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E-File

September 26, 2014

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

**Re: PPL Electric Utilities Corporation
Distribution System Improvement Charge ("DSIC")
Reconciliation Report
for the Period January 1, 2014 through December 31, 2014
Docket No. M-2014-2428253**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is PPL Electric's Distribution System Improvement Charge ("DSIC") Reconciliation Report for the Period January 1, 2014 through December 31, 2014. This reconciliation report, which is being filed pursuant to the procedures set forth in PPL Electric's Tariff - Electric Pa. P.U.C. No. 201, reflects actual data through August 31, 2014.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on September 26, 2014, which is the date it was filed electronically using the Commission's E-Filing System.

If you have any questions regarding the enclosed filing, 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 P. Hosler
Ms. Lori Burger
Mr. John R. Evans

Tanya J. McCloskey, Esquire
J. Edward Simms, Esquire

PPL ELECTRIC UTILITIES CORPORATION
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (“DSIC”)
RECONCILIATION REPORT
For the Period
January 1, 2014 through December 31, 2014
Docket Nos. M-2013-2428253

September 26, 2014

PPL ELECTRIC UTILITIES CORPORATION
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION
Report For The Period January 1, 2014 to December 31, 2014

| Line No. | | (A) Total |
|----------|--|----------------|
| 1 | Filed Distribution Revenue (including GRT), (Schedule 2, Line 1, Column M) | \$ 630,472,019 |
| 2 | Filed Distribution Revenue (excluding GRT), (Schedule 2, Line 3, Column M) | \$ 593,274,170 |
| 3 | Filed Distribution System Improvement Charge Revenue Requirement (including GRT), (Schedule 2, Line 5, Column M) | \$ 12,692,496 |
| 4 | Actual DSIC Revenues Billed (including GRT), (Schedule 2, Line 6, Column M) | \$ 13,867,443 |
| 5 | Actual Distribution Revenue (excluding GRT), (Schedule 2, Line 8, Column M) | \$ 13,049,265 |
| 6 | Net Over/(Under) Collection Amount (Schedule 2, Line 9, Column M) | \$ 356,770 |
| 7 | Interest on Over/(Under) Collection, (Schedule 2, Line 10, Column M) | \$ 34,572 |
| 8 | Net Over/(Under) Collection Amount, Including Interest (Line 7 plus Line 8) | \$ 391,342 |
| 9 | E-Factor Balance (Schedule 4, Line 13, Column B) | (114,325) |
| 10 | Total Over/(Under) Collection Balance | <u>277,017</u> |

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

| Line No. | Month >> | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|----------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|--------------|---------------|---------------|----------------|
| | | January 2014 | February 2014 | March 2014 | April 2014 | May 2014 | June 2014 | July 2014 | August 2014 | September 2014 | October 2014 | November 2014 | December 2014 | Total |
| 1 | Filed Distribution Revenue (including GRT) | \$ 88,618,532 | \$ 88,894,592 | \$ 82,743,667 | \$ 76,125,907 | \$ 69,221,139 | \$ 71,188,502 | \$ 75,965,014 | \$ 77,714,666 | | | | | \$ 630,472,019 |
| 2 | Gross Receipts Tax Factor (1) | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | |
| 3 | Filed Distribution Revenue (excluding GRT) | \$ 83,390,039 | \$ 83,649,811 | \$ 77,861,791 | \$ 71,634,478 | \$ 65,137,092 | \$ 66,988,380 | \$ 71,483,078 | \$ 73,129,501 | \$ - | \$ - | \$ - | \$ - | \$ 593,274,170 |
| 4 | DSIC Rate | 1.58% | 1.58% | 1.58% | 2.35% | 2.35% | 2.35% | 2.79% | 2.79% | | | | | |
| 5 | Filed "DSIC" Revenue Requirement (Line 3 multiplied by Line 4) | \$ 1,317,563 | \$ 1,321,667 | \$ 1,230,216 | \$ 1,683,410 | \$ 1,530,722 | \$ 1,574,227 | \$ 1,994,378 | \$ 2,040,313 | \$ - | \$ - | \$ - | \$ - | \$ 12,692,496 |
| 6 | Actual DSIC Revenues Billed (including GRT), (Schedule 5, Column A) | \$ 1,440,163 | \$ 1,519,347 | \$ 1,414,743 | \$ 1,904,289 | \$ 1,656,183 | \$ 1,653,208 | \$ 2,183,508 | \$ 2,096,002 | \$ - | \$ - | \$ - | \$ - | \$ 13,867,443 |
| 7 | Gross Receipts Tax Factor (1) | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | 0.941 | |
| 8 | Actual "DSIC" Revenues Billed (excluding GRT) | \$ 1,355,193 | \$ 1,429,706 | \$ 1,331,273 | \$ 1,791,936 | \$ 1,558,468 | \$ 1,555,670 | \$ 2,054,681 | \$ 1,972,336 | \$ - | \$ - | \$ - | \$ - | \$ 13,049,265 |
| 9 | Net Over/(Under) Collection (Line 8 less Line 5) | \$ 37,630 | \$ 108,039 | \$ 101,057 | \$ 108,526 | \$ 27,746 | \$ (18,557) | \$ 60,303 | \$ (67,975) | \$ - | \$ - | \$ - | \$ - | \$ 356,770 |
| 10 | Interest on Over/(Under) Collection (Schedule 3, Column D) | \$ 3,787 | \$ 10,804 | \$ 10,000 | \$ 9,360 | \$ 2,260 | \$ (1,423) | \$ 4,146 | \$ (4,362) | \$ - | \$ - | \$ - | \$ - | \$ 34,572 |
| 11 | Net Over/(Under) Collection, Including Interest | \$ 41,417 | \$ 118,843 | \$ 111,057 | \$ 117,886 | \$ 30,006 | \$ (19,980) | \$ 64,449 | \$ (72,337) | \$ - | \$ - | \$ - | \$ - | \$ 391,342 |

