

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re:

SECURITIES CERTIFICATE OF	:	
PPL ELECTRIC UTILITIES	:	
CORPORATION IN RESPECT OF	:	SECURITIES CERTIFICATE
NOT IN EXCESS OF \$2.0 BILLION	:	
AGGREGATE PRINCIPAL AMOUNT OF	:	
DEBT SECURITIES	:	NO. S – 2024 –
	:	
	:	

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. The name of the public utility filing this Securities Certificate is PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), Two North Ninth Street, Allentown, Pennsylvania 18101-1179.
2. The name and address of PPL Electric’s attorneys are W. Eric Marr and Jeffrey R. Jankowski, Two North Ninth Street, Allentown, Pennsylvania 18101-1179.
3. PPL Electric is a corporation organized on June 4, 1920, under the laws of the Commonwealth of Pennsylvania to exist perpetually. The Company is subject to the Pennsylvania Associations Code (15 Pa. C.S. §101 et seq.), including the Pennsylvania Business Corporation Law of 1988 (15 Pa. C.S. §1101 et seq.) for the government and regulation of its affairs. PPL Electric is engaged, *inter alia*, in the distribution of electricity and its intrastate rates and services are regulated by the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) pursuant to the Public Utility Code, 66 Pa.C.S. §§ 101 *et seq.* PPL Electric presently serves approximately 1.4 million customers in its service territory, which encompasses approximately 10,000 square miles in eastern and

central Pennsylvania. PPL Electric's service territory encompasses all or portions of 29 counties. The largest cities served by PPL Electric include Allentown, Bethlehem, Harrisburg, Hazleton, Lancaster, Scranton, Wilkes-Barre and Williamsport.

4. The Company is a wholly-owned, indirect subsidiary of PPL Corporation. The Company is 100% owned by PPL Energy Holdings, LLC, a Delaware limited liability company, which in turn is 100% owned by PPL Subsidiary Holdings, LLC, a Delaware limited liability company, which in turn is 100% owned by PPL Corporation.

5. This Securities Certificate requests that the Commission authorize the Company to incur indebtedness in an aggregate principal amount, not to exceed \$2.0 billion, from time to time from the date of approval hereof through December 31, 2027, in the form of one or more privately placed or publicly issued, secured or unsecured debt securities, which may include first mortgage bonds, medium or long-term notes, term or bank loans and similar securities, in one or more series from time to time, which may include loans facilitated or guaranteed by the United States Department of Energy (“DOE”) or other governmental authorities, or tax exempt or tax advantaged bond issuances facilitated by federal, state or local governmental authorities (“New Long-Term Debt”), with the ability to remarket, exercise or comply with put or call terms, extend or replace any such financings so long as the aggregate principal amount of the Company’s outstanding indebtedness under all such financings authorized hereby as described below does not exceed \$2.0 billion after completion of such extension or replacement. For avoidance of doubt, the \$2.0 billion aggregate principal amount may be exceeded for a brief period if the proceeds of the new issuance are being used to pay off an already outstanding borrowing or debt issued under this authorization.

6. The proceeds of the New Long-Term Debt will be used for general corporate purposes, which may include the repayment of short-term debt that will be primarily incurred for the financing of ongoing capital expenditures, refinancings or

advanced refinancings of one or more existing first mortgage bonds or other debt securities, in whole or in part, up to \$2.0 billion plus any applicable make-whole costs.

7. The Company's 2024-2027 Business Plan calls for approximately \$5.0 billion of capital expenditures related to transmission and distribution properties, including investments in grid modernization and resiliency. In addition, \$108.3 million of long-term debt retirements are currently scheduled through 2027. The Company intends to primarily use long-term debt to finance its capital expenditures and debt retirements.

8. PPL Electric may issue the New Long-Term Debt under either (i) its Indenture dated as of August 1, 2001 (the "2001 Indenture") for first mortgage bonds ("New Bonds"), or (ii) a new indenture (the "New Indenture") to be entered into in connection with the issuance of unsecured debt securities ("New Debentures"), or (iii) term or bank loans and similar securities, which may be secured by promissory notes. The Company previously has issued, and currently has outstanding, approximately \$5.3 billion of bonds under the 2001 Indenture (the "Existing Bonds,") all of which were authorized by the Commission under prior Securities Certificates filed by the Company. Similar to the Existing Bonds, the New Bonds will be secured by a lien in favor of the Trustee on the Company's distribution and certain of its transmission properties, subject to customary exceptions and exclusions.

Set forth below is a description of the general terms or range of terms the Company expects will be applicable to the securities evidencing the New Long-Term Debt.

EXACT TITLE OF SECURITY:

New Bonds: First Mortgage Bonds, % Series due ____.

New Debentures: Senior Notes, % Series due ____, or to be determined at the time of sale.

Term or bank loans and other similar securities % To be determined at the time of issuance.

AGGREGATE PRINCIPAL AMOUNT TO BE ISSUED:

The principal amount of the New Long-Term Debt will be determined by the Company at or about the time of issuance of New Long-Term Debt based on the Company's capital requirements.

The aggregate principal amount of New Long-Term Debt to be issued hereunder will not exceed \$2.0 billion.

NOMINAL DATE OF ISSUE:

To be determined at the time of issuance.

DATE OF MATURITY:

To be determined at the time of issuance, depending on market conditions. It currently is expected that each series of the New Bonds or New Debentures will mature not later than 40 years from its original issue date, and that any notes issued in connection with term or bank loans would typically mature not later than five years from the original issue date.

INTEREST RATE AND PAYMENT DATES:**Interest Rate:**

To be determined at the time of issuance, depending on market conditions, including through negotiations with lenders in the case of term or bank loans.

Payment Dates:

To be determined at the time of issuance depending on market conditions. It currently is expected that interest will be payable semiannually for New Bonds and New Debentures or quarterly for term and bank loans, or as otherwise negotiated with lenders.

EXTENT TO WHICH TAXES ON SECURITIES ARE ASSUMED:

Based on tax laws currently in effect, the Company does not expect to assume any taxes associated with the New Long-Term Debt, except for any stamp or documentation taxes that may be imposed in connection with loans.

CALLABILITY PROVISIONS:

New Long-Term Debt may include certain put, call or other similar provisions which will be determined at the time of issuance, depending on market conditions, subject to customary market conventions.

CONVERSION PROVISIONS:

None expected.

MAINTENANCE, DEPRECIATION AND SINKING FUND OR OTHER PROVISIONS:

Sinking or Improvement Fund:

To be determined at the time of issuance, depending on market conditions. None currently expected.

Maintenance and Replacement Fund:

To be determined at the time of issuance, depending on market conditions. None currently expected.

