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E-File

December 1, 2021

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. 325 to Tariff Electric PA. P.U.C.
No. 201 for the Tax Cuts and Jobs Act Temporary Surcharge
Docket No.**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is Calculation and Supplement No. 325 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, 2022 through December 31, 2022 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, 2021, 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.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kimberly A. Klock". The signature is written in a cursive, flowing style.

Kimberly A. Klock

Enclosures

cc via email: Darryl Lawrence, Esquire
Richard Kanaskie, Esquire
Steven Gray, Esquire
Ms. Marissa Boyle
Ms. Kelly Monaghan

PPL ELECTRIC UTILITIES CORPORATION

**CALCULATION OF
TAX CUTS AND JOBS ACT (TCJA) TEMPORARY
SURCHARGE**

For the Period January 1, 2022 to December 31, 2022

Docket No.

December 1, 2021

PPL Electric Utilities Corporation
TCJA Temporary Surcharge ("TCJA")
Application Period: January 1, 2022 Through December 31, 2022

Line No.	DESCRIPTION	Forecast 2022
1	Operating Revenues	\$ 1,045,361
2	Less: O&M Expenses	414,319
3	Book Depreciation	213,886
4	Interest Expense	68,871
5	Operating Income before Taxes Total	<u>\$ 348,284</u>
6	Depr- Straight Line- Remaining Life (Incl COR)	213,886
7	Book Depreciation Capitalized	
8	Contributions in Aid of Construction	
9	Environmental Liabilities	
10	Reacquired Debt Costs	389
11	Deferred Compensation	
12	Storm Damage	
13	Taxable Meals & Entertainment	1,300
14	Rate Riders	
15	Total	<u>\$ 215,575</u>
	Deduct	
16	Tax Depreciation	(239,154)
17	Cost of Removal	(35,674)
18	Tax Gains/(Losses) on Plant Dispositions	1,699
19	Pension	(2,184)
20	Post Retirement and Employment benefits	
21	Vacation Liabilities	
22	Bad Debt	
23	Other 263A and Repair Allowance	(98,771)
24	RAR Adjustments	
25	ESOP dividends	(4,400)
26	Prepays	
27	Variable Pay	
28	Service Company Costs	4,560
29	Total	<u>\$ (373,924)</u>
30	Taxable Income Before State Adjustments	\$ 189,935
	Add: State Tax Adjustments	
31	Bonus Depreciation Adjustment	(35,665)
32	State NOL Carryforward/(Utilization)	
33	State Taxable Income	<u>\$ 154,270</u>
	State Income At:	
34	Historic, Future and Fully Projected At 9.99%	\$ 15,412
35	Federal Taxable Income Before NOL	174,524
36	Federal NOL Carryforward/(Utilization)	
37	Income Subject to Federal Income Tax After NOL	<u>\$ 174,524</u>
38	Federal Income Tax at 35%	\$ 61,083
39	Federal Income Tax at 21%	\$ 36,650

PPL Electric Utilities Corporation

TCJA Temporary Surcharge ("TCJA")
Application Period: January 1, 2022 Through December 31, 2022

<u>Pre TCJA Taxes</u>	<u>Net Tax Effect</u>
Federal Tax - Current (Page 1, Line 38)	\$ 61,083
Federal Tax - Deferred	\$ 58,866
Total Federal Tax Expense	\$ 119,949
<u>Less: Post TCJA Taxes</u>	
Federal Tax - Current (Page 1, Line 39)	\$ 36,650
Federal Tax - Deferred	\$ 30,385
Total Federal Tax Expense	\$ 67,035
Effect of TCJA On Income (A)	\$ 52,914
Cumulative ADIT (beginning balance)	\$ 45,964
Change in ADIT (current year)	\$ 9,067
Total ADIT	\$ 55,031
Comission Approved Rate of Return	7.29%
Effect of ADIT Change on Income (B)	\$ 4,012
Earnings Excess (Line A - Line B)	\$ 48,903
Complement of Tax Rate	0.711079
Revenue Excess	\$ 68,772
TCJA Stub Period Tax Savings ₁	\$ -
Prior Period (Over)/Under, Including Interest ₂	\$ 10,450
Total Revenue Excess	\$ 79,222
Estimated Revenue	\$ 1,045,361
Percent Decrease Per Bill	-7.58%

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 the TCJA Temporary Surcharge Reconciliation Report (Line 5 plus Line 8 plus Line 8A), filed April 30, 2021 at Docket No. M-2021-3025642. Additional interest was calculated on the E-Factor balance as of December 31, 2020 due to the timing lag.



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, 2021

EFFECTIVE: January 1, 2022

STEPHANIE R. RAYMOND, 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
7.00% was updated to negative 7.58%.

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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 7.58% will apply as a credit for intrastate service to all customer bills rendered on and after January 1, 2022. This negative surcharge will be distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.

(D)

(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.