(1) Gross Receipts Tax Factor (1-.059)

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 2014 | 5.75% | 21 | \$ 37,630 | \$ 3,787 |
| 2 | February 2014 | 6.00% | 20 | 108,039 | \$ 10,804 |
| 3 | March 2014 | 6.25% | 19 | 101,057 | \$ 10,000 |
| 4 | April 2014 | 5.75% | 18 | 108,526 | \$ 9,360 |
| 5 | May 2014 | 5.75% | 17 | 27,746 | \$ 2,260 |
| 6 | June 2014 | 5.75% | 16 | (18,557) | \$ (1,423) |
| 7 | July 2014 | 5.50% | 15 | 60,303 | \$ 4,146 |
| 8 | August 2014 | 5.50% | 14 | (67,975) | \$ (4,362) |
| 9 | September 2014 | | 13 | - | \$ - |
| 10 | October 2014 | | 12 | - | \$ - |
| 11 | November 2014 | | 11 | - | \$ - |
| 12 | December 2014 | | 10 | - | \$ - |
| 13 | Total | | | <u>\$ 356,769</u> | <u>\$ 34,572</u> |

(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 January 1, 2014 to December 31, 2014

| Line No. | Month | (A) | (B) |
|----------|-----------------------------|---------------------------|--------------------------------|
| | | (Refund)/ Recovery (1) | Over/(Under) Balance (2) |
| 1 | Balance - December 31, 2013 | | \$ (62,048) |
| 2 | January 2014 | - | (62,048) |
| 3 | February 2014 | - | (62,048) |
| 4 | March 2014 | - | (62,048) |
| 5 | April 2014 | (22,923) | (84,971) |
| 6 | May 2014 | (19,936) | (104,907) |
| 7 | June 2014 | (19,901) | (124,808) |
| 8 | July 2014 | 5,349 | (119,459) |
| 9 | August 2014 | 5,134 | (114,325) |
| 10 | September 2014 | - | (114,325) |
| 11 | October 2014 | - | (114,325) |
| 12 | November 2014 | - | (114,325) |
| 13 | December 2014 | | <u>(114,325)</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.

E-Factor will be rolled into the rates effective April 1, 2014 at which time the (Refund)/Recovery will be given back or collected from the customers.

PPL ELECTRIC UTILITIES CORPORATION
SUMMARY OF DISTRIBUTION SYSTEM IMPROVEMENT CHARGE
REVENUES-
("DSIC")
For the Period January 1, 2014 to December 31, 2014

| Month | | (A) | (B) | (C) | (D) |
|-----------|------|--|--|-------------------------------------|----------------------|
| | | Distribution System Improvement Charge Revenues (DSIC) | Distribution System Improvement Charge Revenues (Excl. Gross Receipts Tax) (1) | Recouped Through E Factor (4) 0.26% | Net DSIC Revenue (2) |
| January | 2014 | \$ 1,440,163 | \$ 1,355,193 | | \$ 1,355,193 |
| February | 2014 | \$ 1,519,347 | \$ 1,429,706 | | \$ 1,429,706 |
| March | 2014 | \$ 1,414,743 | \$ 1,331,273 | | \$ 1,331,273 |
| April | 2014 | \$ 1,879,929 | \$ 1,769,013 | \$ (22,923) (3) | \$ 1,791,936 |
| May | 2014 | \$ 1,634,997 | \$ 1,538,532 | \$ (19,936) (3) | \$ 1,558,468 |
| June | 2014 | \$ 1,632,060 | \$ 1,535,768 | \$ (19,901) (3) | \$ 1,555,669 |
| July | 2014 | \$ 2,189,192 | \$ 2,060,030 | \$ 5,349 (4) | \$ 2,054,681 |
| August | 2014 | \$ 2,101,458 | \$ 1,977,472 | \$ 5,134 (4) | \$ 1,972,338 |
| September | 2013 | | \$ - | | \$ - |
| October | 2013 | | \$ - | | \$ - |
| November | 2013 | | \$ - | | \$ - |
| December | 2013 | | \$ - | | \$ - |
| | | <u>\$ 13,811,889</u> | <u>\$ 12,996,987</u> | <u>\$ (52,277)</u> | <u>\$ 13,049,264</u> |

(1) Column (A) times (1 - GRT).

(2) Column (B) less Column (C) for the respective month.

(3) December 31, 2013 overcollection filed divided by the projected DSIC revenue for the period April 2014 - June 2014, filed March 20, 2014 at M-2014-2411527.

(4) 1/4th of the undercollection filed as of December 31, 2013, divided by the projected DSIC revenue for the period July 2014 - September 2014, filed June 20, 2014 at M-2014-2428253.