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**E-File**

December 1, 2022

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. 346 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. 346 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, 2023 through December 31, 2023 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, 2022, 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: Patrick Cicero, Esquire  
Richard Kanaskie, Esquire  
NazAarah Sabree  
Marissa Boyle  
Kelly Monaghan

**PPL ELECTRIC UTILITIES CORPORATION**

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

**For the Period January 1, 2023 to December 31, 2023**

**Docket No.**

December 1, 2022

**PPL Electric Utilities Corporation**  
TCJA Temporary Surcharge ("TCJA")  
Application Period: January 1, 2023 Through December 31, 2023

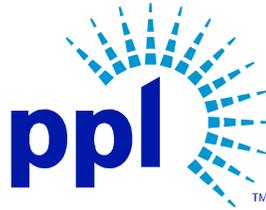
Line No.	DESCRIPTION	Forecast 2023
1	Operating Revenues	\$ 1,046,506
2	Less: O&M Expenses	380,351
3	Book Depreciation	240,687
4	Interest Expense	86,073
5	Operating Income before Taxes Total	<u>\$ 339,395</u>
6	Depr- Straight Line- Remaining Life (Incl COR)	240,687
7	Book Depreciation Capitalized	
8	Contributions in Aid of Construction	
9	Environmental Liabilities	
10	Reacquired Debt Costs	338
11	Deferred Compensation	
12	Storm Damage	
13	Taxable Meals & Entertainment	1,400
14	Rate Riders	
15	Total	<u>\$ 242,425</u>
	Deduct	
16	Tax Depreciation	(268,272)
17	Cost of Removal	(23,716)
18	Tax Gains/(Losses) on Plant Dispositions	1,129
19	Pension	1,402
20	Post Retirement and Employment benefits	
21	Vacation Liabilities	
22	Bad Debt	
23	Other 263A and Repair Allowance	(64,173)
24	RAR Adjustments	
25	ESOP dividends	(3,900)
26	Prepays	
27	Variable Pay	
28	Service Company Costs	4,399
29	Total	<u>\$ (353,131)</u>
30	Taxable Income Before State Adjustments	\$ 228,689
	Add: State Tax Adjustments	
31	Bonus Depreciation Adjustment	(59,915)
32	State NOL Carryforward/(Utilization)	
33	State Taxable Income	<u>\$ 168,774</u>
	State Income At:	
34	Historic, Future and Fully Projected At 9.99%	\$ 15,173
35	Federal Taxable Income Before NOL	213,516
36	Federal NOL Carryforward/(Utilization)	
37	Income Subject to Federal Income Tax After NOL	<u>\$ 213,516</u>
38	Federal Income Tax at 35%	\$ 74,731
39	Federal Income Tax at 21%	\$ 44,838

**PPL Electric Utilities Corporation**  
 TCJA Temporary Surcharge ("TCJA")  
 Application Period: January 1, 2023 Through December 31, 2023

<u>Pre TCJA Taxes</u>	<u>Net Tax Effect</u>
Federal Tax - Current (Page 1, Line 38)	\$ 74,731
Federal Tax - Deferred	\$ 43,609
Total Federal Tax Expense	<u>\$ 118,340</u>
<u>Less: Post TCJA Taxes</u>	
Federal Tax - Current (Page 1, Line 39)	\$ 44,838
Federal Tax - Deferred	\$ 20,551
Total Federal Tax Expense	<u>\$ 65,389</u>
Effect of TCJA On Income (A)	\$ 52,950
Cumulative ADIT (beginning balance)	\$ 55,048
Change in ADIT (current year)	<u>\$ 9,243</u>
Total ADIT	\$ 64,291
Commission Approved Rate of Return	7.29%
Effect of ADIT Change on Income (B)	\$ 4,687
Earnings Excess (Line A - Line B)	\$ 48,263
Complement of Tax Rate	0.718979
Revenue Excess	\$ 67,128
TCJA Stub Period Tax Savings <sub>1</sub>	\$ -
Prior Period (Over)/Under, Including Interest <sub>2</sub>	\$ 15,935
Total Revenue Excess	\$ 83,063
Estimated Revenue	\$ 1,009,329
Percent Decrease Per Bill	-8.23%

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 8B), filed April 29, 2022 at Docket No. M-2022-3032234. Additional interest was calculated on the E-Factor balance as of December 31, 2021 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, 2022

EFFECTIVE: January 1, 2023

**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  
7.58% was updated to negative 8.23%.

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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 8.23% will apply as a credit for intrastate service to all customer bills rendered on and after January 1, 2023. 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.