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July 21, 2016

VIA ELECTRONIC FILING

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: PPL Electric Utilities Corporation - Amended Services Agreement with PPL Corporation and Certain Subsidiaries
Docket No. G-2016-**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation (“PPL Electric”), pursuant to Chapter 21 of the Public Utility Code, 66 Pa.C.S. Chapter 21, is a proposed Services Agreement between PPL Electric and PPL Corporation. This Services Agreement is intended to supersede and replace PPL Electric’s existing Services Agreement dated November 1, 2014, that was previously approved by the Pennsylvania Public Utility Commission (“Commission”).

PPL Electric is filing this Services Agreement primarily to add LG&E and KU Services Company, a PPL Corporation subsidiary, to the existing Services Agreement. This will allow PPL Electric to provide and receive services from LG&E and KU Services Company, and vice versa. The initial impetus for this Services Agreement is to accommodate the consolidation of certain information technology and related services among several PPL Corporation subsidiaries, but other services may be provided over time. Additionally, the proposed Services Agreement updates the list of current PPL Corporation subsidiaries, which is provided as Appendix A.

PPL Electric respectfully requests that the enclosed Services Agreement be considered as expeditiously as possible, consistent with the 30-day period for consideration of affiliate transactions set forth in Section 2102(b) of the Public Utility Code, 66 Pa.C.S. § 2102(b).

Rosemary Chiavetta
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Respectfully submitted,

A handwritten signature in cursive script that reads "David B. MacGregor".

David B. MacGregor
Principal

DBM/ctw
Enclosure

cc: Paul T. Diskin
Anthony J. Rametta

Services Agreement

This Agreement is made as of _____, by and between PPL Corporation, a Pennsylvania corporation ("PPL Corporation"), and PPL Electric Utilities Corporation, a Pennsylvania corporation ("PPL Electric"). This Services Agreement supersedes and replaces the Services Agreement between PPL Electric and PPL Corporation dated November 1, 2014.

WHEREAS, PPL Corporation is an energy and utility holding company and, under its Articles of Incorporation, may engage in any lawful act concerning any lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law; and

WHEREAS, PPL Electric is a subsidiary of PPL Corporation and is engaged in providing electric distribution, transmission and default supply service to customers in portions of central eastern Pennsylvania subject to regulation by the Pennsylvania Public Utility Commission ("PaPUC") and the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, PPL Corporation and PPL Electric each possess knowledge and skill in various aspects of business operations; and

WHEREAS, the provision of certain services between PPL Corporation and PPL Electric will enable the parties to obtain these services effectively and efficiently; and

WHEREAS, PPL Corporation desires to procure services from PPL Electric on a non-exclusive basis, and PPL Electric is willing to provide these services; and

WHEREAS, PPL Electric desires to procure services from PPL Corporation on a non-exclusive basis, and PPL Corporation is willing to provide these services;

NOW, THEREFORE, in consideration of the agreements set forth herein and intending to be legally bound hereby, PPL Corporation and PPL Electric agree as follows:

A. Services

1. PPL Corporation agrees to provide, on an as-available basis, such services as may from time to time be requested by PPL Electric. These services may include management, supervisory, construction, engineering, accounting, legal, financial or similar services, as necessary and appropriate to the safe, efficient and/or cost effective operation of PPL Electric's business. A non-exclusive list of services that may be provided to PPL Electric includes, but is not limited to:

- Management services.
- Supervisory services.
- Construction services.
- Engineering services.
- Restoration of utility services.
- Information Technology services.
- External Affairs services.
- Human Resources services.
- Environmental Management services.
- Financial services.
- Auditing services.
- Risk Management services.
- Insurance services.

- Legal services.
- Call Center services.
- Billing services.
- Purchasing services.
- Supply Chain services.
- Real Estate services.
- Facilities Management services.
- Electronic data interchange ("EDI") services.
- Administrative services.
- Corporate Secretarial services.
- Other services that may be necessary for the safe, efficient and/or cost-effective operation of PPL Electric's business.

