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E-File

March 3, 2025

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. 390 to Tariff Electric PA. P.U.C.
No. 201 for the Distribution System Improvement Charge
Docket No.**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is the Calculation and Supplement No. 390 to PPL Electric's Tariff – Electric Pa. P.U.C. No. 201 for the Distribution System Improvement Charge ("DSIC"). This calculation of the DSIC for the period March 13, 2025 through March 31, 2025 is being filed pursuant to the procedures set forth in PPL Electric's Tariff – Electric Pa. P.U.C. No. 201, and in accordance with the Commission Order dated February 28, 2025 at Docket No. P-2024-3048732.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on March 3, 2025, 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 Katelyn Arnold, PPL Electric's Manager – Regulatory Strategy and Rates, at (610) 774-5401.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kimberly A. Klock". The signature is fluid and cursive, with the first name "Kimberly" being more prominent.

Kimberly A. Klock

Enclosures

cc via email: Melanie El Atieh, Esquire
Allison Kaster, Esquire

NazAarah Sabree
Lori Burger

PPL ELECTRIC UTILITIES CORPORATION

**CALCULATION OF
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE**

**For the Application Period
March 13, 2025 through March 31, 2025**

Docket No.

March 3, 2025

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE A - COMPUTATION OF CUMULATIVE PROPOSED DSIC
APPLICATION PERIOD: MARCH 13, 2025 THROUGH MARCH 31, 2025

Line No.		Total
	Distribution System Improvement Charge	
1	Applicable Plant (Schedule B, Line 2, Column M)	\$ 920,528,354
	Less:	
2	Accumulated Depreciation (Schedule B, Line 3, Column M)	81,206,915
3	Retirements (Schedule B, Line 4, Column M)	(1,706,116)
4	Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 1 - Line 2 + Line 3)	837,615,323
5	Accumulated Deferred Income Taxes	(52,069,969)
6	DSI = Distribution System Improvement Projects net of accumulated depreciation, retirements and ADIT (Line 4 + Line 5)	785,545,353
7	Pre-tax return rate applicable to DSIC-eligible property (Schedule C, Line 4)	2.45% 19,245,861
8	State Tax Flow-Through	(632,109)
9	Dep = Depreciation Expense (Schedule B, Line 6, Column J through L)	4,686,814
10	E=Experienced Net Over/(Under) Collections (A)	-
11	Net Amount to be Recovered/(Refunded) (includes Over/(Under) Collection) (w/o GRT) (Line 7 + Line 8 + Line 9 - Line 10)	<u>23,300,566</u>
12	Net Amount to be Recovered/(Refunded) (includes Over/(Under) Collection) (w/ GRT) (Line 11 x Note 1)	<u>24,761,488</u>
13	PQR = Projected Quarterly Distribution Revenue	<u>333,137,874</u>
14	DSIC = Distribution System Improvement Rider	
	Rate % of Billed Revenues (w/ GRT) (Line 12 / Line 13) (B) (C)	7.43%
Note 1:		
	$\frac{1}{(1 - T)} = (T = 5.9\% \text{ Gross Receipts Tax})$	1.062699

(A) 100% of the Over/(Under) Collection shown on Schedule 1 (Line 9) of the revised Distribution System Improvement Charge ("DSIC") reconciliation report, dated April 5, 2024 at Docket No. M-2024-3045874 was included in the DSIC rate beginning April 1, 2024 and ending on June 30, 2024.

(d) Per Commission Order dated February 28, 2025 at P-2024-3048732, the DSIC rate is capped at 7.50% until the effective date of rates established in the Company's next base rate case or the end of the Company's 2023-2027 LTIP, whichever occurs first.

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE B - COMPUTATION OF CUMULATIVE PROPOSED DSIC by MONTH
APPLICATION PERIOD: MARCH 13, 2025 THROUGH MARCH 31, 2025