NAME AND ADDRESS OF TRUSTEE AND WHETHER AFFILIATED:

Name and Address of Trustee for New Long-Term Debt issued under the 2001 Indenture

The Bank of New York Mellon, as Trustee
500 Ross Street – 12th Floor
Pittsburgh, PA 15262
Or other trustee bank depending on type of financing instrument.

Affiliation:

The Bank of New York Mellon is not an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

New Debentures:

A trustee under the New Indenture would be identified at the time of issuance of New Debentures, but it is not expected that any such trustee would be an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

In addition, in order to limit the Company's exposure to interest rate fluctuations in conjunction with the New Long-Term Debt, the Company may enter into arrangements with PPL Corporation or directly with one or more financial institutions (the "Counterparty") that will provide interest rate protection in the form of interest rate liability management and hedging instruments. Such instruments may include interest-rate swaps, collars and/or interest-rate caps, treasury locks or similar agreements. If PPL Corporation is involved, PPL Corporation would serve only as a "conduit" between the Company and the Counterparty to procure such protection on behalf of the Company or by entering into a transaction with a Counterparty on terms substantially similar to the terms of its arrangements with the Company. PPL Corporation would pass through direct costs of procuring such instruments but would not charge the Company any fee or additional administrative costs associated with negotiating the terms of the interest rate liability management instrument.

9. Subject to the approval of the Commission, as evidenced by the registration of this Securities Certificate, the Company proposes to issue the New Long-Term Debt securities in one or more series from time to time directly to investors, through agents or to one or more underwriters for public offering, or in private placements, directly to one or more institutional investors or through agents and lenders, in each case on terms to be determined by market conditions and subject to customary market conventions. The Company will enter into one or more underwriting agreements, agency agreements, lending agreements or purchase agreements with underwriters, lenders, agents, or other purchasers. The amount of compensation to be paid to underwriters, lenders, agents or other purchasers of the New Long-Term Debt as well as fees paid to the rating agencies and the SEC will be determined at the time of issuance based on size and tenor of the New Long-Term Debt.

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None of the underwriters, agents, lenders, or other purchasers described above will be an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

* * *

The estimate of expenses set forth below is based on a public offering of a series of New Long-Term Debt securities in the principal amount of \$2.0 billion and would be expected to be the same whether that series of New Long-Term Debt securities is sold through competitive bidding or negotiated offering. The expenses for term or bank loans would be negotiated between the Company and the lender(s) at the time of issuance but are expected to be less than those of a public offering.

The estimated expenses would be paid from the general funds of the Company.

<u>Administrative costs per issuance:</u>	
Legal Fees, Expenses and Disbursements	\$175,000
Accounting Fees.....	100,000
Printing and Postage	25,000
Fees of Trustee, including counsel and authentication fees.....	55,000
Recording Fees.....	10,000
Blue Sky Fees and Expenses.....	10,000
Filing Fee - Pennsylvania Public Utility Commission.....	350
Miscellaneous	<u>30,000</u>
Total	<u>\$405,350</u> *

* Does not include fees paid to underwriters, rating agencies and the SEC.

Any discounts relating to the sale of a series of the New Long-Term Debt securities will be charged to Unamortized Discount on Long-Term Debt. Any premiums relating to the sale of a series of the New Long-Term Debt securities will be credited to Unamortized Premium on Long-Term Debt. The issuance expenses related thereto will be charged to Unamortized Debt Expense. These amounts will be amortized over the life of the series being issued.

10. The proceeds from the New Long-Term Debt will be used for general corporate purposes, which may include the repayment of short-term debt that will be primarily incurred for the financing of ongoing capital expenditures, refinancings or advanced refinancings of one or more existing first mortgage bonds or other debt securities, in whole or in part, up to \$2.0 billion plus any applicable make-whole costs.

* * *

The issuance of the New Long-Term Debt securities (as described in this Securities Certificate) will provide a portion of the Company's currently estimated capital requirements and, therefore, is necessary for the capital needs of the Company. In addition, the registration of this Securities Certificate provides the flexibility to access capital at the best value available subject to market conditions at the time of issuance. If the Company decides to issue the New Long-Term Debt pursuant to one or more public offerings, it will issue such New Long-Term Debt securities under a Prospectus Supplement either to (a) Registration Statement 333-277140-03, which expires on February 16, 2027 or (b) a new Registration Statement to be filed with the Securities and Exchange Commission to replace the Registration Statement referred to in clause (a) above, in either case, which Prospectus Supplement will be filed with the SEC with respect to such New Long-Term Debt.

11. There are appended hereto and made a part here of the following:

- (A) A balance sheet of the Company as of December 31, 2023.
- (B) A statement of income and statement of retained earnings of the Company for the twelve months ended December 31, 2023.
- (C) Statement of utility plant of the Company at original cost as of December 31, 2023. The Company makes a part hereof by reference the revised Reclassification and Original Cost Studies heretofore filed with the Commission.
- (D) Statement of securities of other corporations owned by the Company as of December 31, 2023.
- (E) Statement showing the status of the funded debt of the Company as of December 31, 2023.
- (F) Statement showing the status of outstanding capital stock of the Company as of December 31, 2023.
- (G) Registration Statement filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the New Long-Term Debt securities. Any New Registration Statement with respect to the New Long-Term Debt securities will be supplied following an issuance of New Long-Term Debt securities.
- (H) The Public Utility Holding Company Act has been repealed.
- (I) Copy of resolutions of the Board of Directors of the Company authorizing the issuance and sale of the New Long-Term Debt securities. (To be supplied following arrangement of an issuance of New Long-Term Debt securities)
- (J) Proposed form of Supplemental Indenture to 2001 Indenture pursuant to which the first mortgage bonds will be issued, or the New Indenture, in the case of unsecured debt securities, or a form of Supplemental Indenture to the New Indenture for any subsequent issuance of unsecured debt securities. (To be supplied following an issuance of unsecured debt securities)

A copy of the 2001 Indenture is attached as Exhibit (J) to Securities Certificate No. S-00010853.

