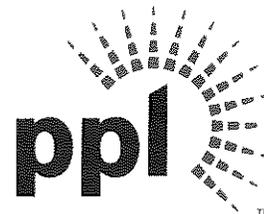


Paul E. Russell
Associate General Counsel

PPL
Two North Ninth Street
Allentown, PA 18101-1179
Tel. 610.774.4254 Fax 610.774.6726
perussell@pplweb.com



E-File

June 19, 2015

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

**Re: PPL Electric Utilities Corporation
Calculation and Supplement No. 188 to Tariff
Electric PA. P.U.C. No. 201 for the
Distribution System Improvement Charge
Docket No.**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is the Calculation and Supplement No. 188 to PPL Electric's Tariff – Electric Pa. P.U.C. No. 201 for the Distribution System Improvement Charge ("DSIC"). This calculation of the DSIC for the period July 1, 2015 through September 30, 2015, 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 document is to be deemed filed on June 19, 2015, 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

CALCULATION OF
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

For the Application Period
July 1, 2015 through September 30, 2015

Docket No.

June 19, 2015

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE 1 - COMPUTATION OF CUMULATIVE PROPOSED DSIC
APPLICATION PERIOD: July 1, 2015 THROUGH September 30, 2015

<u>Line No.</u>		<u>Total</u>
	Distribution System Improvement Charge	
1	Applicable Plant (Schedule 2, Line 2, Column T)	\$ 314,450,385
	Less:	
2	Accumulated Depreciation (Schedule 2, Line 3, Column R)	8,881,222
3	Retirements (Schedule 2, Line 4, Column T)	(2,741,223)
4	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	302,827,940
5	Pre-tax return rate applicable to DSIC-eligible property (Schedule 3, Line 4)	2.82% 8,539,748
6	Dep = Depreciation Expense (Schedule 2, Line 6, Column P through R)	1,824,228
7	E=Experienced Net Over/(Under) Collections, excluding Interest (A)	111,493
8	Net Amount to be Recovered (includes Over/(Under) Collection) (w/o GRT) (Line 5 + Line 6 - Line 7)	<u>10,252,483</u>
9	Net Amount to be Recovered (includes Over/(Under) Collection) (w/ GRT) (Line 8 x Note 1)	<u>10,895,303</u>
10	PQR = Projected Quarterly Distribution Revenue	<u>241,706,655</u>
11	DSIC = Distribution System Improvement Rider	
	Rate % of Billed Revenues (w/ GRT) (Line 9 / Line 10)	4.51%
	Note 1:	
	$\frac{1}{(1 - T)}$ = (T = 5.9% Gross Receipts Tax)	1.062699

(A) Schedule 1, Line 11 divided by 4, of the Distribution System Improvement Charge ("DSIC") Reconciliation Report, dated March 30, 2015 at Docket No. M-2015-2465166.

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: July 1, 2015 THROUGH September 30, 2015

	(A)	(B)	(C)	(D)	(E)	(F)	(G)						
Line No.	2013 Balance	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14						
1	Incremental Plant Additions (Schedule 4)	123,513,248	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)	123,513,248	134,542,278	140,690,162	145,650,411	157,252,869	172,733,026	181,841,834					
	Less:												
3	Accumulated Depreciation (Sum of Line 5)	1,356,169	1,626,136	1,913,861	2,213,161	2,529,990	2,875,998	3,247,810					
4	Retirements (Schedule 4)	(41,711)	(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)	1,356,169	269,967	267,725	299,300	316,829	346,008	371,812					
7	Projected Distribution Revenues	\$	88,618,531	\$	88,694,593	\$	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: July 1, 2015 THROUGH September 30, 2015

