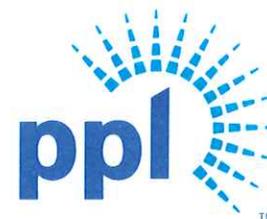


Paul E. Russell
Associate General Counsel

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



E-File

June 20, 2016

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. 209 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. 209 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, 2016 through September 30, 2016 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 20, 2016, 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 Scott R. Koch, PPL Electric's Regulatory Operations Supervisor at (610) 774-2070.

Very truly yours,

Paul E. Russell

Enclosures

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

PPL ELECTRIC UTILITIES CORPORATION

**CALCULATION OF
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**

**For the Application Period
July 1, 2016 through September 30, 2016**

Docket No.

June 20, 2016

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE A - COMPUTATION OF CUMULATIVE PROPOSED DSIC
APPLICATION PERIOD: July 1, 2016 THROUGH September 30, 2016

Line No.		Total
	Distribution System Improvement Charge	
1	Applicable Plant (Schedule B, Line 2, Column H)	\$ 454,271,363
	Less:	
2	Accumulated Depreciation (Schedule B, Line 3, Column F)	18,378,894
3	Retirements (Schedule B, Line 4, Column H)	(8,521,627)
4	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	427,370,842
5	Pre-tax return rate applicable to DSIC-eligible property (Schedule C, Line 4)	2.76%
6	Dep = Depreciation Expense (Schedule B, Line 6, Column D through F)	2,685,653
7	E=Experienced Net Overr/(Under) Collections, excluding Interest (A)	178,091
8	Net Amount to be Recovered (includes Overr/(Under) Collection) (w/o GRT) (Line 5 + Line 6 - Line 7)	14,302,997
9	Net Amount to be Recovered (includes Overr/(Under) Collection) (w/ GRT) (Line 8 x Note 1)	15,199,781
10	PQR = Projected Quarterly Distribution Revenue	277,973,328
11	DSIC = Distribution System Improvement Rider (B)	
	Rate % of Billed Revenues (w/ GRT) (Line 9 / Line 10)	0.00%
	Note 1:	
	$\frac{1}{(1 - T)} = (T = 5.9\% \text{ Gross Receipts Tax})$	1.062699

(A) Schedule 1, Line 9 divided by 4, of the Distribution System Improvement Charge ("DSIC") Reconciliation Report, dated January 29, 2016 at Docket No. M-2016-2527137.

(B) Line 11, Calculation provides a rate of 5.47%. Per the Commission's Order at Docket No. P-2012-2325034 the DSIC rate is 0.00% due PPL's rate case at Docket No. R-2015-2469275.

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
APPLICATION PERIOD: July 1, 2016 THROUGH September 30, 2016

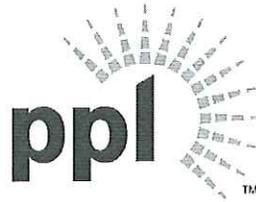
Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	2015 Balance	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total
1	Incremental Plant Additions	394,407,741	15,011,642	9,086,846	10,182,641	15,057,159	10,525,334	\$ 454,271,363
2	Cumulative Plant (Sum of Line 1)	394,407,741	409,419,383	418,506,229	428,688,870	443,746,029	454,271,363	454,271,363
3	Less:							
3	Accumulated Depreciation (Sum of Line 6)	14,013,910	14,841,428	15,693,241	16,562,253	17,457,593	18,378,894	18,378,894
4	Retirements	(7,366,127)	(319,633)	(6,477)	(261,648)	(358,917)	(208,825)	(8,521,627)
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + sum(Line 4))	386,892,195	395,120,751	404,172,732	417,975,634	427,370,842		427,370,842
6	Dep = Depreciation Expense	14,013,910	827,518	851,813	869,012	895,340	921,301	18,378,894
7	Projected Distribution Revenues	\$ 100,839,570	\$ 109,726,525	\$ 105,744,415	\$ 93,356,378	\$ 81,691,054	\$ 83,833,053	

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE C - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN
APPLICATION PERIOD: July 1, 2016 THROUGH September 30, 2016

Line No.	(A) Description	(B) Capitalization Ratio	(C) Embedded Cost	(D) Rate of Return	(E) Tax Multiplier (1)	(F) Pre-Tax Rate of Return (PTRR)
1	Long-Term Debt	47.20%	4.69%	2.21%	-	2.21%
2	Common Equity	52.80%	9.80%	5.17%	1.709211797	8.84%
3	Total	<u>100.00%</u>		<u>7.38%</u>		<u>11.05%</u>
4	11.05% Annual PTRR / 4 quarters = 2.76% 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%.
 $1/[(1 - 9.99\%) \times (1 - 35\%)] = 1.709211797$

Line 2, Column C, from the PUC's Quarterly Financial Report page 18, line 7, dated December 31, 2015 at Docket No. M-2016-2543615.



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 20, 2016

EFFECTIVE: July 1, 2016

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 0.22% was revised to 0.00%
for the period July 1, 2016 through September 30,
2016.

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(Continued)

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply **(C)** 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, 2016 through September 30, 2016.

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)