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**E-File**

March 20, 2018

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. 246 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. 246 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, 2018 through June 30, 2018 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, 2018, which is the date it was submitted electronically via 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: Tanya J. McCloskey, Esquire - Email  
R. Kanaskie, Esquire - Email  
Ms. Lori Burger - Email  
Mr. John R. Evans - Email

**PPL ELECTRIC UTILITIES CORPORATION**

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

**For the Application Period**  
**April 1, 2018 through June 30, 2018**

**Docket No.**

March 20, 2018

**PPL ELECTRIC UTILITIES CORPORATION**  
**SCHEDULE A - COMPUTATION OF CUMULATIVE PROPOSED DSIC**  
**APPLICATION PERIOD: April 1, 2018 THROUGH June 30, 2018**

Line No.		Total
	Distribution System Improvement Charge	
1	Applicable Plant (Schedule B, Line 2, Column O)	\$ 133,711,761
	Less:	
2	Accumulated Depreciation (Schedule B, Line 3, Column O)	1,383,378
3	Retirements (Schedule B, Line 4, Column O)	(55,316)
	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	132,273,067
5	Pre-tax return rate applicable to DSIC-eligible property (Schedule C, Line 4)	2.36%      3,121,644
6	Dep = Depreciation Expense (Schedule B, Line 6, Column L through N)	654,415
7	E=Experienced Net Over/(Under) Collections (A)	47,955
8	Net Amount to be Recovered/(Refunded) (includes Over/(Under) Collection) (w/o GRT) (- Line 7)	(47,955)
9	Net Amount to be Recovered/(Refunded) (includes Over/(Under) Collection) (w/ GRT) (Line 8 x Note 1)	(50,962)
10	PQR = Projected Quarterly Distribution Revenue	259,723,224
11	DSIC = Distribution System Improvement Rider (B)	
	Rate % of Billed Revenues (w/ GRT) (Line 9 / Line 10)	-0.02%
	<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 9 of the Distribution System Improvement Charge ("DSIC") Reconciliation Report, dated January 30, 2018 at Docket No. M-2018-2645163.

(B) Line 11 calculation provides a DSIC rate of 1.53%. The DSIC would be set to 0.00% due to earnings that exceeded 9.55% for the twelve months ended December 31, 2017. However, the rate is set at -0.02% due to an over-collection.

PPL ELECTRIC UTILITIES CORPORATION  
 SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH  
 APPLICATION PERIOD: April 1, 2018 THROUGH June 30, 2018

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	-	-	-	9,473,124	10,730,339	8,834,645	9,635,651
2 Cumulative Plant (Sum of Line 1) Less:	-	-	-	9,473,124	20,203,463	29,038,108	38,673,759
3 Accumulated Depreciation (Sum of Line 6)	-	-	-	10,541	35,357	88,690	172,649
4 Retirements	-	-	-	-	-	-	(41)
5 DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + sum(Line 4))	-	-	-	9,462,583	20,168,106	28,949,418	38,501,069
6 Dep = Depreciation Expense	-	-	-	10,541	24,816	53,333	83,959
7 Projected Distribution Revenues	\$ 114,213,358	\$ 116,523,174	\$ 111,992,692	\$ 99,574,619	\$ 87,320,533	\$ 89,286,386	\$ 98,354,377

PPL ELECTRIC UTILITIES CORPORATION  
 SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH  
 APPLICATION PERIOD: April 1, 2018 THROUGH June 30, 2018

Line No.	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Total	
1	Incremental Plant Additions	17,300,710	5,791,505	15,211,608	12,976,063	16,799,275	13,852,925	13,105,916	\$ 133,711,761
2	Cumulative Plant (Sum of Line 1)	55,974,469	61,765,974	76,977,582	89,953,645	106,752,920	120,605,845	133,711,761	133,711,761
	Less:								
3	Accumulated Depreciation (Sum of Line 6)	274,687	401,154	549,969	728,963	939,479	1,136,643	1,383,378	1,383,378
4	Retirements	-	-	-	-	-	(44,849)	(10,426)	(55,316)
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + sum(Line 4))	55,699,782	61,364,820	76,427,613	89,224,682	105,813,441	119,424,353	132,317,957	132,273,067
6	Dep = Depreciation Expense	102,038	126,467	148,815	178,994	210,516	197,164	246,735	1,383,378
7	Projected Distribution Revenues	\$ 99,522,967	\$ 96,657,273	\$ 86,343,625	\$ 90,941,933	\$ 106,993,132	\$ 114,834,443	\$ 108,102,261	

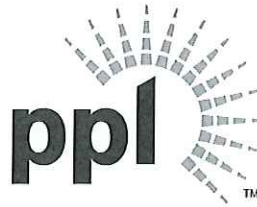
**PPL ELECTRIC UTILITIES CORPORATION**  
**SCHEDULE C - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN**  
**APPLICATION PERIOD: April 1, 2018 THROUGH June 30, 2018**

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	45.11%	4.57%	2.06%	-	2.06%
2	Common Equity	54.89%	9.55%	5.24%	1.406313504	7.37%
3	Total	<u>100.00%</u>		<u>7.30%</u>		<u>9.43%</u>
4	9.43% Annual PTRR / 4 quarters = 2.36% 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 21%.  
 $1/[(1-9.99\%)*(1-21\%)] = 1.406313504$

Line 2, Column C, from the PUC's Quarterly Financial Report page 18, line 7, dated September 30, 2017 at Docket No. M-2018-2641241





**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, 2018

EFFECTIVE: April 1, 2018

**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 0.91% was revised to negative 0.02% for the period April 1, 2018 through June 30, 2018.

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**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a charge of negative 0.02% 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, 2018 through June 30, 2018.

**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)