

March 20, 2026

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**Re: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation;
Docket No. R-2025-3057164**

Dear Secretary Homsher:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") Walmart Inc.'s Statement in Support of the Joint Petition for Approval of Non-Unanimous Settlement of All Issues in the above-referenced matter.

All parties are being served a copy of this document in accordance with the enclosed Certificate of Service.

Please contact me if you have any questions concerning this filing.

Sincerely,

SPILMAN THOMAS & BATTLE, PLLC

By 
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Administrative Law Judge Barbara Shadie Nauser (via E-mail)
Certificate of Service

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Steven W. Lee

Dated: March 20, 2026

Supercenters, 19 Discount Stores, 24 Sam's Clubs, and 11 Supply Chain Facilities in the Commonwealth of Pennsylvania. Walmart has 47 retail units and related facilities in the Company's service territory and purchases more than 163 million kWh annually from PPL Electric, pursuant to Rate Schedules GS-1, GS-3, LP-4, and OP-3. As such, the cost of electricity comprises a significant portion of the operating costs of Walmart's various retail and distribution locations, and Walmart intervened in this proceeding in order to address its concerns with the potential impact of the Company's proposed base rate increase.

To that end, on December 22, 2025, Walmart submitted the Direct Testimony of Matthew T. Lyon, Senior Manager, Utility Partnerships – Regulatory, addressing certain aspects of the Company's requested base rate increase that presented significant concern to Walmart. These issues included: (1) the potential impact on customers of PPL Electric's proposed ROE and its impact on the revenue requirement increase; (2) the cost of service study ("COSS") and proposed allocation of any revenue increase among and between the Company's various rate classes; (3) specific rate structure changes; (4) the Company's proposed changes to compensation for solar energy produced by customer-generators; and (5) the need for the Company to offer a tariff specifically for public direct current fast charging ("DCFC") electric vehicle ("EV") charging.¹

On January 23, 2026, Walmart submitted the Rebuttal Testimony of Mr. Lyon addressing other parties' positions on the Company's proposed changes to compensation for customer-generators based on Maximum Registered Peak Load ("MRPL").²

On February 9, 2026, Walmart submitted the Surrebuttal Testimony of Mr. Lyon responding to the Company's Rebuttal Testimony continuing to support its MRPL proposal to emphasize the risk that the Company's proposal will disincentivize future solar generation projects.

¹ See generally Walmart Statement No. 1.

² See generally Walmart Statement No. 1-R.

Mr. Lyon also proposed a grandfathering provision that would protect customer-generators with committed capital for projects.³

On March 2, 2026, Walmart submitted the Surrejoinder Testimony of Mr. Lyon addressing the Company's Rejoinder Testimony proposing a capacity component for Rate GSC-2 customer-generators impacted by the Company's MRPL proposal.⁴

II. STANDARDS FOR APPROVAL OF SETTLEMENT

As stated in 52 Pa. Code § 5.231, "[i]t is the policy of the Commission to encourage settlements." In keeping with this policy, the parties in this case, including Walmart, engaged in numerous discussions on the many issues presented in the course of litigation. These negotiations ultimately produced the Settlement presented in this proceeding. The settling parties agree that this Settlement is in their best interests and in the best interests of the Pennsylvania public.

III. SETTLEMENT TERMS

Walmart specifically supports the Settlement on the following grounds, pertaining to issues expressly raised in Walmart's case-in-chief:

A. REVENUE REQUIREMENT

The Settlement results in a significant decrease in the overall revenue levels requested by PPL Electric, from the Company's proposed \$356 million increase to a reduced amount of \$275 million.⁵ This reflects a significant compromise among the various parties' litigation positions, which Walmart believes will provide the Company with adequate going-forward revenues while also substantially mitigating the upcoming changes to all customers' rates. In addition, the Settlement provides for a base rate case filing stay-out for the Company's electric rates until two

³ See generally Walmart Statement No. 1-SR.

⁴ See generally Walmart Statement No. 1-SRJ.

⁵ Settlement, ¶ 49.

years after the effective date of rates in this proceeding, which provides an additional benefit of temporary rate stability to the Company's customers.⁶

B. REVENUE ALLOCATION

The Settlement utilizes the Allocated Cost of Service Study ("ACOSS") provided in Appendix B of the Settlement to allocate revenues among the various rate classes.⁷ Walmart has consistently advocated that rates be aligned with the utility's cost of service so that rates reflect cost causation, provide appropriate price signals, and minimize price distortions among customer classes. The Settlement reasonably moves rate classes closer to their respective cost-of-service levels while mitigating rate impacts across classes.⁸ By balancing the cost-causation principles with the need to moderate customer rate impacts, the Settlement reflects a fair resolution of the parties' positions.

