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File #: 140056

February 6, 2026

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Petition of PPL Electric Utilities Corporation for Approval of a Major Modification to its Existing Long-Term Infrastructure Improvement Plan  
Docket No. P-2022-3034972**

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Dear Secretary Chiavetta:

On September 25, 2025, PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) filed the above-captioned Petition for Approval of a Major Modification to its Existing Long-Term Infrastructure Improvement Plan (“Petition”) with the Pennsylvania Public Utility Commission (“Commission”). In the Petition, PPL Electric requested Commission approval of a “major” modification its Long-Term Infrastructure Improvement Plan (“LTIIIP”), namely the increased investments in the distribution system to protect against weather-related outages and improve the experience for customers, which exceeded by more than 20% the total capital expenditure projection set forth in the current LTIIIP.

On November 24, 2025, the Office of Consumer Advocate (“OCA”) filed Comments seeking “additional information” that the OCA believes is “necessary for the Commission to determine that the proposed modifications are prudent and cost-effective, represent an acceleration of improvements, and will maintain safe, reliable and reasonable service as required by 66 Pa. C.S. §§ 1352(a)(5), (a)(6) and 1353.” (OCA Comments, p. 4.)

Further, on December 2, 2025, the Commission served a Secretarial Letter containing Bureau of Technical Utility Services’ (“TUS”) Data Request Set 1, which requested certain information regarding the proposed major modification. On December 16, 2025, PPL Electric filed its Answers to TUS’s Data Request Set 1. On December 30, 2025, PPL Electric filed a letter in reply (“PPL Reply”) to the OCA’s Comments.

On January 16, 2026, the OCA filed a letter in reply (“OCA Reply”) in response to PPL Electric’s December 30, 2025, and asserting that the Company should provide further information before the Petition is granted.

PPL Electric respectfully submits this letter in response to the OCA Reply and addresses the questions and requests set forth therein as follows.<sup>1</sup>

**I. RESPONSE TO OCA REPLY**

The OCA groups the substantive arguments and requests in its Reply into seven separate paragraphs. PPL Electric responds to each of those seven paragraphs in the following sections.

**A. FIRST PARAGRAPH**

In the OCA Reply, OCA first asserts the following:

First, PPL Electric did not provide a breakdown, sub-categorization, or asset-class mapping provided for the \$628 million increase in System Reliability Improvement Projects. While PPL Electric avers that this portion of its LTIIIP includes only one type of project, the examples of investments provided by PPL Electric provide further evidence of the OCA’s concern that there is overlap between System Reliability Improvement Projects and other categories of LTIIIP investment. Reply Letter at 2. As PPL Electric is proposing to increase funding for System Reliability Improvement Projects by over ten times, the OCA reiterates its recommendation that PPL Electric’s LTIIIP include estimated or forecasted budgets for sub-categories of projects for purposes of data tracking, reporting, and review.

(OCA Reply, p. 1.)

The OCA fails to provide any detail about how the Company’s System Reliability Improvement Projects would overlap with other LTIIIP categories. Nevertheless, PPL Electric confirms that it will not engage in any double-counting of its capital expenditures and will comply with all accounting requirements for purposes of booking these assets. Further, all of the Company’s capital expenditures under its LTIIIP will be tracked and accounted for and reported in PPL Electric’s Annual Asset Optimization Plans (“AAOPs”), which will be served on the OCA. To the extent that TUS or OCA have questions about the expenditures, they can raise those questions at that time.

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<sup>1</sup> To the extent that the Company does not address a recommendation or issue in this letter, PPL Electric’s failure to respond should not be construed as the Company’s agreement therewith.

## **B. SECOND PARAGRAPH**

Next, the OCA alleges the following in the OCA Reply:

Second, PPL Electric's Reply Letter includes a table, Table 2, which provides the "average service life" of major units of distribution property, whereas Appendix A to PPL Electric's Second LTIP includes the average age of the distribution assets. Reply Letter at 6. The OCA requested PPL Electric to identify the proportion of assets at or beyond the manufacturer-rated design life, including the average asset age, not the average service life of the assets. The Reply Letter is not responsive to the OCA's request and PPL Electric does not provide an explanation for the discrepancy. PPL Electric also does not explain the significant difference between average "asset age" and "service life" or the cost-effectiveness of increasing its budget to replace assets where the average age is well within the average service life, including the vast majority of plant categories identified in Table 2.