2. PPL Electric agrees to provide, on an as-available basis, such services as may from time to time be requested by PPL Corporation. These services may include management, supervisory, construction, engineering, accounting, legal, financial or similar services, as necessary and appropriate to the safe, efficient and/or cost effective operation of PPL Corporation's business, including, but not limited to, the non-exclusive list of services set forth in Paragraph A(1) above.

3. PPL Corporation and PPL Electric may obtain services of this nature from time to time on an as-needed basis. Neither PPL Corporation nor PPL Electric is under any obligation to procure a set amount of services pursuant to this Agreement.

B. Pricing

The price for services provided pursuant to Section A of this Agreement will be determined as set forth below; provided however that if a particular transaction is

subject to regulation by the FERC or another federal regulatory agency, and the rules of these agencies require a pricing mechanism that is different than provided herein, the Parties will follow the rules required by the federal agency, as applicable.

1. Direct Assignment

Pricing under this Agreement will be based on a direct assignment or attribution to the affiliate receiving the service to the extent reasonably possible.

2. Allocation

If pricing cannot be determined based on a direct assignment or attribution, it will be based on an allocation between the parties based on a reasonable approximation of the costs attributable to each party(ies).

If pricing cannot be determined as provided above, costs will be allocated using a three-factor methodology. The three factors are: (1) invested capital, (2) operation and maintenance expense, and (3) number of employees. The first factor will be calculated based upon each subsidiary's proportion of invested capital relative to its affiliates. The second factor will be based on each subsidiary's proportion of operation and maintenance expenses relative to its affiliates. The third factor will be based on each subsidiary's number of employees relative to its affiliates.

Each of the three factors will be weighted equally in importance. Therefore, the sum of the three factors will be divided by three to obtain the average multi-factor allocation percentage for each subsidiary. To reduce immaterial allocations, subsidiaries with a multi-factor average allocation rate of less than 1 percent will not receive an allocation.

PPL Corporation and/or its subsidiaries maintain Support Groups which may provide services to PPL Corporation and its subsidiaries. Support Groups will periodically analyze their indirect costs to determine which PPL Corporation subsidiaries do not receive a significant portion of their services. If these services and related costs are significant, the Support Groups will isolate them from other indirect costs to ensure that the PPL Corporation subsidiaries that do not receive a benefit from the costs are not allocated costs applicable to those services. Support Groups will identify either specific costs to be excluded or an appropriate percentage of services to be excluded based on the operation and the expenses incurred.

After the Support Groups determine which PPL subsidiaries benefit from their services (or a percentage of them if applicable), the allocation rate for each Support Group will be calculated. If all of a particular Support Group's costs benefit the same set of PPL Corporation subsidiaries equally, the appropriate allocation method for that Support Group will be obtained by using the average multi-factor allocation percentage for each subsidiary as discussed above. If, however, a portion of the costs only benefit certain subsidiaries, while the balance of the costs benefit another set of subsidiaries, then a Support Group blended multi-factor allocation factor will be calculated for that Support Group and used for allocating all the costs of that Support Group.

C. General

1. Subsidiary Participation

"PPL Corporation" as used in this Agreement includes all subsidiary and affiliated companies of PPL Corporation other than PPL Electric and LG&E and KU Energy, LLC's ("LKE") utility subsidiaries Louisville Gas and Electric Company and Kentucky

Utilities Company. A current list of PPL Corporation's subsidiaries is provided as Appendix A to this Agreement. PPL Electric will file an update of this list annually with the PaPUC. New PPL Corporation subsidiaries that are added before each annual update will be subject to this Agreement in the meantime. As set forth above, LKE's subsidiaries, Kentucky Utilities Company ("KU"), Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP"), Louisville Gas and Electric Company ("LG&E") are not parties to this Agreement. This Agreement does not bind or otherwise obligate KU or LG&E. In the event that PPL Electric seeks to enter into a services contract with LKE's subsidiaries KU or LG&E, PPL Electric will file a separate affiliate agreement to cover those services.