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	2023 Balance	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Total
1 Incremental Plant Additions	802,927,021	2,146,632	17,821,196	13,458,594	4,284,151	6,552,320	8,304,451	7,782,780	12,936,973	21,803,440	13,824,854	8,685,943	\$ 920,528,354
2 Cumulative Plant (Sum of Line 1) Less:	802,927,021	805,073,653	822,894,849	836,353,443	840,637,593	847,189,913	855,494,364	863,277,144	876,214,116	898,017,556	911,842,410	920,528,354	920,528,354
3 Accumulated Depreciation	\$65,504,713	66,887,735	68,320,705	69,764,441	71,005,827	72,519,002	73,594,098	75,073,495	76,879,739	78,111,784	79,670,689	81,206,915	81,206,915
4 Retirements	(1,065,414)	(17,961)	15,912	-	(216,503)	47,846	(401,423)	(9,762)	300,826	(303,120)	(7,728)	(48,789)	(1,706,116)
5 Distribution System Improvement Projects net of accumulated depreciation and retirements (Line 2 - Line 3 + sum(Line 4))	736,356,894	738,167,957	754,590,056	766,589,001	769,415,264	774,718,756	781,498,843	788,193,887	799,635,204	819,602,652	832,163,993	839,272,650	837,615,323
6 Dep = Depreciation Expense		1,401,011	1,417,059	1,443,736	1,457,888	1,465,329	1,476,519	1,489,158	1,505,418	1,535,165	1,566,634	1,585,015	
7 Projected Distribution Revenues	\$ 113,411,768	\$ 113,050,992	\$ 103,470,463	\$ 91,892,846	\$ 82,148,769	\$ 84,970,226	\$ 93,799,782	\$ 96,908,259	\$ 93,228,005	\$ 81,213,561	\$ 82,309,038		

PPL ELECTRIC UTILITIES CORPORATION
SCHEDULE C - COMPUTATION OF CUMULATIVE PROPOSED DSIC PRE-TAX RATE OF RETURN
APPLICATION PERIOD: MARCH 13, 2025 THROUGH MARCH 31, 2025

Line No.	(A) Description	(B) Capitalization Ratio	(C) Embedded Cost	(D) Rate of Return	(E) Tax Multiplier (1)	(F) Pre-Tax Rate of Return (PTRR)
1	Long-Term Debt	43.54%	4.79%	2.09%	-	2.09%
2	Common Equity	56.46%	9.90%	5.59%	1.375744794	7.69%
3	Total	<u>100.00%</u>		<u>7.68%</u>		<u>9.78%</u>
4	9.78% Annual PTRR / 4 quarters = 2.45% Quarterly PTRR					

(1) The tax multiplier is calculated as follows: $1/[(1 - \text{Pa. Tax Rate}) \times (1 - \text{Fed. Tax Rate})]$ where the Pa. tax rate is 7.99% and Fed. tax rate is 21%.

$$1/[(1-7.99\%)*(1-21\%)] = 1.383261703$$

Line 2, Column C, from the PUC's Quarterly Financial Report page 18, line 7, dated October 10, 2024 at Docket No. M-2024-3051104.

PPL Electric Utilities
Distribution System Improvement Charge
Rate Base and Depreciation Expense

From Date:	9/1/2024
To Date:	9/30/2024
Gross Plant Total:	896,367,957.30
Gross Reserve Total:	78,111,783.78
Rate Base:	818,256,173.52
Total Depreciation Expense MTD	1,535,165.29
Total Depreciation Expense YTD	N/A

Plant Activity							Reserve Activity							
Utility Group	Beginning Plant	Additions	Retirements	Transfers	Adjustments	Ending Plant	Depreciation							
							Beginning Reserve	Expense	Retirements	Cost of Removal	Salvage	Transfers	Adjustments	End Reserve
360.2 - Land	1,176,110.23	-	-	-	-	1,176,110.23	(587.27)	-	-	-	-	-	-	(587.27)
360.4 - Land Rights	593,600.91	-	-	-	-	593,600.91	54,453.23	788.14	-	-	-	-	-	55,241.37
361.0 - Structures and Improvements	9,105,599.21	42,909.07	-	-	-	9,148,508.28	684,675.69	12,747.13	-	-	-	-	-	697,422.82
362.0 - Station Equipment	153,397,446.45	16,081,029.55	-	-	-	169,478,476.00	13,148,547.70	292,087.01	-	-	-	-	-	13,440,634.71
364.2 - Towers and Fixtures	2,454,566.53	4,004.04	-	-	-	2,458,570.57	201,187.37	3,813.92	-	-	-	-	-	205,001.29
364.4 - Poles and Fixtures	175,126,453.78	1,019,268.24	(77,528.56)	-	-	176,068,193.46	15,437,541.55	294,326.98	(77,528.56)	-	-	-	-	15,654,339.97
364.8 - Clearing Land and Rights	339,730.96	9,386.45	-	-	-	349,117.41	37,595.89	587.34	-	-	-	-	-	38,183.23
365.0 - Overhead Conductors, Device	276,705,777.56	3,949,295.68	(211,674.44)	-	-	280,443,398.80	23,549,675.39	451,189.36	(211,674.44)	-	-	-	-	23,789,190.31
366.0 - Underground Conduit	45,493,092.70	66,090.82	(39.87)	-	-	45,559,143.65	2,483,346.25	66,887.22	(39.87)	-	-	-	-	2,550,193.60
367.0 - Undergrnd Conductors, Device	128,259,081.15	454,296.40	(13,727.51)	-	-	128,699,650.04	10,444,792.28	225,146.50	(13,727.51)	-	-	-	-	10,656,211.27
368.2 - Overhead Type Transformers	28,875,111.57	-	-	-	-	28,875,111.57	5,252,357.37	70,772.32	-	-	-	-	-	5,323,129.69
368.4 - Submersible or Padmt Type	7,814,295.90	69,008.26	-	-	-	7,883,304.16	746,913.58	13,626.39	-	-	-	-	-	760,539.97
368.6 - Non-Network Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
369.0 - Services	21,552,861.34	106,032.75	-	-	-	21,658,894.09	2,507,536.25	34,515.68	-	-	-	-	-	2,542,051.93
371.4 - Area Lighting Fixtures	369,425.32	28.25	-	-	-	369,453.57	97,467.69	1,248.78	-	-	-	-	-	98,716.47
373.2 - Street Lighting & Sig Sys	23,534,047.00	2,090.13	(150.07)	-	-	23,535,987.06	2,205,198.08	66,254.56	(150.07)	-	-	-	-	2,271,302.57
391.6 - Comp Equip	70,437.50	-	-	-	-	70,437.50	29,037.89	1,173.96	-	-	-	-	-	30,211.85
Total	874,867,638.11	21,803,439.64	(303,120.45)	-	-	896,367,957.30	76,879,738.94	1,535,165.29	(303,120.45)	-	-	-	-	78,111,783.78