(OCA Reply, p. 2.)

As stated in the PPL Reply, "manufacturer-rated design life" is not generally provided by manufacturers. To confirm, PPL Electric does not have such information regarding its assets, which is why the Company did not provide that information in response to OCA's Comments. Thus, the Company cannot provide, as requested by OCA, the proportion of assets at or beyond the manufacturer-rated design life. PPL Electric did provide information regarding the average service life of its assets and the percentage of assets exceeding average service life, as that information was the next closest information available.

As for the difference between average "asset age" and "service life," PPL Electric defines "average asset age" as the current average age of all assets in the fleet for a particular category. "Average service life" is defined as the average years that a particular category of asset remains in service before it is retired. These values represent averages over the entire asset category, so some assets will exceed or fall below the average for their category. Furthermore, these asset replacements are being undertaken for safety and reliability purposes. Thus, OCA's approach, which appears to reduce the cost-effectiveness evaluation to whether these assets have average ages within the average service life, is inappropriate.

## **C. THIRD PARAGRAPH**

OCA further contends the following the OCA Reply:

Third, PPL Electric repeatedly states that "System Reliability Improvement Projects are initiated to address reliability concerns and harden the system to withstand severe weather events. This category of projects is not driven

by age of assets or end-of-life failures.” Reply Letter at 5, 8, 10, 11, 16. However, the Petition references age as a prominent basis for increasing the amount of investment in System Reliability Improvement Projects. See Petition at ¶ 40 (“In the category of System Reliability Improvement Projects, the Company’s plan to strengthen and harden its system focuses on circuit hardening and resiliency initiatives aimed at...upgrading aged assets...”). Furthermore, PPL Electric does not track age-related failures or conduct condition-based assessments. Reply Letter at 8, 11, 15. PPL Electric’s equipment failure trends are associated with higher volatility as opposed to systematic deterioration, as indicated by the statistical trends PPL Electric supplied in the Reply Letter. Reply Letter at 13, 14, 16. The age distribution of PPL Electric’s assets indicates that over half of its assets are less than 20 years old, with average service lives between 53 and 55 years, indicating that mass replacement of these young assets may be premature. Reply Letter at 7. As a result, the increased investment in System Reliability Improvement Projects is not, or will not, be informed by any demonstration that older assets fail more frequently than newer assets. Absent tracking of age- or condition-related data, PPL Electric cannot identify which specific assets need replacement compared to those assets which can be maintained longer.

(OCA Reply, p. 2.)

The OCA omits key portions of the Company’s Petition. Specifically, in Paragraph 40 of the Petition, PPL Electric states, “In the category of System Reliability Improvement Projects, the Company’s plan to strengthen and harden its system focuses on circuit hardening and resiliency initiatives aimed at addressing the needs of CEMI 6+ customers, replacing small copper conductors, upgrading aged assets, and mitigating risks associated with heavy vegetation and wildfires.” Age is not presented as a prominent basis for increasing the amount of investments, but rather just one factor. PPL Electric further clarifies that age is the least prominent factor for assets in this category. Therefore, the System Reliability Improvement Projects are initiated to address reliability concerns and harden the system to withstand severe weather events. This category of projects is not driven by age of assets or end-of-life failures. However, some aging assets may be replaced along with the hardening upgrades. For example, an old oil-filled recloser on a line planned for hardening upgrades would be replaced with a modern smart grid recloser device. Additionally, for information about the Company’s tracking of assets’ ages and service lives, see Section I.B, *supra*.