2. Term

The term of this Agreement shall commence on the date first set forth above or the date on which the PaPUC approves this Agreement, whichever is later. Thereafter, this Agreement shall continue in full force and effect until terminated by either of the parties upon 15 days' written notice to the other party of its election to do so.

3. Billing

The party providing services under Section A of this Agreement shall bill on a monthly or more frequent basis the party receiving such services. Such bills shall reference the service provided and the associated prices, which shall be determined in accordance with Section B of this Agreement.

4. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties have executed this Agreement as set forth
below.

PPL Corporation

By: Stephen K. Pappas

PPL Electric Utilities Corporation

By: Mervyn C. Burns

PPL CORPORATION SUBSIDIARIES AND AFFILIATES

Airborne Clean Energy Ltd.	PPL EU Services Corporation
Airborne Pollution Control, Inc.	PPL Foundation
Aztec Insurance Limited	PPL Global, LLC
Central Networks Trustees Limited	PPL Infrastructure Services, LLC
CEP Commerce, LLC	PPL Island Limited
CEP Lending, Inc.	PPL Midlands Limited
CEP Reserves, Inc.	PPL Power Insurance Ltd.
DCUSA Limited	PPL Services Corporation
DHA, LLC	PPL Strategic Development, LLC
Downtown Commercial Loan Fund, LLC	PPL TransLink, Inc.
Ebusiness South West Limited	PPL UK Holdings, LLC
Electralink Limited	PPL UK Investments Limited
Electric Energy, Inc.	PPL UK Resources Limited
Electricity Association Services Limited	PPL UK Distribution Holdings Limited
Electricity Pensions Limited	PPL WEM Limited
Electricity Pensions Trustee Limited	PPL WPD Limited
Energy Networks Association Limited	Smart Energy Code Company Limited
FCD LLC	South Wales Electricity Share Scheme Trustees Limited
Gemserv Limited	South Western Helicopters Limited
Hyder Limited	Spinnaker Quay Management Company Limited
Hyder Profit Sharing Trustee Limited	Surf Telecoms Limited
Hyder Share Scheme Trustee (2) Limited	The Ombudsman Service Limited
Hyder Share Scheme Trustee Limited	Victory Park Management Company Limited
Indiana-Kentucky Electric Corporation	Western Kentucky Energy Corp.
Infralec 1992 Pension Trustee Limited	Western Power Distribution (East Midlands) plc
Joppa & Eastern Railroad Company	Western Power Distribution (West Midlands) plc
Kelston Properties Limited	Western Power Distribution (South Wales) plc
Kelston Properties 2 Limited	Western Power Distribution (South West) plc
Kentucky Utilities Company	Western Power Distribution Investments Limited
Lexington Utilities Company	Western Power Distribution pic
LG&E and KU Capital LLC	Western Power Generation Limited
LG&E and KU Energy LLC	Western Power Pension Trustee Limited
LG&E and KU Foundation Inc.	Willow Farm Management Company Limited
LG&E and KU Hydro I LLC	WPD Foundation
LG&E and KU Services Company	WPD Investments Limited
LG&E Energy Inc.	WPD Limited
LG&E Energy Marketing Inc.	WPD Limited (Guernsey)
Louisville Development Bancorp, Inc.	WPD Midlands Networks Contracting Limited
Louisville Gas and Electric Company	WPD Midlands Properties Limited
Merchants Landing (Amenities) Limited	WPD Distribution Networks Holdings Limited
Met-South, Inc.	WPD Property Developments Limited
Meter Operator Services Limited	WPD Property Investments Limited
Meter Reading Services Limited	WPD Property Limited
Metro Bank, Inc.	WPD Share Scheme Trustees Limited
Midwest Electric Power, Inc.	WPD Smart Metering Limited
MRA Service Company Limited	WW Share Schemes Trustees Limited
Northmere Limited	
Ohio Valley Electric Corporation	
PMDC Chile, LLC	
PMDC International Holdings, Inc.	
PP&L Residual Corporation	
PPL Capital Funding, Inc.	
PPL Cayman, LLC	
PPL Electric Utilities Corporation	
PPL Energy Funding Corporation	