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E-File

June 22, 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. 254 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. 254 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, 2018 through September 30, 2018 is being filed pursuant to the procedures set forth in PPL Electric's Tariff – Electric Pa. P.U.C. No. 201.

This filing was previously attempted via the Commission's E-Filing System on June 20, 2018. However a duplicate copy of Supplement No. 255 was inadvertently submitted instead.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on June 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,

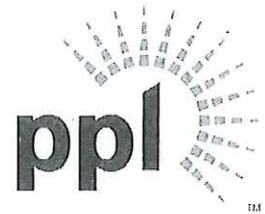
Amy E. Hirakis

Enclosures

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

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E-File

June 20, 2018

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

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Calculation and Supplement No. 254 to Tariff
Electric PA. P.U.C. No. 201 for the
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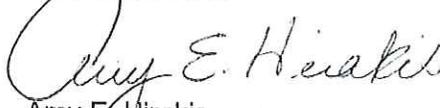
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R. Kanaskie, Esquire - Email
Ms. Lori Burger - Email
Mr. John R. Evans - Email

PPL ELECTRIC UTILITIES CORPORATION

**CALCULATION OF
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**

**For the Application Period
July 1, 2018 through September 30, 2018**

Docket No.

June 20, 2018

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

Line No.		Total
	Distribution System Improvement Charge	
1	Applicable Plant (Schedule B, Line 2, Column R)	\$ 170,938,819
	Less:	
2	Accumulated Depreciation (Schedule B, Line 3, Column R)	2,246,624
3	Retirements (Schedule B, Line 4, Column R)	(105,003)
4	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	168,587,192
5	Pre-tax return rate applicable to DSIC-eligible property (Schedule C, Line 4)	2.36%
6	Dep = Depreciation Expense (Schedule B, Line 6, Column O through Q)	3,978,658
7	E=Experienced Net Over/(Under) Collections (A)	863,246
8	Net Amount to be Recovered/(Refunded) (includes Over/(Under) Collection) (w/o GRT) (Line 5 + Line 6 - Line 7)	4,841,904
9	Net Amount to be Recovered/(Refunded) (includes Over/(Under) Collection) (w/ GRT) (Line 8 x Note 1)	5,145,487
10	PQR = Projected Quarterly Distribution Revenue	284,962,423
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) 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 was returned to customers in the DSIC rate beginning on April 1, 2018 and ending on June 30, 2018.
 (B) Line 11 calculation provides a DSIC rate of 1.81%. The DSIC has been set to 0.00% due to earnings that exceeded 9.55% for the twelve months ended March 31, 2018.

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSI by MONTH
 APPLICATION PERIOD: July 1, 2018 THROUGH September 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	-	-	-	9,473,124	10,730,339	8,834,645	9,635,651
2	-	-	-	9,473,124	20,203,463	29,038,108	38,673,759
3	-	-	-	10,541	35,357	88,690	172,649
4	-	-	-	-	-	-	(41)
5	-	-	-	9,462,583	20,168,106	28,949,418	38,501,069
6	-	-	-	10,541	24,816	53,333	83,959
7	\$ 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: July 1, 2018 THROUGH September 30, 2018

Line No.	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
1	17,900,710	5,791,505	15,211,608	12,976,063	16,799,275	13,852,925	13,105,916
2	55,974,469	61,765,974	76,977,582	89,953,645	106,752,920	120,605,845	133,711,761
3	274,687	401,154	549,969	728,963	939,479	1,136,643	1,383,378
4	-	-	-	-	-	(44,849)	(10,426)
5	55,699,782	61,364,820	76,427,613	89,224,682	105,813,441	119,424,553	132,317,957
6	102,038	126,467	148,815	178,994	210,516	197,164	246,735
7	\$ 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 B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
 APPLICATION PERIOD: July 1, 2018 THROUGH September 30, 2018

Line No.		(O)	(P)	(Q)	(R)	Total
		Mar-18	Apr-18	May-18		
1	Incremental Plant Additions	10,745,364	10,465,260	16,016,434	\$	170,938,819
2	Cumulative Plant (Sum of Line 1)	144,457,125	154,922,385	170,938,819		170,938,819
	Less:					
3	Accumulated Depreciation (Sum of Line 6)	1,718,801	1,951,049	2,246,624		2,246,624
4	Retirements	54,146	(70,325)	(33,508)		(105,003)
5	DSI = Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + sum(Line 4))	142,792,470	152,901,011	168,658,687		168,587,192
6	Dep = Depreciation Expense	335,423	232,248	295,575		2,246,624
7	Projected Distribution Revenues	\$ 118,456,509	\$ 92,299,936	\$ 82,371,232		

PPL ELECTRIC UTILITIES CORPORATION
 SCHEDULE C - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN
 APPLICATION PERIOD: July 1, 2018 THROUGH September 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	45.33%	4.58%	2.08%	-	2.08%
2	Common Equity	54.67%	9.55%	5.22%	1,406313504	7.34%
3	Total	<u>100.00%</u>		<u>7.30%</u>		<u>9.42%</u>
4	9.42% 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 May 17, 2018 at Docket No. M-2018-3001577



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, 2018

EFFECTIVE: July 1, 2018

Filed in compliance with the order of Pennsylvania Public Utility Commission of May 17, 2018, at Docket No. R-2018-3000775 and as further clarified by the order of the Commission of June 14, 2018 at Docket No. R-2018-3000775. These orders cancel and supercede the temporary rates filed in response to the Commission's Temporary Rates Order of March 15, 2018.

GREGORY N. DUDKIN, PRESIDENT

Two North Ninth Street
Allentown, PA 18101-1179

NOTICE

THIS TARIFF MAKES DECREASES (D) 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 negative 0.02% was revised to 0.00% for the period July 1, 2018 through September 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 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 July 1, 2018 through September 30, 2018. (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)