PPL Electric Utilities
Distribution System Improvement Charge
Rate Base and Depreciation Expense

From Date:	10/1/2024
To Date:	10/31/2024
Gross Plant Total:	910,185,083.31
Gross Reserve Total:	79,670,689.18
Rate Base:	830,514,394.13
Total Depreciation Expense MTD	1,566,633.75
Total Depreciation Expense YTD	N/A

Plant Activity							Reserve Activity							
Utility Group	Beginning Plant	Additions	Retirements	Transfers	Adjustments	Ending Plant	Depreciation							
							Beginning Reserve	Expense	Retirements	Cost of Removal	Salvage	Transfers	Adjustments	End Reserve
360.2 - Land	1,176,110.23	-	-	-	-	1,176,110.23	(587.27)	-	-	-	-	-	-	(587.27)
360.4 - Land Rights	593,600.91	-	-	-	-	593,600.91	55,241.37	786.99	-	-	-	-	-	56,028.36
361.0 - Structures and Improvements	9,148,508.28	1,383.27	-	-	-	9,149,891.55	697,422.82	12,761.32	-	-	-	-	-	710,184.14
362.0 - Station Equipment	169,478,476.00	2,211,290.35	-	-	-	171,689,766.35	13,440,634.71	309,526.95	-	-	-	-	-	13,750,161.66
364.2 - Towers and Fixtures	2,458,570.57	(3,605.12)	-	-	-	2,454,965.45	205,001.29	3,807.80	-	-	-	-	-	208,809.09
364.4 - Poles and Fixtures	176,068,193.46	3,121,701.72	(2,669.55)	-	-	179,187,225.63	15,654,339.97	297,590.25	(2,669.55)	-	-	-	-	15,949,260.67
364.8 - Clearing Land and Rights	349,117.41	87,390.70	-	-	-	436,508.11	38,183.23	750.99	-	-	-	-	-	38,934.22
365.0 - Overhead Conductors, Device	280,443,398.80	3,796,041.97	(4,803.70)	-	-	284,234,637.07	23,789,190.31	457,240.12	(4,803.70)	-	-	-	-	24,241,626.73
366.0 - Underground Conduit	45,559,143.65	800,885.07	-	-	-	46,360,028.72	2,550,193.60	67,456.90	-	-	-	-	-	2,617,650.50
367.0 - Undergrnd Conductors, Device	128,699,650.04	2,504,114.27	(255.10)	-	-	131,203,509.21	10,656,211.27	227,538.40	(255.10)	-	-	-	-	10,883,494.57
368.2 - Overhead Type Transformers	28,875,111.57	330.72	-	-	-	28,875,442.29	5,323,129.69	70,772.73	-	-	-	-	-	5,393,902.42
368.4 - Submersible or Padmt Type	7,883,304.16	-	-	-	-	7,883,304.16	760,539.97	13,686.29	-	-	-	-	-	774,226.26
368.6 - Non-Network Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
369.0 - Services	21,658,894.09	509,884.89	-	-	-	22,168,778.98	2,542,051.93	35,009.90	-	-	-	-	-	2,577,061.83
371.4 - Area Lighting Fixtures	369,453.57	863.58	-	-	-	370,317.15	98,716.47	1,245.09	-	-	-	-	-	99,961.56
373.2 - Street Lighting & Sig Sys	23,535,987.06	794,572.94	-	-	-	24,330,560.00	2,271,302.57	67,286.06	-	-	-	-	-	2,338,588.63
391.6 - Comp Equip	70,437.50	-	-	-	-	70,437.50	30,211.85	1,173.96	-	-	-	-	-	31,385.81
Total	896,367,957.30	13,824,854.36	(7,728.35)	-	-	910,185,083.31	78,111,783.78	1,566,633.75	(7,728.35)	-	-	-	-	79,670,689.18

