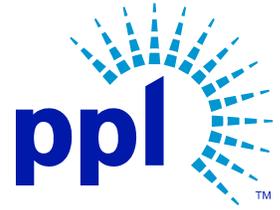


**Kimberly A. Klock**  
Senior Counsel

**PPL**  
Two North Ninth Street  
Allentown, PA 18101-1179  
Tel. 610.774.5696 Fax 610.774.4102  
KKlock@pplweb.com



**E-File**

December 1, 2020

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. 305 to Tariff Electric PA. P.U.C.  
No. 201 for the Tax Cuts and Jobs Act Temporary Surcharge  
Docket No. R-2018-3000775**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is Calculation and Supplement No. 305 to PPL Electric's Tariff – Electric Pa. P.U.C. No. 201 for the Tax Cuts and Jobs Act Temporary Surcharge. This calculation of the TCJA temporary surcharge for the period January 1, 2021 through December 31, 2021 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 1, 2020, 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 Rates & Revenue Manager at (610) 774-2070.

Very truly yours,

A handwritten signature in blue ink that reads "Kimberly A. Klock".

Kimberly A. Klock

Enclosures

cc via email: Tanya J. McCloskey, Esquire  
Richard Kanaskie, Esquire  
Mr. John R. Evans  
Ms. Marissa Boyle  
Ms. Kelly Monaghan

**PPL Electric Utilities Corporation**  
TCJA Temporary Surcharge ("TCJA")  
Application Period: January 1, 2021 Through December 31, 2021

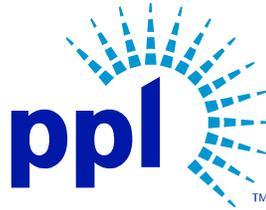
Line No.	DESCRIPTION	Forecast 2021
1	Operating Revenues	\$ 995,208
2	Less: O&M Expenses	410,115
3	Book Depreciation	203,709
4	Interest Expense	67,524
5	Operating Income before Taxes Total	\$ 313,860
6	Depr- Straight Line- Remaining Life (Incl COR)	203,709
7	Book Depreciation Capitalized	
8	Contributions in Aid of Construction	
9	Environmental Liabilities	
10	Reacquired Debt Costs	2,357
11	Deferred Compensation	
12	Storm Damage	
13	Taxable Meals & Entertainment	1,600
14	Rate Riders	
15	Total	\$ 207,666
	Deduct	
16	Tax Depreciation	(188,781)
17	Cost of Removal	(30,934)
18	Tax Gains/(Losses) on Plant Dispositions	1,473
19	Pension	(1,512)
20	Post Retirement and Employment benefits	
21	Vacation Liabilities	
22	Bad Debt	
23	Other 263A and Repair Allowance	(99,023)
24	RAR Adjustments	
25	ESOP dividends	(4,600)
26	Prepays	
27	Variable Pay	
28	Service Company Costs	1,935
29	Total	\$ (321,442)
30	Taxable Income Before State Adjustments	\$ 200,084
	Add: State Tax Adjustments	
31	Bonus Depreciation Adjustment	(47,241)
32	State NOL Carryforward/(Utilization)	
33	State Taxable Income	\$ 152,843
	State Income At:	
34	Historic, Future and Fully Projected At 9.99%	\$ 15,269
35	Federal Taxable Income Before NOL	184,815
36	Federal NOL Carryforward/(Utilization)	
37	Income Subject to Federal Income Tax After NOL	\$ 184,815
38	Federal Income Tax at 35%	\$ 64,685
39	Federal Income Tax at 21%	\$ 38,811

**PPL Electric Utilities Corporation**  
 TCJA Temporary Surcharge ("TCJA")  
 Application Period: January 1, 2021 Through December 31, 2021

<u>Pre TCJA Taxes</u>	<u>Net Tax Effect</u>
Federal Tax - Current (Page 1, Line 38)	\$ 64,685
Federal Tax - Deferred	\$ 44,705
Total Federal Tax Expense	<u>\$ 109,390</u>
<u>Less: Post TCJA Taxes</u>	
Federal Tax - Current (Page 1, Line 39)	\$ 38,811
Federal Tax - Deferred	\$ 22,056
Total Federal Tax Expense	<u>\$ 60,867</u>
Effect of TCJA On Income (A)	\$ 48,523
Cumulative ADIT (beginning balance)	\$ 37,955
Change in ADIT (current year)	<u>\$ 9,001</u>
Total ADIT	\$ 46,956
Comission Approved Rate of Return	7.29%
Effect of ADIT Change on Income (B)	\$ 3,423
Earnings Excess (Line A - Line B)	\$ 45,100
Complement of Tax Rate	0.711079
Revenue Excess	\$ 63,425
TCJA Stub Period Tax Savings <sub>1</sub>	\$ -
Prior Period (Over)/Under, Including Interest <sub>2</sub>	\$ 6,225
Total Revenue Excess	\$ 69,650
Estimated Revenue	\$ 995,208
Percent Decrease Per Bill	-7.00%

1. TCJA Stub Period tax savings returned to customers in the rate effect January 1, 2020 - December 31, 2020 per Commission Order at Docket No. P-2019-3013366.

2. Additional amount to be returned to customers per TCJA Temporary Surcharge Reconciliation Report, filed August 31, 2020 at Docket No. M-2020-3019647.



## **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 1, 2020

EFFECTIVE: January 1, 2021

**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:

Tax Cuts and Jobs Act (TCJA) Temporary  
Surcharge

Page No. 19Z.26

The TCJA Temporary Surcharge of negative  
13.14% was updated to negative 7.00%.

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(Continued)

**TCJA TEMPORARY SURCHARGE**

**(C)**

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently on May 17, 2018, and June 14, 2018, the Commission entered an Order superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates as follows:

A negative surcharge of 7.00% will apply as a credit for intrastate service to all customer bills rendered on and after January 1, 2021. This negative surcharge will be distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

**(I)  
(C)**

This negative surcharge will be reconciled at the end of each calendar year and will remain in place until the utility files and the Commission approves new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes. After the initial filing on June 15, 2018, the TCJA Temporary Surcharge shall be filed with the Commission by December 1 of each year that it is in place.

Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.

Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Temporary Surcharge.