduit	\$103,291	\$10,610	\$0	\$0	\$113,901	2.31%
367.0 - Undergrnd Conductors, Device	\$520,058	\$55,463	\$0	\$0	\$575,521	2.79%
368.2 - Overhead Type Transformers	\$65,438	\$6,662	\$0	\$0	\$72,100	2.94%
368.4 - Submersible or Padmt Type	\$16,818	\$2,609	\$0	\$0	\$19,427	2.08%
368.6 - Non-Network Housing	\$4	\$3	\$0	\$0	\$7	2.86%
369.0 - Services	\$107,793	\$13,431	\$0	\$0	\$121,224	3.19%
371.4 - Area Lighting Fixtures	\$8,355	\$353	\$0	\$0	\$6,708	7.28%
373.2 - Street Lighting & Sig Sys	\$48,211	\$8,319	\$0	\$0	\$54,530	4.43%
Total Reserve	\$3,456,347	\$423,121	\$0	\$0	\$3,879,468	