PPL Electric Utilities
Distribution System Improvement Charge
Rate Base and Depreciation Expense

From Date:	11/1/2024
To Date:	11/30/2024
Gross Plant Total:	918,822,237.99
Gross Reserve Total:	81,206,915.25
Rate Base:	837,615,322.74
Total Depreciation Expense MTD	1,585,014.59
Total Depreciation Expense YTD	N/A

Plant Activity							Reserve Activity							
Utility Group	Beginning Plant	Additions	Retirements	Transfers	Adjustments	Ending Plant	Depreciation							
							Beginning Reserve	Expense	Retirements	Cost of Removal	Salvage	Transfers	Adjustments	End Reserve
360.2 - Land	1,176,110.23	-	-	-	-	1,176,110.23	(587.27)	-	-	-	-	-	-	(587.27)
360.4 - Land Rights	593,600.91	0.01	-	-	-	593,600.92	56,028.36	785.84	-	-	-	-	-	56,814.20
361.0 - Structures and Improvements	9,149,891.55	665.47	-	-	-	9,150,557.02	710,184.14	12,743.60	-	-	-	-	-	722,927.74
362.0 - Station Equipment	171,689,766.35	544,359.49	-	-	-	172,234,125.84	13,750,161.66	311,631.18	-	-	-	-	-	14,061,792.84
364.2 - Towers and Fixtures	2,454,965.45	1,704.84	-	-	-	2,456,670.29	208,809.09	3,799.76	-	-	-	-	-	212,608.85
364.4 - Poles and Fixtures	179,187,225.63	2,832,938.23	(15,878.38)	-	-	182,004,285.48	15,949,260.67	302,513.62	(15,878.38)	-	-	-	-	16,235,895.91
364.8 - Clearing Land and Rights	436,508.11	21,752.77	-	-	-	458,260.88	38,934.22	790.59	-	-	-	-	-	39,724.81
365.0 - Overhead Conductors, Device	284,234,637.07	3,482,091.39	39,060.16	-	-	287,755,788.62	24,241,626.73	462,867.05	39,060.16	-	-	-	-	24,743,553.94
366.0 - Underground Conduit	46,360,028.72	329,573.70	-	-	-	46,689,602.42	2,617,650.50	68,230.43	-	-	-	-	-	2,685,880.93
367.0 - Undergrnd Conductors,Device	131,203,509.21	925,748.31	(71,959.06)	-	-	132,057,298.46	10,883,494.57	230,375.36	(71,959.06)	-	-	-	-	11,041,910.87
368.2 - Overhead Type Transformers	28,875,442.29	-	-	-	-	28,875,442.29	5,393,902.42	70,773.13	-	-	-	-	-	5,464,675.55
368.4 - Submersible or Padmt Type	7,883,304.16	-	-	-	-	7,883,304.16	774,226.26	13,686.29	-	-	-	-	-	787,912.55
368.6 - Non-Network Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
369.0 - Services	22,168,778.98	255,674.87	-	-	-	22,424,453.85	2,577,061.83	35,638.45	-	-	-	-	-	2,612,700.28
371.4 - Area Lighting Fixtures	370,317.15	335.71	-	-	-	370,652.86	99,961.56	1,242.13	-	-	-	-	-	101,203.69
373.2 - Street Lighting & Sig Sys	24,330,560.00	291,098.41	(11.24)	-	-	24,621,647.17	2,338,588.63	68,763.20	(11.24)	-	-	-	-	2,407,340.59
391.6 - Comp Equip	70,437.50	-	-	-	-	70,437.50	31,385.81	1,173.96	-	-	-	-	-	32,559.77
Total	910,185,083.31	8,685,943.20	(48,788.52)	-	-	918,822,237.99	79,670,689.18	1,585,014.59	(48,788.52)	-	-	-	-	81,206,915.25

