

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
BUREAU OF AUDITS**



**REPORT ON  
PPL ELECTRIC UTILITIES CORPORATION**

**STATEMENTS OF  
UNIVERSAL SERVICE RIDER  
DECEMBER 1, 2020 — NOVEMBER 30, 2022**

**MAY 13, 2025  
DOCKET NO. D-2024-3045642**

**PA PUC BUREAU OF AUDITS  
DOCKET NO. D-2024-3045642**

**Table of Contents**

	<u>Page</u>
<b>BACKGROUND</b>	1
<b>FINANCIAL REVIEW</b>	
Independent Auditor's Report	2
Universal Service Rider (USR) Over/(Under) Collections (Section 1307(e)) for the 12 months ended November 30, 2022	4
Universal Service Rider (USR) Over/(Under) Collections (Section 1307(e)) for the 12 months ended November 30, 2021	5
Notes to the Financial Statements	6
<b>ACKNOWLEDGEMENT</b>	6

**PA PUC BUREAU OF AUDITS  
DOCKET NO. D-2024-3045642**

**Background**

PPL Electric Utilities Corporation (PPL or company) is a wholly-owned subsidiary of PPL Corporation that furnishes electric distribution, transmission, and default supply service to about 1.5 million customers throughout eastern and central Pennsylvania. According to PPL's annual reports filed with the Pennsylvania Public Utility Commission (PUC or Commission), for the years of 2022 and 2021, PPL's total electric revenue from residential, commercial, and industrial customers was \$2,458,660,161 and \$1,958,678,600; respectively.

By Order entered on October 19, 2007, at Docket No. R-00072155, the Commission approved PPL's request to establish a USR rate to become effective for service rendered on and after January 1, 2008. The USR permits PPL to recover the costs, excluding internal administrative costs, associated with the universal service programs provided to residential customers. These programs include OnTrack and Winter Relief Assistance Program (WRAP). OnTrack is PPL's Customer Assistance Program (CAP), which primarily provides reduced payment arrangements and arrearage forgiveness, over a specified time period, to low-income households at or below 150% of the federal poverty level. WRAP helps low-income customers reduce energy usage, and resulting bill amounts, increasing their ability to pay and reduces arrearages. Through WRAP, PPL contracts with approved vendors to install various weatherization measures (e.g., insulation, LED lighting, efficient appliances, etc.) and to provide energy education services.

By Tentative Order entered April 6, 2017, at Docket No. M-2016-2554787, the Commission partially approved PPL's proposed Universal Service and Energy Conservation Plan (USECP) for 2017-2019 and ordered PPL to file revisions to the USECP consistent with the Order. The final version of the plan was filed on November 3, 2017 and approved on December 7, 2017.

On October 3, 2019, the Commission entered an Order at Docket No. M-2019-3012601 establishing a new USECP filing schedule and extended the duration of USECPs from three to at least five years. Accordingly, the Commission extended PPL's 2017-2019 USECP through 2022. PPL filed its proposed 2023-2027 USECP at Docket No. M-2022-3031727 and received final Commission approval by Secretarial Letter dated May 4, 2023.



**COMMONWEALTH OF PENNSYLVANIA**  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
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## **Independent Auditor's Report to the Pennsylvania Public Utility Commission**

### **Report on the Financial Statements**

We have audited PPL Electric Utilities Corporation's Statements of Universal Service Rider Over/Under Collections for the 12-month periods ended November 30, 2022 and November 30, 2021.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

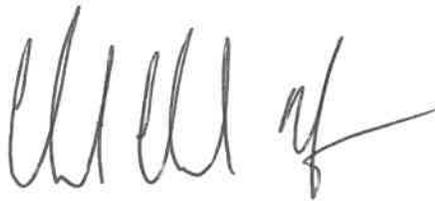
Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether these statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in these statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of these statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of these statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of these statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the Universal Service Rider Statements, referred to above, present fairly, in all material respects, the Universal Service Rider revenue and expenses of PPL Electric Utilities Corporation as of November 30, 2022 and November 30, 2021, in conformity with accounting principles generally accepted in the United States of America and the requirements of the Pennsylvania Public Utility Commission.

## Report on Other Legal and Regulatory Requirements

The accompanying statements were prepared for the purpose of complying with the rules and regulations of the Pennsylvania Public Utility Commission and are not intended to be a complete presentation of PPL Electric Utilities Corporation's revenue and expenses.

A handwritten signature in black ink, appearing to read "Chris Yother", with a long horizontal flourish extending to the right.