Copies of supplements to the 2001 Indenture pursuant to which Existing Bonds are currently outstanding have been filed as exhibits to Securities Certificates of the Company as follows:

	<u>Securities Certificate Number</u>	<u>Exhibit</u>
Supplemental Indenture No. 1 dated as of August 1, 2001	S-00010853	(J)
Supplemental Indenture	S-00020932	(J)

No. 2 dated as of February 1, 2003		
Supplemental Indenture No. 3 dated as of May 1, 2003	S-00020933	(J)
Supplemental Indenture No. 4 dated as of February 1, 2005	S-00041035	(J)
Supplemental Indenture No. 5 dated as of May 1, 2005	S-00041035	(J)
Supplemental Indenture No. 6 dated as of December 1, 2005	S-00051056	(J)
Supplemental Indenture No. 7 dated as of August 1, 2007	S-2008-2035720	(J)
Supplemental Indenture No. 8 dated as of October 1, 2008	S-2008-2065794	(J)
Supplemental Indenture No. 9 dated as of October 1, 2008	S-2008-2060876	(J)
Supplemental Indenture No. 10 dated as of May 1, 2009	S-2009-2094547	(J)
Supplemental Indenture No. 12 dated as of July 1, 2011	S-2011-2219042	(J)
Supplemental Indenture No. 13 dated as of August 1, 2011	S-2011-2246812	(J)
Supplemental Indenture No. 14 dated as of August 1, 2012	S-2012-2301050	(J)
Supplemental Indenture No. 15 dated as of July 1, 2013	S-2012-2334938	(J)
Supplemental Indenture No. 16 dated as of	S-2013-2378884	(J)

June 1, 2014

Supplemental Indenture No. 17 dated as of October 1, 2015 S-2014-2425659 (J)

Supplemental Indenture No. 18 dated as of March 1, 2016 S-2015-2516208 (J)

Supplemental Indenture No. 19 dated as of May 1, 2017 S-2015-2516295 (J)

Supplemental Indenture No. 20 dated as of June 1, 2018. S-2017-2626901 (J)

Supplemental Indenture No. 21 dated as of September 1, 2019. S-2019-3008083 (J)

Supplemental Indenture No. 22 dated as of September 15, 2020. S-2020-3008083 (J)

Supplemental Indenture No. 23 dated as of June 15, 2021 S-2020-3022450 (J)

Supplemental Indenture No. 24 dated as of March 1, 2023 S-2020-3022450 (J)

Supplemental Indenture No. 25 dated as of January 1, 2024 S-2020-3022450 (J)

- (K) Statement showing, in journal entry form, all charges to be made on the books of account of the Company as a result of the proposed sale, issuance and delivery of the New Long-Term Debt securities.
- (L) 1. Proposed form of underwriting, agency, or other purchase agreement. (To be supplied following an issuance of New Long-Term Debt securities)
2. Proposed forms of term or banks loans and similar securities' agreement to be supplied when negotiated.
- (M) No Net Earnings Certificate is required for the issuance of the New Long-Term Debt securities.
- (N) Not applicable.

- (O) Capital Structure of the Company at December 31, 2023, and as adjusted to give effect, among other things, to the issuance and sale of the New Long-Term Debt securities.
- (P) Calculation of the book value per share of the Company's Common Stock as of December 31, 2023.

If appropriate, for exhibits in the list above dated as of December 31, 2023, the Company intends to supplement the information provided below with information as of March 31, 2024, as soon as such information becomes available.

WHEREFORE, PPL Electric Utilities Corporation requests the Commission to register this Securities Certificate pursuant to Chapter 19 of the Public Utility Code and evidence such registration by an Order.

PPL Electric Utilities Corporation

By: 

Tadd J. Henninger
Senior Vice President and Treasurer

Dated: April 22, 2024

**PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS**

ACCT. NO.	<u>TITLE OF ACCOUNT</u>	<u>DECEMBER 31, 2023</u>
	ASSETS AND OTHER DEBITS	
	UTILITY PLANT	
101	UTILITY PLANT IN SERVICE	\$ 12,639,355,069
103	EXPERIMENTAL ELECTRIC PLANT UNCLASSIFIED	6,303
105	UTILITY PLANT HELD FOR FUTURE USE	24,473,263
106	CC NOT CLASSIFIED	3,419,674,106
107	CONSTRUCTION WORK IN PROGRESS	699,909,366
	GROSS UTILITY PLANT	16,783,418,107
108/111	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE NET UTILITY PLANT	(3,823,202,813) <u>12,960,215,294</u>
	OTHER PROPERTY AND INVESTMENTS	
121	NONUTILITY PROPERTY	16,492,783
122	ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY NET NONUTILITY PROPERTY	(852,239) 15,640,544
123.1	INVESTMENT IN SUBSIDIARY COMPANIES	4,008,213
	TOTAL OTHER PROPERTY AND INVESTMENTS	19,648,757
	CURRENT AND ACCRUED ASSETS	
131	CASH	9,024,545
134	OTHER SPECIAL DEPOSITS	270,000
136	TEMPORARY CASH INVESTMENTS	37,934,000
	NOTES AND ACCOUNTS RECEIVABLE	
142	CUSTOMER ACCOUNTS RECEIVABLE	448,536,040
143	OTHER ACCOUNTS RECEIVABLE	50,060,574
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT	(50,450,294)
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	448,146,320
	RECEIVABLES FROM ASSOCIATED COMPANIES	
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	1,677,204
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	1,677,204
	MATERIALS AND SUPPLIES	
154	PLANT MATERIALS AND OPERATING SUPPLIES	87,593,075
163	STORES EXPENSE UNDISTRIBUTED	11,776,679
	TOTAL MATERIALS AND SUPPLIES	99,369,754
165	PREPAYMENTS	12,072,040
	OTHER CURRENT AND ACCRUED ASSETS	
171	INTEREST AND DIVIDENDS RECEIVABLE	266,454
172	RENTS RECEIVABLE	8,472,781
173	ACCRUED UTILITY REVENUES	145,862,565
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	17,149,428
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	171,751,228
	TOTAL CURRENT AND ACCRUED ASSETS	780,245,091
	DEFERRED DEBITS	
181	UNAMORTIZED DEBT EXPENSE	40,112,707
182.3	OTHER REGULATORY ASSETS	473,760,942
183	PRELIMINARY SURVEY AND INVESTIGATION CHARGES	152,645
186	MISCELLANEOUS DEFERRED DEBITS	3,207,365
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	3,583,254
190	ACCUMULATED DEFERRED INCOME TAXES	378,546,336
	TOTAL DEFERRED DEBITS	899,363,249
	TOTAL ASSETS AND OTHER DEBITS	\$ 14,659,472,391

**PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS**

ACCT. NO.	<u>TITLE OF ACCOUNT</u>	<u>DECEMBER 31, 2023</u>
	LIABILITIES AND OTHER CREDITS	
	PROPRIETARY CAPITAL	
201	COMMON STOCK ISSUED	\$ 363,833,249
211	ADDITIONAL PAID IN CAPITAL	4,046,152,157
214	CAPITAL STOCK EXPENSE	(6,283,429)
216	EARNINGS REINVESTED	1,518,136,473
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	4,733,075
	TOTAL PROPRIETARY CAPITAL	<u>5,926,571,525</u>
	LONG-TERM DEBT	
221	BONDS	4,648,750,000
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT-DEBIT	(41,718,512)
	TOTAL LONG-TERM DEBT	<u>4,607,031,488</u>
	OTHER NONCURRENT LIABILITIES	
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	111,196,876
	TOTAL OTHER NONCURRENT LIABILITIES	<u>111,196,876</u>
	CURRENT AND ACCRUED LIABILITIES	
	LONG-TERM DEBT DUE WITHIN ONE YEAR	
231	NOTES PAYABLE	509,496,409
232	ACCOUNTS PAYABLE	457,941,466
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	35,578,519
235	CUSTOMER DEPOSITS	3,913,544
236	TAXES ACCRUED	50,726,936
237	INTEREST ACCRUED	42,867,251
241	TAX COLLECTIONS PAYABLE	1,130,419
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	70,079,907
	TOTAL CURRENT AND ACCRUED LIABILITIES	<u>1,171,734,451</u>
	DEFERRED CREDITS	
252	CUSTOMER ADVANCES FOR CONSTRUCTION	117,829
253	OTHER DEFERRED CREDITS	32,659,184
254	OTHER REGULATORY LIABILITIES	854,012,106
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	278,202
282	ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY	1,831,813,049
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER	124,057,681
	TOTAL DEFERRED CREDITS	<u>2,842,938,051</u>
	TOTAL LIABILITIES AND OTHER CREDITS	<u>\$ 14,659,472,391</u>

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF CONTINGENT LIABILITIES
DECEMBER 31, 2023

Commitment and Contingencies

Legal Matters

PPL Electric Utilities (PPL Electric) is involved in legal proceedings, claims and litigation in the ordinary course of business. PPL Electric cannot predict the outcome of such matters, or whether such matters may result in material liabilities, unless otherwise noted.

Talen Litigation

Background

In September 2013, one of PPL's former subsidiaries, PPL Montana, entered into an agreement to sell its hydroelectric generating facilities. In June 2014, PPL and PPL Energy Supply, the parent company of PPL Montana, entered into various definitive agreements with affiliates of Riverstone to spin off PPL Energy Supply and ultimately merge it with Riverstone's competitive power generation businesses to form a stand-alone company named Talen Energy. In November 2014, after executing the spinoff agreements but prior to the closing of the spinoff transaction, PPL Montana closed the sale of its hydroelectric generating facilities. Subsequently, on June 1, 2015, the spinoff of PPL Energy Supply was completed. Following the spinoff transaction, PPL had no continuing ownership interest in or control of PPL Energy Supply. In connection with the spinoff transaction, PPL Montana became Talen Montana, LLC (Talen Montana), a subsidiary of Talen Energy and Talen Energy Marketing, LLC also became a subsidiary of Talen Energy. Talen Energy has owned and operated both Talen Montana and Talen Energy Marketing, LLC since the spinoff. As a result of the spinoff and merger, affiliates of Riverstone owned a 35% interest in Talen Energy. Riverstone subsequently acquired the remaining interests in Talen Energy in a take private transaction in December 2016.

In October 2018, Talen Montana Retirement Plan and Talen Energy Marketing, LLC filed a putative class action complaint on behalf of current and contingent creditors of Talen Montana (the Montana Action) who allegedly suffered harm or allegedly will suffer reasonably foreseeable harm as a result of, among other things, the November 2014 allegedly fraudulent transfer of \$900 million of proceeds from the sale of then-PPL Montana's hydroelectric generating facilities.

In November 2018, PPL, certain PPL affiliates, and certain current and former officers and directors filed a complaint in the Court of Chancery of the State of Delaware seeking various forms of relief against Riverstone, Talen Energy and certain of their affiliates (the Delaware Action), in response to the Montana Action and as part of the defense strategy.

Talen Energy Supply, LLC et al. and Talen Montana LLC v. PPL Corp., PPL Capital Funding, Inc., PPL Electric Utilities Corp., and PPL Energy Funding

On May 9, 2022, Talen Energy Supply, LLC and 71 affiliates, including Talen Montana, LLC, filed petitions for protection under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas (Texas Bankruptcy Court).

On May 10, 2022, Talen Montana, LLC, as debtor-in-possession, filed a complaint initiating an adversary proceeding (Adversary Proceeding) in the Texas Bankruptcy Court against PPL Corporation, PPL Capital Funding, Inc., PPL Electric Utilities Corporation, and PPL Energy Funding Corporation. Similar to the litigation in Montana, the Adversary Proceeding sought the recovery of an allegedly fraudulent transfer relating to PPL Montana's November 2014 sale of hydroelectric assets to Northwestern and subsequent distribution of approximately \$900 million of proceeds from that sale, reiterating claims that the parties had already been litigating in Montana and Delaware.

Both the Montana Action and the Delaware Action were transferred to and consolidated in the Texas Bankruptcy Court. PPL filed its Answer and asserted a Counterclaim against the Talen and Riverstone entities, similar to the claims previously asserted in the Delaware Action, and filed a motion for partial summary judgment that was heard on October 31, 2022. Mediation occurred on February 22, 2023 before Judge David R. Jones of the Texas Bankruptcy Court. The parties were not able to settle the case at that time. On June 14, 2023, the Texas Bankruptcy Court entered an Order denying PPL's motion for partial summary judgment.

A hearing on Riverstone's motion for summary judgment occurred on August 24, 2023. The court ordered supplemental briefings from each party following the hearing. Defendants filed a second partial motion for summary judgment based on a safe harbor provision in the bankruptcy code on September 29, 2023. On December 22, 2023, PPL announced that it entered into a settlement agreement (Settlement Agreement) with Talen Montana, LLC and affiliated entities (Talen) to resolve all claims made by Talen in Talen Montana, LLC et al. v. PPL Corp. et al, Adv. No 22-09001 pending before the U.S. Bankruptcy Court for the Southern District of Texas and arising out of the June 2015 spinoff of PPL Energy Supply, which was renamed Talen. Under the terms of the Settlement Agreement, PPL paid Talen \$115 million and Talen dismissed all claims against PPL. Separately, PPL and Riverstone mutually agreed to dismiss all remaining claims in a settlement in January 2024. This matter is now concluded.

Superfund and Other Remediation

PPL Electric is potentially responsible for investigating and remediating contamination under the federal Superfund program and similar state programs. Actions are under way at certain sites including former coal gas manufacturing plants in Pennsylvania previously owned or operated by, or currently owned by predecessors or affiliates of, PPL Electric.

Depending on the outcome of investigations at identified sites where investigations have not begun or been completed, or developments at sites for which information is incomplete, additional costs of remediation could be incurred. PPL Electric lacks sufficient information about such additional sites to estimate any potential liability or range of reasonably possible losses, if any, related to these sites. Such costs, however, are not currently expected to be significant.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of coal gas manufacturing. As a result, individual states may establish stricter standards for water quality and soil cleanup, that could require several PPL subsidiaries to take more extensive assessment and remedial actions at former coal gas manufacturing plants. PPL Electric cannot reasonably estimate a range of possible losses, if any, related to these matters.