#### **D. FOURTH PARAGRAPH**

In the fourth substantive paragraph of its Reply, OCA states:

Fourth, the increase in substation investment is not supported by PPL Electric’s failure rate. PPL Electric indicated that there is a failure rate of

only one to two units per year for its power transformers and power circuit breakers, with less than 10% of substation assets exceeding the average service life. Reply Letter at 8. The \$16 million increase in substation investment appears to be excessive based on these figures.

(OCA Reply, p. 2.)

In response, the failure rate data referenced by OCA only includes catastrophic or “end of life” failures of assets and does not take into account maintenance and repair activities that do not result in total failure of the unit. Also, that data is limited to only two kinds of assets (i.e., transformers and breakers), while the \$16 million figure includes all the investments in the Substation category, not only transformers and breakers. Therefore, OCA errs in attempting to draw a comparison between the \$16 million budget increase and the asset failure rate for only these two kinds of assets. The failure rate is also an average over several years, and actual failure rates may be higher or lower than the average. For example, PPL Electric has experienced two end-of-life failures of aged transformers since the Company filed its Reply to the OCA’s Comments. Factoring in the percentage of transformers beyond the average service life, the transformers’ failure rate, and the substantial cost of a transformer replacement, the \$16 million increase is a reasonable and prudent investment in system reliability.

#### **E. FIFTH PARAGRAPH**

The OCA also avers the following in its Reply:

Fifth, PPL Electric provided inconsistent information regarding its pole replacement program. PPL Electric is lowering the threshold for poles to be deemed non-restorable to increase pole replacements. Reply Letter at 5. However, lowering the replacement threshold is not a demonstration of increased need, but may serve to artificially inflate the number of poles which are deemed “failed” for the purposes of replacement. Further, PPL Electric’s annual replacement estimates indicate a significant number of carry-over projects. Reply Letter at 5. This carry-over suggests that PPL Electric’s historical replacement projections may have been overstated and raises the concern that PPL Electric may not be able to replace all of the poles for which it is requesting a budget increase. The OCA requests additional scrutiny on PPL Electric’s pole replacement figures to ensure that it is only replacing poles in need of replacement and that its projections, as well as the associated budget, remain consistent with what is operationally feasible.

(OCA Reply, pp. 2-3.)

PPL Electric recognizes the changes in weather patterns and the demand for safe and reliable delivery of electric service. Lowering the threshold for lower class poles to be deemed

non-restorable is in line with the Company's approach to hardening the system to withstand storms and severe weather. This includes updating design and material standards to include hardened assets and higher-class poles. With that change, PPL Electric has also adjusted the threshold for what levels of pole strength reductions would be considered "accepted," and the Company is setting a higher bar for that expectation. Therefore, contrary to OCA's implication, PPL Electric is not undertaking this change to inflate the number of pole replacements under the Company's LTIP. Rather, PPL Electric is making this change to create a stronger, safer, and more reliable system for the Company's customers.

In addition, as with any electric utility, actual pole replacement quantities may not meet the plan due to challenges and constraints, in particular those that hinder the ability to execute the work due to increased storm response and the budget and schedule shifts that come as a result. The carry-over from 2024 to 2025 is no exception. However, PPL Electric has proved that it is without a doubt operationally feasible to replace the increased number of poles, as the Company completed over 4,000 pole replacements in 2025.

**F. SIXTH PARAGRAPH**

OCA next asserts the following in its Reply:

Sixth, PPL Electric did not supply industry benchmarking for asset class ages or provide data regarding the asset ages for other Pennsylvania utilities. Reply Letter at 10, 17. It is the OCA's understanding that electric utility industry associations, such as the Edison Electric Institute, regularly provide members with asset management benchmarks and that other utilities often cite to such benchmarks in regulatory proceedings. The OCA renews its request that, to the extent such materials are available to PPL Electric, that the Company provide them as a point of comparison.

(OCA Reply, p. 3.)

To be clear, PPL Electric does not have industry benchmarking for asset class ages or data regarding the asset ages for other Pennsylvania utilities. Further, to the extent that any such information could be provided by EEI in the future, that information would be subject to a Non-Disclosure Agreement ("NDA") in place between PPL Electric and EEI.