	(H)	(I)	(J)	(K)	(L)	(M)	(N)
Line No.	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
1 Incremental Plant Additions (Schedule 4)	14,984,417	11,130,035	4,975,995	16,006,997	8,998,980	13,900,732	13,092,294
2 Cumulative Plant (Sum of Line 1)	196,826,251	207,956,286	212,932,281	228,939,278	237,938,258	251,838,990	264,931,284
Less:							
3 Accumulated Depreciation (Sum of Line 6)	3,644,531	4,067,651	4,506,412	4,965,131	5,450,891	5,959,330	6,496,279
4 Retirements (Schedule 4)	-	-	(45,320)	(853,427)	(126,613)	(273,833)	(53,288)
5 DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4)	193,181,720	203,888,635	208,380,549	223,120,720	232,360,754	245,605,827	258,381,717
6 Dep = Depreciation Expense (Schedule 4)	396,721	423,120	438,761	458,719	485,760	508,439	536,949
7 Projected Distribution Revenues	\$ 75,965,014	\$ 77,714,666	\$ 73,878,384	\$ 69,198,791	\$ 69,876,615	\$ 80,338,856	\$ 92,368,715

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE 2 - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
APPLICATION PERIOD: July 1, 2015 THROUGH September 30, 2015

Line No.		(O)	(P)	(Q)	(R)	(S)	(T)
		Feb-15	Mar-15	Apr-15	May-15	Jun-15	Total
1	Incremental Plant Additions (Schedule 4)	11,452,805	10,591,145	16,141,185	11,333,966		\$ 314,450,385
2	Cumulative Plant (Sum of Line 1) Less:	276,384,089	286,975,234	303,116,419	314,450,385		314,450,385
3	Accumulated Depreciation (Sum of Line 6)	7,056,994	7,637,439	8,244,383	8,881,222		8,881,222
4	Retirements (Schedule 4)	-	(235,865)	(612,422)	(352,273)		(2,741,223)
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + Line 4)	269,327,095	279,101,930	294,259,614	305,216,890	-	302,627,940
6	Dep = Depreciation Expense (Schedule 4)	580,715	580,445	606,944	636,839		8,881,222
7	Projected Distribution Revenues	\$ 89,237,824	\$ 86,591,221	\$ 81,273,496	\$ 73,024,007	\$ 75,056,922	

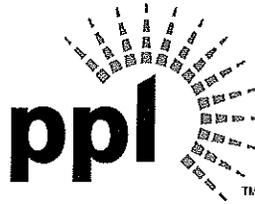
PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE 3 - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN
APPLICATION PERIOD: July 1, 2015 THROUGH September 30, 2015

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	48.33%	5.06%	2.45%	-	2.45%
2	Common Equity	51.67%	10.00%	5.17%	1.709211797	8.84%
3	Total	<u>100.00%</u>		<u>7.62%</u>		<u>11.29%</u>
4	11.29% Annual PTRR / 4 quarters = 2.82% 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%.

$$1/[(1-9.99%)*(1-35\%)] = 1.709211797$$

Line 2, Column C, from the PUC's Quarterly Financial Report page 14, line 7, dated December 31, 2014 at Docket No. M-2015-2479946.



PPL Electric Utilities Corporation

GENERAL TARIFF

**RULES AND RATE SCHEDULES
FOR ELECTRIC SERVICE**

In the territory listed on pages 4, 4A, and 4B
and in the adjacent territory served.

ISSUED: June 19, 2015

EFFECTIVE: July 1, 2015

GREGORY N. DUDKIN, PRESIDENT

Two North Ninth Street
Allentown, PA 18101-1179

NOTICE

THIS TARIFF MAKES CHANGES (C) IN EXISTING RATES. SEE PAGE TWO.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Distribution System Improvement Charge
(DSIC)

Page No. 19Z.16

The DSIC charge of 4.22% was revised to 4.51%
for the period July 1, 2015 through September 30,
2015.

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(Continued)

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (C)

In addition to the net charges provided for in this Tariff, a charge of 4.51% will apply consistent with the Commission Order dated May 23, 2013, at Docket No. P-2012-2325034, approving the DSIC. This charge will be effective during the period July 1, 2015 through September 30, 2015. (C)

GENERAL DESCRIPTION

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide PPL Electric with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Poles and towers (Account 364);
- Overhead conductors (Account 365) and underground conduit and conductors (Accounts 366 and 367);
- Line transformers (account 368) and substation equipment (Account 362);
- Any fixture or device related to eligible property listed above, including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms and brackets, relays, capacitors, converters and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The DSIC will become effective for bills rendered on and after July 1, 2013.

(Continued)