PPL Electric is a potentially responsible party for a share of clean-up costs at certain sites. Cleanup actions have been or are being undertaken at these sites as requested by governmental agencies, the costs of which have not been and are not expected to be significant to PPL Electric.

At December 31, 2023 and December 31, 2022, PPL Electric had a recorded liability of \$8 million and \$11 million, representing its best estimate of the probable loss incurred to remediate these sites.

Regulatory Issues

Electricity - Reliability Standards

The NERC is responsible for establishing and enforcing mandatory reliability standards (Reliability Standards) regarding the bulk electric system in North America. The FERC oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk electric system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties for certain violations.

PPL Electric monitors its compliance with the Reliability Standards and self-report or self-log potential violations of applicable reliability requirements whenever identified, and submit accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Penalties incurred to date have not been significant. Any Regional Reliability Entity determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.

In the course of implementing their programs to ensure compliance with the Reliability Standards by those PPL affiliates subject to the standards, certain other instances of potential non-compliance may be identified from time to time. PPL Electric cannot predict the outcome of these matters, and an estimate or range of possible losses cannot be determined.

Other

Guarantees and Other Assurances

In the normal course of business, PPL Electric enter into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Examples of such agreements include guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance the creditworthiness attributed to a subsidiary on a stand-alone basis or to facilitate the commercial activities in which these subsidiaries engage.

PPL Electric provide other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, no significant payments have been made with respect to these types of guarantees and the probability of payment/performance under these guarantees is remote.

PPL, on behalf of itself and certain of its subsidiaries, including PPL Electric, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of \$225 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 2023

ACCT.			
<u>NO.</u>			
	UTILITY OPERATING INCOME		
400	OPERATING REVENUES	\$	<u>3,250,378,197</u>
	OPERATING EXPENSES		
401	OPERATION EXPENSES		1,663,014,309
402	MAINTENANCE EXPENSES		111,211,028
403/406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS		414,350,699
407.4	REGULATORY CREDITS		(172)
408.1	TAXES OTHER THAN INCOME TAXES		155,410,629
409.1	INCOME TAXES		
	FEDERAL		88,853,055
	STATE		29,781,785
410.1	PROVISION FOR DEFERRED INCOME TAXES		347,237,026
411.1	PROVISION FOR DEFERRED INCOME TAXES-CREDIT		(293,444,472)
411.4	INVESTMENT TAX CREDIT ADJUSTMENT		45,829
	TOTAL UTILITY OPERATING EXPENSES		<u>2,516,459,716</u>
	NET UTILITY OPERATING INCOME		<u>733,918,481</u>
	OTHER INCOME AND DEDUCTIONS		
	OTHER INCOME		
418	NONOPERATING RENTAL INCOME		(24,461)
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES		118,515
419	INTEREST AND DIVIDEND INCOME		7,672,605
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		17,046,073
421	MISCELLANEOUS NONOPERATING INCOME		2,539,793
	TOTAL OTHER INCOME		<u>27,352,525</u>
	OTHER INCOME DEDUCTIONS		
421.2	LOSS ON DISPOSITION OF PROPERTY		459,297
426.1-426.5	MISCELLANEOUS INCOME DEDUCTIONS		4,559,609
	TOTAL OTHER INCOME DEDUCTIONS	\$	<u>5,018,906</u>

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 2023

ACCT.			
<u>NO.</u>			
	OTHER INCOME AND DEDUCTIONS (CONTINUED)		
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		
408.2	TAXES OTHER THAN INCOME TAXES	\$	81,726
409.2	INCOME TAXES		
	FEDERAL		2,695,268
	STATE		1,108,570
410.2/411.2	PROVISION FOR DEFERRED INCOME TAXES-NET		<u>(3,374,308)</u>
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		<u>511,256</u>
	NET OTHER INCOME AND DEDUCTIONS		<u>21,822,363</u>
	INCOME BEFORE INTEREST CHARGES		<u>755,740,844</u>
	INTEREST CHARGES		
427	INTEREST ON LONG-TERM DEBT		216,030,191
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE		3,350,931
428.1	AMORTIZATION OF LOSS ON REACQUIRED DEBT		786,474
431	OTHER INTEREST CHARGES		8,519,489
432	ALLOW. FOR BORROWED FUNDS USED DURING CONSTRUCTION-CREDIT		<u>(7,902,920)</u>
	NET INTEREST CHARGES		<u>220,784,165</u>
	NET INCOME	\$	<u>534,956,679</u>

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF RETAINED EARNINGS
TWELVE MONTHS ENDED DECEMBER 31, 2023

Retained earnings, December 31, 2022	\$ 1,310,912,869
Activity during the twelve months ended December 31, 2023	
Net income	534,956,679
Total Credits to Retained Earnings (Account 439)	0
Total Debits to Retained Earnings (Account 439)	0
Dividends declared - common	(323,000,000)
Retained earnings, December 31, 2023	<u><u>\$ 1,522,869,548</u></u>

PPL ELECTRIC UTILITIES CORPORATION
UTILITY PLANT ACCOUNTS

Acct. <u>No.</u>		DECEMBER 31, 2023
	Utility plant in service	
101	Electric plant in service	
	Intangible plant	\$ 306,656,713
	Transmission plant	5,638,201,489
	Distribution plant	5,924,692,525
	General plant	769,804,342
	Electric plant in service	12,639,355,069
101.1	Property under capital leases	0
	Total utility plant in service	12,639,355,069
102	Plant purchased or sold	0
103	Experimental electric plant unclassified	6,303
105	Electric plant held for future use	24,473,263
106	CC not classified	3,419,674,106
107	Construction work in progress	699,909,366
	Total utility plant	16,783,418,107
108	Accumulated provision for depreciation of utility plant	(3,692,425,231)
111	Accumulated provision for amortization of utility plant	(130,777,582)
	Net utility plant	\$ 12,960,215,294

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF SECURITIES OF OTHER ENTITIES OWNED
AS OF DECEMBER 31, 2023

Name of Issuer	Title of Security	Number of Shares or Principal Amount	Date Acquired	Price Paid	Book Value	Approximate Value Indicated by Market Quotations December 31, 2023
Securities of Subsidiaries						
CEP Commerce, LLC	Member's Interests	\$ 10,072	7/1/2000	\$ 10,072	\$ 4,008,213	Not Available
				10,072	4,008,213	
Total Securities of Other Entities Owned					\$ 4,008,213	

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF THE FUNDED DEBT
AS OF DECEMBER 31, 2023