Chris Yother, CPA  
Director  
Bureau of Audits  
Harrisburg, PA  
May 13, 2025

**PA PUC BUREAU OF AUDITS  
DOCKET NO. D-2024-3045642**

**Universal Service Rider (USR)<sup>1</sup>  
Over/(Under) Collections (Section 1307(e))  
for the 12 months ended November 30, 2022<sup>2</sup>**

<u>Month</u>	<u>USR Revenue</u> (1)	<u>USR Expenses</u> (2)	<u>Over/(Under) Collections</u> (3) = (1) - (2)
December 2021	\$ 9,673,920	\$ 9,059,309	\$ 614,611
January 2022	11,156,798	13,220,536	(2,063,738)
February	11,339,780	14,116,410	(2,776,630)
March	9,143,019	11,905,378	(2,762,359)
April	7,754,566	9,101,740	(1,347,174)
May	6,408,005	7,690,679	(1,282,674)
June	6,625,924	7,626,774	(1,000,850)
July	7,811,452	9,269,063	(1,457,611)
August	8,700,080	10,961,361	(2,261,281)
September	9,325,233	9,503,350	(178,117)
October	8,925,210	7,967,065	958,145
November	9,280,965	8,859,233	421,732
Total	<u>\$ 106,144,952</u>	<u>\$ 119,280,898</u>	<u>\$ (13,135,946)</u>

<sup>1</sup> As reported to the Commission at Docket No M-2022-3037277.

<sup>2</sup> Notes to the Financial Statements are an integral part of this report.

**PA PUC BUREAU OF AUDITS  
DOCKET NO. D-2024-3045642**

**Universal Service Rider (USR)<sup>3</sup>  
Over/(Under) Collections (Section 1307(e))  
for the 12 months ended November 30, 2021<sup>4</sup>**

<u>Month</u>	<u>USR Revenue</u> (1)	<u>USR Expenses</u> (2)	<u>Over/(Under) Collections</u> (3) = (1) - (2)
December 2020	\$ 8,855,070	\$ 6,652,539	\$ 2,202,531
January 2021	12,116,509	10,943,600	1,172,909
February	12,158,019	11,703,226	454,793
March	10,576,783	10,318,904	257,879
April	7,731,493	7,345,323	386,170
May	6,447,508	5,806,746	640,762
June	7,441,259	6,427,397	1,013,862
July	9,008,223	7,419,395	1,588,828
August	8,737,392	7,192,807	1,544,585
September	8,693,296	7,174,464	1,518,832
October	6,460,552	5,864,603	595,949
November	6,937,593	6,595,667	341,926
<b>Total</b>	<b>\$ 105,163,697</b>	<b>\$ 93,444,671</b>	<b>\$ 11,719,026</b>

<sup>3</sup> As reported to the Commission at Docket No. M-2021-3030088.

<sup>4</sup> Notes to the Financial Statements are an integral part of this report.

**PA PUC BUREAU OF AUDITS  
DOCKET NO. D-2024-3045642**

**Notes to the Financial Statements**

**1 – Statements**

The Universal Service Rider (USR) Over/(Under) Collections presented in this report are condensed from the officially filed statements. The audit was conducted on PPL's officially filed 1307(e) statements submitted to the PUC in accordance with Section 1307(e)(1) of the Public Utility Code on December 16, 2022 and December 16, 2021. The statements are available on the PUC's website (<http://www.puc.pa.gov>) at Docket Nos. M-2022-3037277 and M-2021-3030088.

**2 – USR Revenue**

USR Revenue is calculated by multiplying the USR rate, excluding E-Factor, by each kilowatt-hour (kWh) supplied to residential customers who take distribution service.

**3 – USR Expenses**

USR Expenses are the applicable direct and indirect costs incurred by PPL to provide approved universal service programs to residential customers. These programs include OnTrack and WRAP.

**4 – Over/(Under) Collections**

The Over/(Under) Collection is the difference between the USR Revenue and the USR Expenses. The resulting amount represents the portion of USR Revenue refundable to or USR Expenses recoverable from customers through subsequent USR rates. Differences arise for two primary reasons:

- Variations between the actual volumes billed to customers and the estimates used to determine the USR rates; and,
- Variations between the actual USR Expenses and the estimates used to determine the USR rates.

**Acknowledgement**

We wish to express our appreciation to the officers and staff of PPL Electric Utilities Corporation for their cooperation and assistance. The audit was conducted by William S. Pierce, CPA.