

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held June 13, 2024

Commissioners Present:

Stephen M. DeFrank, Chairman  
Kimberly Barrow, Vice Chair  
Ralph V. Yanora  
Kathryn L. Zerfuss  
John F. Coleman, Jr.

Securities certificate of PPL Electric Utilities Corporation for the issuance of debt securities in an aggregate principal amount not to exceed \$2 billion.

S-2024-3048615

**ORDER**

**BY THE COMMISSION:**

On April 22, 2024, PPL Electric Utilities Corporation (“PPL” or the “Company”) filed the above-captioned securities certificate for registration pursuant to Chapter 19 of the Public Utility Code, 66 Pa. C.S. §§ 1901, *et seq.* PPL voluntarily extended the statutory consideration period until June 14, 2024.

PPL, utility code 110500, is a corporation that was organized under the laws of the Commonwealth of Pennsylvania on June 4, 1920, and is located at Two North Ninth Street, Allentown, PA 18101. PPL is engaged, *inter alia*, in the distribution of electricity and presently serves approximately 1.4 million customers in all or portions of 29 counties

throughout eastern and central Pennsylvania. The Company is a wholly-owned, indirect subsidiary of PPL Corporation.

PPL requests authority to issue up to \$2 billion, in an aggregate principal amount, of its indebtedness in the form of one or more privately placed or publicly issued, secured or unsecured debt securities. These debts 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. They may also include loans facilitated or guaranteed by the United States Department of Energy or other governmental authorities, or tax exempt or tax advantaged bond issuances facilitated by federal, state, or local governmental authorities (New Long-Term Debt). PPL will have 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.<sup>1</sup>

PPL proposes to issue the New Long-Term Debt under either (a) its Indenture dated August 1, 2001 for the first mortgage bonds, under which they have previously issued approximately \$5.3 billion of bonds, all of which were authorized by the Commission under prior securities certificates, (b) a new indenture to be entered into in connection with the issuance of unsecured debt securities, or (c) term or bank loans and similar securities, which may be secured by promissory notes. The Company avers that there is no borrowing authority remaining under its previous securities certificate registered at Docket No. S-2020-3022450.

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<sup>1</sup> 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.

The general terms applicable to these debt securities, including interest rates, payment dates, callability provisions, sinking funds, etc., will be determined at the time of issuance, depending on market conditions. 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.

PPL's 2024-2027 business plan calls for approximately \$5 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.

PPL avers that the issuance of the New Long-Term Debt securities 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.

To further limit exposure to interest rate fluctuations in conjunction with the New Long-Term Debt, the Company may enter into arrangements with PPL Corporation<sup>2</sup> or directly with one or more financial institutions that will provide interest rate protection in

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<sup>2</sup> If PPL Corporation is involved, PPL Corporation avers that it 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.

the form of interest rate liability management instruments, such as interest rate swaps, collars and/or interest rate caps, treasury locks or similar agreements. PPL Corporation would pass through direct costs of procuring such instruments but will not charge the Company any fee or additional administrative costs associated with the liability management instrument.

PPL avers the pro forma effect of the issuance of the debt securities in the full amount requested would move PPL's capital structure from approximately 43.7% to 44.1% debt to total capitalization.<sup>3</sup> PPL maintains an investment-grade credit rating of A3 from Moody's and A from Standard & Poor's credit rating agencies.

Compliance checks found that PPL is current with its annual, quarterly, and Security Planning and Readiness report filing requirements and has no outstanding fines, fees, or assessments due.

Having reviewed the instant filing, we have determined that PPL's proposal for the issuance of debt securities in an aggregate principal amount not to exceed \$2 billion is necessary or proper for the present and probable future capital needs of the utility;

**THEREFORE,**

**IT IS ORDERED:**

1. That the securities certificate of PPL Electric Utilities Corporation for the issuance of debt securities in an aggregate principal amount not to exceed \$2 billion is hereby registered.

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<sup>3</sup> To the extent that PPL issues debt, PPL Corporation would contribute equity capital to PPL to maintain a balanced capital structure.

2. That the registration period of the debt securities pursuant to Ordering Paragraph No. 1, above, will end on December 31, 2027.

3. That within 60 days of the issuance of any securities pursuant to the instant registration, PPL Electric Utilities Corporation shall file notice with the Commission of such issuance together with a summary of terms including the interest rate, maturity, and call provisions of the securities issued.

4. That consistent with Section 1903(b) of the Public Utility Code, 66 Pa. C.S. § 1903(b), the registration of the subject securities certificate does not represent Commission approval of the proposed projects for rate recovery pursuant to 66 Pa. C.S. §§ 1301-1328.

5. That upon completion of all issuances pursuant to this Order and submission of the final filing under Ordering Paragraph No. 3, above, this case shall be marked closed.

**BY THE COMMISSION**



Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: June 13, 2024

ORDER ENTERED: June 13, 2024