Name and Description of Obligation (a)	Interest		Term at Date Of Issue (Years) (d)	Date of Maturity (e)	Total Principal Amount Authorized (f)	Total Principal Amount Outstanding (Not Held by the Public Utility) (g)	Total Principal Amount Held by the Public Utility		
	Rate (b)	Dates Payable (c)					Reacquired and Held in Treasury (h)	Pledged (i)	In Sinking or Other Funds (j)
First Mortgage Bonds:									
5.20% Series Due 2041	5.20%	Jan. 15 & July 15	30	July 15, 2041	\$ 250,000,000	\$ 250,000,000	None	None	None
4.75% Series Due 2043	4.75%	Jan. 15 & July 15	30	July 15, 2043	350,000,000	350,000,000	None	None	None
6.45% Senior Secured Bonds	6.45%	Feb. 15 & Aug. 15	30	August 15, 2037	250,000,000	250,000,000	None	None	None
6.25% Senior Secured Bonds	6.25%	May 15 & Nov. 15	30	May 15, 2039	300,000,000	300,000,000	None	None	None
4.125% Series Due 2044	4.13%	June 15 & Dec. 15	30	June 15, 2044	300,000,000	300,000,000	None	None	None
4.15% Series Due 2045	4.15%	Apr. 1 & Oct. 1	30	October 1, 2045	350,000,000	350,000,000	None	None	None
3.95% Series Due 2047	3.95%	June 1 & Dec. 1	30	June 1, 2047	475,000,000	475,000,000	None	None	None
4.15% Series Due 2048	4.15%	June 15 & Dec. 15	30	June 15, 2048	400,000,000	400,000,000	None	None	None
3.00% Series Due 2049	3.00%	Apr. 1 & Oct. 1	30	October 1, 2049	400,000,000	400,000,000	None	None	None
5.00% Series Due 2033	5.00%	May 15 & Nov. 15	10	May 16, 2033	600,000,000	600,000,000	None	None	None
5.25% Series Due 2053	5.25%	May 15 & Nov. 15	30	May 15, 2053	750,000,000	750,000,000	None	None	None
						4,425,000,000			
Senior Secured Bonds (Pollution Control Series)									
LCIDA Series 2016B due 2027	2.63%	Feb. 15 & Aug. 15	22	February 15, 2027	108,250,000	108,250,000	None	None	None
LCIDA Series 2016A due 2029	3.00%	Mar. 1 & Sept. 1	24	September 1, 2029	115,500,000	115,500,000	None	None	None
						223,750,000			
Unamortized Premium on Long-Term Debt							0		
Unamortized Discount on Long-Term Debt							(41,718,512)		
Total Funded Debt						\$ 4,607,031,488			

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF OUTSTANDING CAPITAL STOCK
AS OF DECEMBER 31, 2023

Designation of Kind and Class (a)	Number of Shares Authorized (b)	Par Value Per Share (c)	Amount Authorized (d)	Amount Outstanding (Not Held by the Public Utility) (1) (e)	Held by the Public Utility			Stated Book Value of Outstanding Stock Having No Par Value As of Date of Balance Sheet (i)
					Reacquired and Held in Treasury (f)	Pledged (g)	In Sinking or Other Funds (h)	
Preference Stock				0 shares	None	None	None	\$ 0.00
Common Stock, no par	170,000,000		170,000,000 shares	66,368,056 shares	None	None	None	\$ 5,926,571,525 (2)
Treasury Stock				0 shares	None	None	None	\$ 0.00

(1) All common shares of PPL Electric stock are owned by PPL Energy Holdings.

(2) Book value of common stock held by PPL Energy Holdings.

PPL ELECTRIC UTILITIES CORPORATION
HOLDERS OF EACH CLASS OF CAPITAL STOCK AS OF DECEMBER 31, 2023

COMMON

Shares

PPL Energy Holdings 1100 North Market Street, 4th Floor Wilmington, DE 19801	66,368,056
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PPL ELECTRIC UTILITIES CORPORATION

STATEMENT SHOWING, IN JOURNAL ENTRY FORM, ALL CHARGES AND CREDITS
TO BE MADE ON THE BOOKS OF ACCOUNT TO GIVE EFFECT TO
THE PROPOSED ISSUANCE NOT IN EXCESS OF
\$2,000,000,000 AGGREGATE PRINCIPAL AMOUNT OF DEBT SECURITIES

Journal Entry 1

143	Other Accounts Receivable	\$	
221	Long-Term Debt - Bonds		\$

To give effect to the sale of a particular series of Debt Securities

Journal Entry 2

131	Cash	\$	
143	Other Accounts Receivable		\$

To record receipt of proceeds from the sale of a particular series of Debt Securities.

Journal Entry 3

181	Unamortized Debt Expense	\$	
131	Cash		\$

To record the payment of expenses in connection with the issuance and sale of a particular series of Debt Securities. Expenses will be amortized over the life of the debt.

**PPL ELECTRIC UTILITIES CORPORATION
CAPITAL STRUCTURE**

The capital structure of the Company at December 31, 2023, and on a pro forma basis to give effect to the transactions footnoted below, is as follows:

	Actual Amount	Adjustments (a)	Pro Forma Amount	% of Capitalization
Common Equity				
Common Stock Issued.....	\$ 363,833,249		\$ 363,833,249	
Miscellaneous Paid-In Capital.....	4,046,152,157		\$ 4,046,152,157	
Capital Stock Expense.....	(6,283,429)		\$ (6,283,429)	
Treasury Stock.....	-		\$ -	
Other Comprehensive Income.....	-		\$ -	
Earnings Reinvested.....	1,522,869,548		\$ 1,522,869,548	
Expected Capital Contributions.....		2,300,000,000 (c)	\$ 2,300,000,000	
Total Common Equity.....	5,926,571,525	2,300,000,000	8,226,571,525	55.9%
Preferred Securities				
Preferred Stock without Mandatory Redemption.....	-		-	0.0%
Long-Term Debt (b)				
First Mortgage Bonds (e).....	4,425,000,000	\$ 2,000,000,000 (a)	6,425,000,000	
Senior Secured Bonds (Pollution Control Series).....	223,750,000		223,750,000	
Debt Retirements.....		(108,250,000) (d)	(108,250,000)	
Unamortized Premium/Discount- Net.....	(41,718,512)		(41,718,512)	
Total Long-Term Debt.....	4,607,031,488	1,891,750,000	6,498,781,488	44.1%
Total Capitalization.....	\$ 10,533,603,013	\$ 4,191,750,000	\$ 14,725,353,013	100.0%

(a) The planned issuance of \$2 billion of Debt Securities. The net proceeds from the issuance will be used for general corporate purposes, such as the retirement of short-term and long-term debt and for capital expenditures.

(b) Long-term debt includes amounts due within one year. At December 31, 2023, there is no long-term debt due within one year.

