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**E-File**

December 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. 219 to Tariff  
Electric PA. P.U.C. No. 201 for the  
Distribution System Improvement Charge  
Docket No.**

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Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is the Calculation and Supplement No. 219 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 January 1, 2017 through March 31, 2017 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 December 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,

Kimberly A. Klock

Enclosures

cc via email: Tanya J. McCloskey, Esquire  
R. Kanaskie, Esquire  
Ms. Lori Burger  
Mr. John R. Evans

**PPL ELECTRIC UTILITIES CORPORATION**

**CALCULATION OF**  
**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**

**For the Application Period**  
**January 1, 2017 through March 31, 2017**

**Docket No.**

December 20, 2016



**PPL ELECTRIC UTILITIES CORPORATION**  
**SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH**  
**APPLICATION PERIOD: January 1, 2017 THROUGH March 31, 2017**

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	<u>2015 Balance</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>
1 Incremental Plant Additions	394,407,741	15,011,642	9,086,846	10,182,641	15,057,159	10,525,334	10,707,040	4,046,843
2 Cumulative Plant (Sum of Line 1) Less:	394,407,741	409,419,383	418,506,229	428,688,870	443,746,029	454,271,363	464,978,403	469,025,246
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	19,320,645	20,275,474
4 Retirements	(7,366,127)	(319,633)	(6,477)	(261,648)	(358,917)	(208,825)	(315,982)	(705,810)
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	436,820,149	439,206,353
6 Dep = Depreciation Expense	14,013,910	827,518	851,813	869,012	895,340	921,301	941,751	954,829
7 Projected Distribution Revenues		\$ 100,839,570	\$ 109,726,525	\$ 105,744,415	\$ 93,356,378	\$ 81,691,054	\$ 83,833,053	\$ 92,675,809

PPL ELECTRIC UTILITIES CORPORATION  
**SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH**  
**APPLICATION PERIOD: January 1, 2017 THROUGH March 31, 2017**

Line No.	(I)	(J)	(K)	(L)	(M)	(N)
	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
1	Incremental Plant Additions	8,304,615	9,701,663	15,152,249	10,602,343	\$ 512,786,116
2	Cumulative Plant (Sum of Line 1)	477,329,861	487,031,524	502,183,773	512,786,116	512,786,116
	Less:					
3	Accumulated Depreciation (Sum of Line 6)	21,242,542	22,226,399	23,234,170	24,265,588	24,265,588
4	Retirements	(459,508)	(798,200)	(535,111)	(739,489)	(12,075,727)
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + sum(Line 4))	446,084,392	454,003,998	467,613,365	476,444,801	476,444,801
6	Dep = Depreciation Expense	967,068	983,857	1,007,771	1,031,418	24,265,588
7	Projected Distribution Revenues	\$ 94,090,580	\$ 91,206,938	\$ 81,397,751	\$ 87,560,217	\$ 101,767,058

**PPL ELECTRIC UTILITIES CORPORATION**  
**SCHEDULE C - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN**  
**APPLICATION PERIOD: January 1, 2017 THROUGH March 31, 2017**

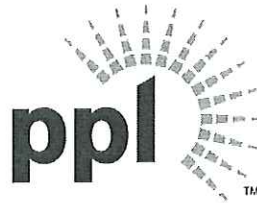
Line No.	(A) Description	(B) Capitalization Ratio	(C) Embedded Cost	(D) Rate of Return	(E) Tax Multiplier (1)	(F) Pre-Tax Rate of Return (PTRR)
1	Long-Term Debt	45.83%	4.66%	2.14%	-	2.14%
2	Common Equity	54.17%	9.55%	5.17%	1.709211797	8.84%
3	Total	<u>100.00%</u>		<u>7.31%</u>		<u>10.98%</u>
4	10.98% Annual PTRR / 4 quarters = 2.75% 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 18, line 7, dated June 30, 2016 at Docket No. M-2016-2570997.





**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: December 20, 2016

EFFECTIVE: January 1, 2017

**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 0.00% was revised to 0.00%  
for the period January 1, 2017 through March 31,  
2017.

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**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a charge of 0.00% 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 January 1, 2017 through March 31, 2017.

(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)