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**Federal Express**

March 20, 2017

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

RECEIVED

MAR 20 2017

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: PPL Electric Utilities Corporation  
Calculation and Supplement No. 224 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. 224 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 April 1, 2017 through June 30, 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 March 20, 2017, which is the date it was deposited with an overnight delivery service.

PPL Electric's base DSIC Rate will remain at zero due to over earning and not meeting the threshold set during the base rate case. PPL Electric did include the remaining e-factor amount to be returned to customers over the next three months in accordance with the Commission's Supplemental Implementation Order at docket M-2012-229361 dated September 21, 2016.

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: 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**  
**April 1, 2017 through June 30, 2017**

**Docket No.**

March 20, 2017

**PPL ELECTRIC UTILITIES CORPORATION**  
**SCHEDULE A - COMPUTATION OF CUMULATIVE PROPOSED DSIC**  
**APPLICATION PERIOD: April 1, 2017 THROUGH June 30, 2017**

Line No.		Total
	Distribution System Improvement Charge	
1	Applicable Plant (Schedule B, Line 2, Column M)	\$ -
	Less:	
2	Accumulated Depreciation (Schedule B, Line 3, Column M)	-
3	Retirements (Schedule B, Line 4, Column M)	-
4	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	-
5	Pre-tax return rate applicable to DSIC-eligible property (Schedule C, Line 4)	2.75% -
6	Dep = Depreciation Expense (Schedule B, Line 6, Column A through B)	-
7	E=Experienced Net Over/(Under) Collections (A)	1,220,680
8	Net Amount to be Recovered/(Refunded) (includes Over/(Under) Collection) (w/o GRT) (Line 5 + Line 6 - Line 7)	<u>(1,220,680)</u>
9	Net Amount to be Recovered/(Refunded) (includes Over/(Under) Collection) (w/ GRT) (Line 8 x Note 1)	<u>(1,297,215)</u>
10	PQR = Projected Quarterly Distribution Revenue	<u>276,181,542</u>
11	DSIC = Distribution System Improvement Rider (B)	
	Rate % of Billed Revenues (w/ GRT) (Line 9 / Line 10)	-0.47%
	<b>Note 1:</b>	
	$\frac{1}{(1 - T)} = (T = 5.9\% \text{ Gross Receipts Tax})$	1.062699

(A) 100% of the Over/(Under) Collection shown on Schedule 1, Line 10 of the Distribution System Improvement Charge ("DSIC") Reconciliation Report, dated January 31, 2017 at Docket No. M-2017-2586829.

(B) The Over/(Under) Collection as described in Footnote A will be recovered or refunded per the Commission's Supplemental Implementation Order at Docket No. M-2012-2293611. Besides the Over/(Under) Collection, PPL's DSIC rate is 0.00% due to eligible account balances not meeting or exceeding the levels projected at December 31, 2016 in the Company's distribution base rate case at Docket No. 2015-2469275. In addition, PPL's ROE is higher than the DSIC ROE according to the Commission's Report at Docket No. M-2017-2583651.

PPL ELECTRIC UTILITIES CORPORATION  
 SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH  
 APPLICATION PERIOD: April 1, 2017 THROUGH June 30, 2017

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
1	Incremental Plant Additions	-	-				
2	Cumulative Plant (Sum of Line 1)	-	-				
	Less:						
3	Accumulated Depreciation (Sum of Line 6)	-	-				
4	Retirements	-	-				
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + sum(Line 4))	-	-				
6	Dep = Depreciation Expense	-	-				
7	Projected Distribution Revenues	\$ 114,213,358	\$ 116,523,174				

PPL ELECTRIC UTILITIES CORPORATION  
**SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH**  
**APPLICATION PERIOD: April 1, 2017 THROUGH June 30, 2017**

Line No.	(H) Aug-17	(I) Sep-17	(J) Oct-17	(K) Nov-17	(L) Dec-17	(M) Total
1 Incremental Plant Additions						\$ -
2 Cumulative Plant (Sum of Line 1) Less:						-
3 Accumulated Depreciation (Sum of Line 6)						-
4 Retirements						-
5 DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + sum(Line 4))						-
6 Dep = Depreciation Expense						-
7 Projected Distribution Revenues						

**PPL ELECTRIC UTILITIES CORPORATION**  
**SCHEDULE C - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN**  
**APPLICATION PERIOD: April 1, 2017 THROUGH June 30, 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	45.60%	4.63%	2.11%	-	2.11%
2	Common Equity	54.40%	9.55%	5.20%	1.709211797	8.89%
3	Total	<u>100.00%</u>		<u>7.31%</u>		<u>11.00%</u>
4	11.00% 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 September 30, 2016 at Docket No. M-2017-2583651.





**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: March 20, 2017

EFFECTIVE: April 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 negative 0.47% for the period April 1, 2017 through June 30, 2017.

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(Continued)

**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a charge of negative 0.47% 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 April 1, 2017 through June 30, 2017.

**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)

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PPL CORPORATION  
2 N 9TH STREET

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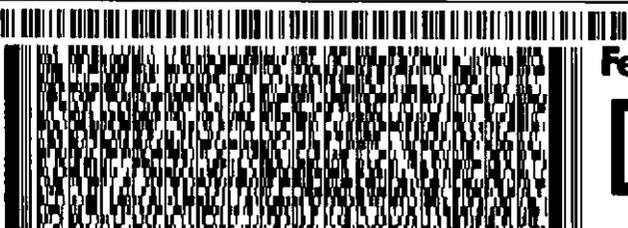
TO **ROSEMARY CHIAVETTA, SECRETARY  
PENNSYLVANIA PUBLIC UTILITY COMMISS  
COMMOMWEALTH KEYSTONE BLDG  
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