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
 : SS
COUNTY OF LEHIGH)

I, Joseph Lookup, hereby state that the personnel performing DSIC-eligible work are qualified and that any DSIC-eligible work that is performed by independent contractors is properly inspected by utility employees, in compliance with 66 Pa.C.S. Section 1359. The facts set forth above are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Joseph Lookup

Date: 3/03/2025



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: March 3, 2025

EFFECTIVE: March 13, 2025

CHRISTINE M. MARTIN, PRESIDENT

827 Hausman Road
Allentown, PA 18104

NOTICE

THIS TARIFF MAKES CHANGES **(C)** IN EXISTING RATES. SEE PAGE TWO.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Distribution System Improvement Charge
(DSIC)

Page No. 19Z.16, 19Z.19

The DSIC charge of 5.00% will increase to 7.43% for the period March 13, 2025 through March 31, 2025.

Distribution System Improvement Charge
(DSIC) Cap Increase

Page No. 19Z.16, 19Z.19

The DSIC cap of 5.00% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis has been increased to 7.5%, consistent with the Commission Order dated February 28, 2025, at Docket No. P- 2024-3048732, until the effective date of rates established in the Company's next base rate case or until the end of the Company's 2023-2027 LTIP, whichever occurs first.

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RS - Residential Service -----	20 20A 20B	One-Hundred-Twenty-Seventh Twenty-Second Twenty-First
RTS(R) - Residential Service - Thermal Storage -----	21 21A	One-Hundred-Twenty-Eighth Twenty-First
GS-1 - Small General Service - Sec. Voltage -----	24 24A 24B	Twenty-Eighth One-Hundred-Twenty-Second Twenty-Third
GS-3 - Large General Service - Sec. Voltage -----	25 25A 25B	Twenty-Seventh One-Hundred-Eighteenth Twenty-Fourth
LP-4- Large General Service - 12 KV -----	27 27A	Twenty-Fifth Seventeenth
LP-5- Large General Service - 69 KV or Higher -----	28 28A	Twenty-Fifth Fifteenth
LPEP - Power Service to Electric Propulsion -----	29 29A	Twenty-Sixth Eighteenth
IS-1(R) - Interruptible Service - Greenhouses- Page Intentionally Left Blank ----- Page Intentionally Left Blank- -----	30 30.1	Twenty-Second Nineteenth

(Continued)

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 7.43% will apply **(I) (C)** consistent with the Commission Order dated May 23, 2013, at Docket No. P-2012-2325034, approving the DSIC and the Commission Order dated February 28, 2025, at Docket No. P- 2024-3048732, increasing the cap on the DSIC to 7.5% of billed distribution revenues until the effective date of rates established in the Company's next base rate case or until the end of the Company's 2023-2027 LTIP, whichever occurs first. This charge will be effective during the period March 13, 2025 through March 31, 2025.

GENERAL DESCRIPTION

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide PPL Electric with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Poles and towers (Account 364);
- Overhead conductors (Account 365) and underground conduit and conductors (Accounts 366 and 367);
- Line transformers (account 368) and substation equipment (Account 362);
- Any fixture or device related to eligible property listed above, including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms and brackets, relays, capacitors, converters and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The DSIC will become effective for bills rendered on and after July 1, 2013.

(Continued)

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) (Continued)**CUSTOMER SAFEGUARDS**

A. Cap: Consistent with the Commission Order dated February 28, 2025, at Docket No. **(C)** P-2024-3048732, the DSIC is capped at 7.50% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis until the effective date of rates established in the Company's next base rate case or until the end of the Company's 2023-2027 LTIP, whichever occurs first.

B. Audit/Reconciliation: The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq.*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or PPL Electric may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to PPL Electric's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection. PPL Electric is not permitted to accrue interest on under collections.

C. New Base Rates: The DSIC will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in PPL Electric's rates or rate base will be reflected in the quarterly updates of the DSIC.

D. Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert also shall be included with the first billing.

E. Customer classes: Effective July 1, 2013, the DSIC shall be applied equally to all customer classes except Rate Schedule LP-5, consistent with the Commission Order entered April 9, 2015 at Docket No. P-2012-2325034. Effective January 1, 2016, the DSIC shall be applied equally to all customer classes except Rate Schedules LP-5 and LPEP.

F. Earning Reports: The DSIC also will be reset at zero if, in any quarter, data filed with the Commission in PPL Electric's then most recent Annual or Quarterly Earnings reports (Schedule D-2) show that PPL Electric would earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. PPL Electric shall file a tariff supplement implementing the reset to zero due to overearning on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that PPL Electric has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.