(c) To the extent PPL Electric issues debt, PPL Corporation would expect to contribute capital to PPL Electric to maintain a balanced capital structure.

(d) Upcoming maturities 2024 - 2027

(e) PPL Electric issued \$1.3 billion of debt on February 27, 2023, which was authorized under Securities Certificate No. S-2020-3022450.

PPL ELECTRIC UTILITIES CORPORATION
BOOK VALUE OF COMMON STOCK
DECEMBER 31, 2023

<u>Acct. No.</u>			
	Common Equity		
201	Common stock issued	\$	363,833,249
207	Premium on capital stock		-
211	Additional paid in capital		4,046,152,157
214	Capital stock expense		(6,283,429)
216	Unappropriated retained earnings		1,518,136,473
216.1	Unappropriated undistributed subsidiary earnings		4,733,075
217	Reacquired capital stock		-
219	Other comprehensive income		-
	Total Common Equity	\$	<u>5,926,571,525</u>
	Shares of common stock issued at December 31, 2023		66,368,056
	Shares repurchased and held in treasury		<u>0</u>
	Shares of common stock outstanding at December 31, 2023		<u>66,368,056</u>
	Book Value of Common Stock		
	Total common equity ÷ shares of common stock outstanding at December, 2023	\$	<u>89.30</u>

Chapter 19 Securities Certificate Registrations - Data Request

To the extent the following information has not been filed with Applicant's registration:

1) Previous registration balances. Provide docket numbers, initial registration amount, issuances by type, amount and date and current remaining balance. Plans for these balances vis-à-vis the current registration.

Answer:

As authorized by Securities Certificate **S-2020-3022450**, PPL Electric issued a \$650 million three-year secured debt note on June 21, 2021. On September 16, 2022, PPL Electric entered into a \$250 million Term Loan Credit Agreement. On February 27, 2023, PPL Electric issued \$1.35 billion of secured debt, of which \$900 million of the proceeds were used to fully redeem the \$650 million issued in 2021 and pay in full the \$250 million term loan borrowed in 2022. On January 2, 2024, PPL Electric issued \$650 million of secured debt. There is no remaining authorization under Securities Certificate **S-2020-3022450**.

2) What effect will this issuance have upon the capital structure of the utility? Show calculations.

Answer:

\$ (000's)	<u>12/31/2023</u>	<u>As Adjusted</u>
Total Long-term Debt	4,607,031	4,607,031
Requested Issuance		2,000,000
Debt Retirements		(108,250)
Total Debt	<u>4,607,031</u>	<u>6,498,781</u>
Common Equity	5,926,572	5,926,572
Expected Capital Contributions ⁽¹⁾		2,300,000
Total Equity	<u>5,926,572</u>	<u>8,226,572</u>
Total Capital	<u>10,533,603</u>	<u>14,725,353</u>
Debt/Total Capitalization	43.7%	44.1%

(1) To the extent PPL Electric issues debt, PPL Corporation would expect to contribute capital to PPL Electric to maintain a balanced capital structure.

3) Current and three-year projections for; (Provide details of calculation)

Sources and Uses of Funds:

\$ (000's)	2024	2025	2026	2027
Requirements				
Capital Expenditures	1,193,163	1,227,784	1,228,983	1,136,304
Pension Funding	-	-	-	-
Maturities, Redemptions & Sinking Funds	-	-	-	108,250
Total Requirements	1,193,163	1,227,784	1,228,983	1,244,554
Sources				
Internal Financing	1,052,659	727,784	1,203,528	770,009
Long-term debt	650,000	500,000	-	500,000
Short-term debt change	(509,496)	-	25,455	(25,455)
External Financing	140,504	500,000	25,455	474,545
Total Sources	1,193,163	1,227,784	1,228,983	1,244,554

Capital Expenditures & Ratio of Capital Expenditures to Depreciation and Amortization:

\$ (000's)	2024	2025	2026	2027
Capital Expenditures	1,193,163	1,227,784	1,228,983	1,136,304
Depreciation	402,841	424,329	441,801	463,276
Amortization	44,776	42,532	26,519	22,860
Total Depreciation & Amortization	447,617	466,862	468,320	486,136
Capital / Depreciation & Amortization Ratio	2.67x	2.63x	2.62x	2.34x

Capitalization Ratios:

\$ (000's)	2024	2025	2026	2027
Total Long-term Debt	5,214,956	5,713,464	5,717,865	6,108,526
Common Equity	6,693,880	7,313,478	7,354,351	7,853,258
Total Capitalization	11,908,836	13,026,942	13,072,216	13,961,785
Debt / Total Capitalization	43.8%	43.9%	43.7%	43.8%

Dividend payout ratio:

PPL Electric targets a dividend payout ratio of approximately 65% of the prior quarter earnings. Below are the forecasted dividends:

\$ (000's)	2024	2025	2026	2027
Earnings Available for Common	587,229	624,149	645,770	695,670
Total Dividend Paid to Parent	374,100	406,900	407,200	449,100
Excess Capital Contributions	-	-	-	-
Net Dividend Paid to Parent	374,100	406,900	407,200	449,100
Dividend Payout Ratio	63.7%	65.2%	63.1%	64.6%

Interest coverage ratios – both SEC and Indenture basis:

\$ (000's)	2024	2025	2026	2027
Income Before Taxes	782,194	830,266	860,700	923,961
Total Interest (as shown below)	252,248	263,419	278,099	296,100
Less Interest Component of AFUDC (est)	(8,503)	(7,935)	(10,519)	(7,983)
Total Earnings	1,025,938	1,085,750	1,128,281	1,212,078
Fixed Charges, as defined:				
Interest on Long-term Debt	245,881	257,011	272,469	287,539
Interest on Short-term Debt	2,400	2,225	1,178	4,151
Amortization of Debt Discount, Expense and Premium - net	3,966	4,183	4,452	4,411
Total Interest	252,248	263,419	278,099	296,100
Earnings/Interest	4.07x	4.12x	4.06x	4.09x

4) Three-year history of credit ratings – By credit rating agency and class

In May 2022, S&P Global Ratings upgraded PPL Electric’s credit ratings as reflected in the table below.

	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Moody's			
Issuer Rating	A3	A3	A3
Senior Secured/First Mortgage Bonds	A1	A1	A1
Tax Exempt Bonds	A1/A3	A1/A3	A1/A3
Short-term/Commercial Paper	P-2	P-2	P-2
Outlook	Stable	Stable	Stable
Standard & Poor's			
Issuer Rating	A-	A	A
Senior Secured/First Mortgage Bonds	A	A+	A+
Tax Exempt Bonds	A	A+	A+
Short-term/Commercial Paper	A-2	A-1	A-1
Outlook	Stable	Stable	Stable

5) Projected refinancing savings or costs, if applicable

Answer:

Not applicable.