**G. SEVENTH PARAGRAPH**

Lastly, OCA contends as follows:

Seventh, and finally, PPL Electric provides no cost-benefit analysis regarding proactive replacement of distribution assets compared to emergency replacement, cost per outage prevented, a comparison of capital investment compared to enhanced maintenance, or an analysis of alternative

investment routes which could address reliability concerns. Absent such an analysis, the Commission cannot determine if PPL Electric's LTIIIP modification is the most cost-effective solution for PPL Electric's ratepayers. The OCA encourages PPL Electric to submit such an analysis to support the Petition, consistent with the statutory and regulatory requirements for LTIIIP expenditures. 66 Pa. C.S. § 1352(a); 52 Pa. Code §§ 121.3(a), 121.5(a); *In re: Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Final Implementation Order at 21 (Aug. 2, 2012).

(OCA Reply, p. 3.)

The Commission's regulations only require that the LTIIIP "contains measures to ensure that the projected annual expenditures are cost-effective." 52 Pa Code § 121.4 (e)(1). The regulations do not require the Company to provide a formal cost-benefit analysis to demonstrate that its proposed LTIIIP and associated expenditures are cost effective. Furthermore, OCA's proposed reactive approach would result in a less safe and less reliable distribution system that continues to face challenges from increasing storms. Given the safety and reliability benefits of PPL Electric's proposed changes to its LTIIIP, the Company's proposed expenditures are cost-effective, and the Commission should approve the budget changes without modification.

With respect to the following categories raised by the OCA in its Reply, "proactive replacement of distribution assets compared to emergency replacement, cost per outage prevented, a comparison of capital investment compared to enhanced maintenance, or an analysis of alternative investment routes which could address reliability concerns," the Company offers the following additional information:

1. Proactive replacement of distribution assets is generally more cost-effective than emergency replacement because the work can be done in a planned fashion, which reduces costs associated with premium time, expedited material purchases, and emergency construction and safety practices. Proactive replacement can also prevent unwanted equipment and customer outages and allow efficient resource planning.
2. The Company does not consider the "cost per outage prevented" because the reliability benefits alone are sufficient to justify the expenditures. By reliability benefits, PPL Electric means the impact that the planned projects have on the number of customers affected by the expected reduction in outages. When evaluating reliability projects, the Company considers several metrics. These metrics include a dollar per CMI saved cost threshold, which is used as a principal criterion for evaluating new projects for inclusion in the portfolio of reliability programs. The threshold amount is currently \$6 per CMI saved, but the actual dollar amount may be adjusted depending on the risk factors for each circuit. Costs below that threshold are generally considered to be prudent investments, while those above typically provide less benefit for the cost. The cost threshold assists in

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applying finite resources to programs to produce better results, thus enabling the most effective portfolio of programs.

3. Routine and enhanced maintenance are key components of the Company's asset management framework, and the Company does evaluate maintenance options when practical. Generally, by the time a capital project has been selected, the Company has considered maintenance options and determined that such options were not practical or economically feasible. This consideration may include, but is not limited to, alternative investment routes as well as capital solutions and maintenance options.

Based on the foregoing, PPL Electric maintains that through its Petition, its answers to TUS's data requests, and the information provided in the PPL Reply and this letter, the Company has demonstrated that its proposed "major" modification is reasonable and in the public interest. Therefore, PPL Electric respectfully requests that the Commission approve the Petition.

Respectfully submitted,



Devin Ryan

DR/bfc  
Enclosures

cc: Clinton McKinley. (*via email; w/attachments*)  
Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the filing is being served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

### VIA E-MAIL

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Date: February 6, 2026



Devin T. Ryan

**VERIFICATION**

I, STEVEN D. SELKREGG, being the Director of Asset Management at PPL Services Corporation, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect PPL Electric Utilities Corporation 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.

Date: 02/06/2026

  
Steven Selkregg (Feb 6, 2026 15:06:37 EST)  
Steven D. Selkregg