6) Affiliated interest agreement applicable to instant registration, if financing involves an affiliate

Answer:

Not applicable.

7) List all unregulated affiliates of the applicant

Answer:

Below is a list of all subsidiaries and affiliates of PPL Corporation, the ultimate parent of the applicant. The names of the subsidiaries and affiliates appearing in bold typeface are either

distribution companies regulated by state regulatory authorities, or power marketers or generation companies regulated by Federal regulatory authorities.

PPL CORPORATION SUBSIDIARIES AND AFFILIATES

CEP Commerce, LLC

CEP Lending, Inc.

CEP Reserves, Inc.

Envista Energy LP

FCD LLC

Jingoli Power Transmission, LLC (50.0%)

Kentucky Utilities Company

Lexington Utilities Company

LG&E and KU Capital LLC

LG&E and KU Energy LLC

LG&E and KU Foundation Inc.

LG&E and KU Hydro I LLC

LG&E and KU Services Company

LG&E Energy Inc.

Louisville Gas and Electric Company

PP&L Residual Corporation

PPL (Barbados) SRL

PPL Atlantic Holdings, LLC

PPL Canada GP ULC

PPL Canada Holdings Inc.

PPL Capital Funding, Inc.

PPL Electric Utilities Corporation

PPL Energy Holdings, LLC

PPL Energy Funding Corporation

PPL Foundation

PPL Midwest Transmission, LLC

PPL Power Insurance Ltd.

PPL Rhode Island Holdings, LLC

PPL Services Corporation

PPL Strategic Development, LLC

PPL Subsidiary Holdings, LLC

PPL Technology Ventures, LLC

PPL TransLink, Inc.

PPL UK Resources Limited

PPL WPD Limited

The Narragansett Electric Company (d/b/a Rhode Island Energy)

Western Kentucky Energy Corp.

8.) List all debt for which the applicant is a guarantor of affiliated company debt instruments.

Answer:

None.

9) For any corporate money pool from which applicant may potentially borrow, lend or deposit excess cash to, provide;

- Commission ordered reporting requirements
- Current balances of borrowed and lent funds
- Eligible borrowing and lending entities
- Accounting for money pool transactions
- 3-year history of borrowing and lending to the pool

Answer:

Not applicable.

10) Describe historical reliance by type of both corporate internal and external sources of financing

Answer:

PPL Electric historically has used a combination of equity and debt to fund its ongoing operations and expand/maintain its capital infrastructure in a manner that supports its investment-grade credit ratings. PPL Electric typically relies on issuing either external first mortgage bonds, medium term notes or term loans, or temporarily utilizing short term debt as a bridge to the external debt capital markets. Equity sources have been preferred/preference stock, retained earnings or capital contributions from its ultimate parent, PPL Corporation.

11) Where current dividend payout ratio exceeds 75 %, provide three-year history and plan for future dividend payouts.

Answer:

PPL Electric's dividend payout ratio is not expected to exceed 75%. See Question 3 with respect to the dividend payout ratio.

12) Where the debt to total capital ratio exceeds 55%, provide plan for managing future debt to total capital levels.

Answer:

Debt to total capital ratio does not exceed 55%.

13) With respect to the purpose for which you propose to issue or assume securities;

A. If the purpose is the purchase or construction of new facilities, or the betterment of existing facilities, provide;

1. Estimated final cost
2. A brief description of the new facilities or betterments
3. The date when it is expected that the purchase or construction or betterment will be completed.
4. Estimated amount of AFUDC included in the project costs

Answer:

PPL Electric Utilities expects to spend approximately \$1.2 billion per year in capital expenditures through 2027 for both new and existing assets, which includes about \$25 million of AFUDC per year.

B. If the purpose is to obtain working capital, explain any unusual condition which exists, or will exist, in the public utility's current assets or current liabilities, stating;

1. The approximate cost of average materials and supplies inventory which the public utility expects to carry
2. The average time elapsing between the date when the public utility furnishes or begins a period of furnishing services to customers and the date when collection is made from customers for the service.
3. The minimum bank balance requirements.

Answer:

Not applicable.

C. If the purpose is to refund obligations, describe obligations in detail.

1. Explain the purpose for which obligations were issued or refer to the number of securities certificates in which the purpose appears.
2. State whether refunding is to meet maturity, or to effect saving in interest or other annual charges; if to effect savings, state date when, and at price which obligations

are to be called, and submit statement showing savings to be affected as a result of refunding.

Answer:

A portion of the issuance amount is expected to refund debt maturities of \$108.25 million. PPL Electric's debt maturity obligation is as follows:

- \$108.25 million due 2/15/2027: Security Certificate S-2015-2516208
-

D. If the purpose is for the payment of dividends, please justify the use of funds from the registration to pay dividends.

Answer:

Not applicable.

E. If the purpose is to fund pension obligations:

1. Provide the current Accumulated Benefit Obligation (except where no longer used consistent with FASB Statement No. 158), the projected benefit obligation, the current fair value of plan assets, and the percent that the current benefit obligation is funded.
2. Provide the annual contributions to the plan from 2006 to the present, and the projected contributions for the next five years.
3. Provide an explanation as to how compliance with the Pension Protection Act of 2006 will be accomplished.

Answer:

Not applicable.

14) Reconcile total capitalization with total rate base for ratemaking purposes. Are any of the funds to be issued for a non-utility purpose? If so, please describe that purpose.

	12/31/2023			
	\$ (000's)			
	Utility Plant	Working Capital & Other Additions	Other Long Term	Total
Distribution Rate Base	5,352,963	80,849	(1,123,077)	4,310,735
Transmission Rate Base	6,650,415	9,097	(1,180,140)	5,479,372
Rate Base	<u>12,003,378</u>	<u>89,946</u>	<u>(2,303,217)</u>	<u>9,790,107</u>
Other (1)	956,837			956,837
Working Capital Other (2)		(481,435)		(481,435)
Regulatory Assets Net Liabilities			(380,251)	(380,251)
Other Long Term (3)			648,345	648,345
Total Capitalization	<u>12,960,215</u>	<u>(391,489)</u>	<u>(2,035,123)</u>	<u>10,533,603</u>

(1) Primarily due to CWIP and weighted plant additions in transmission rate base.

(2) Mostly timing differences.

(3) Primarily timing of deferred and current income taxes.

15) Three-year history and three-year projections for ratio of capital expenditures to depreciation expense. Show calculations.

\$ (000's)	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Capital Expenditures	898,000	886,000	956,000	1,193,163	1,227,784	1,228,983	1,136,304
Depreciation	424,000	393,000	397,000	402,841	424,329	441,801	463,276
Capital/Depreciation	2.12x	2.25x	2.41x	2.96x	2.89x	2.78x	2.45x