C. RATE DESIGN

The Settlement establishes rate design provisions consistent with the adopted revenue requirement and the agreed upon revenue allocation. The Settlement provides that the rates for the fixed residential customer charges for Rates GS-3 and LP-4 shall not be subject to scale back.⁹ This term will move the rates for both Rate GS-3 and LP-4 towards cost causation within each rate class. Walmart believes that these provisions provide a reasonable and balanced rate design that provide movement towards cost on a revenue-neutral basis that does not impact any other class.

I. LARGE LOAD INTERCONNECTIONS

The Settlement adopts an LP-6 Rate Schedule governing rates, terms, and conditions of service for large load customers and establishes provisions governing Electric Service

⁶ *Id.* at ¶ 50.

⁷ *Id.* at ¶ 52.

⁸ *Id.*

⁹ *Id.* at ¶ 55-56.

Agreements, including minimum term requirement and load ramp schedules.¹⁰ Under the Settlement, the LP-6 Rate Schedule applies to customers if the customer's service commenced on or after October 1, 2025, and that customer has a peak electric demand of 50 MW or greater at a single facility or at least 75 MW in the aggregate among facilities taking service from PPL Electric at or above 69 kV within a 10-mile radius.¹¹ The Settlement also includes transparency and reporting requirements regarding system upgrade costs, load forecasts, and notice to the Commission and statutory advocates if an LP-6 customer terminates service prior to the expiration of its contract.

Walmart supports approving the large load threshold for new customers taking service after October 1, 2025, as reasonable because it protects existing commercial and industrial ("C&I") customers from having heightened LP-6 tariff requirements imposed on them. C&I customers present relatively low risk to the system while providing substantial employment and economic benefits. Additionally, the threshold levels of 50 MW at a single site and 75 MW in aggregate for facilities taking service at or above 69 kV within a 10-mile radius ensures that low risk C&I customers are not unnecessarily subjected to the proposed large load provisions. For these reasons, the Settlement's large load provision represents a reasonable and balanced approach that protects existing customers from the risks of new large load customers.

J. MAXIMUM REGISTERED PEAK LOAD

The Settlement provides a compromise position on the Company's MRPL proposal that adequately protects existing and potential customer-generators. Specifically, the Settlement provides a grandfathering provision that will keep a certain amount of customer-generator load on

¹⁰ Settlement, ¶ 91.

¹¹ *Id.* at ¶ 91.b.ii.

Rate GSC-1 until December 31, 2036.¹² Additionally, the Settlement incorporates key adjustments to the compensation structure for customer-generators transitioned to Rate GSC-2 that improve the economics of solar generation projects transitioned to that rate class,¹³ and commits PPL Electric to maintaining those structural components until December 31, 2041.¹⁴ Because Walmart has planned solar generation projects in PPL Electric's service territory, the Settlement terms providing improved compensation under Rate GSC-2 are vital towards Walmart being able to move forward with such projects. Additionally, the Company's commitment not to change the structural components of Rate GSC-2 for a period of 15 years provides the necessary stability for customer-generators to move forward with solar projects. As such, Walmart believes that the MRPL provisions set forth in the Settlement, while not perfect and not without risk to future planned developments, are reasonable compromises that protect stakeholders while encouraging solar generation in the Commonwealth.

K. ELECTRIC VEHICLE ("EV") TIME-OF-USE ("TOU") CHARGING REBATE PROGRAM AND DIRECT CURRENT FAST CHARGER ("DCFC") RATE

The Settlement provides that the Company will initiate work with interested stakeholders to develop a new EV distribution rate for third-party owned public-facing EV DCFCs.¹⁵ Walmart is actively expanding its presence in the EV charging space and supports the continued development of EV charging infrastructure. As such, this is a significant Settlement term for Walmart that it recommended in its testimony and should contribute to advancing transportation electrification in the Commonwealth.

¹² *Id.* at ¶ 99.

¹³ *Id.* at ¶¶ 102, 105.

¹⁴ *Id.* at ¶ 104.

¹⁵ Settlement, ¶ 117.

IV. VICE CHAIR BARROW'S OCTOBER 23, 2025, STATEMENT

Walmart believes that the issues outlined by Vice Chair Barrow in her October 23, 2025, Statement, were adequately evaluated and considered by the parties throughout the course of this proceeding and during development of the Settlement. As such, Walmart generally agrees with the Settlement's responses to each of the issues raised by Vice Chair Barrow.

V. CONCLUSION

As stated above, the Settlement achieved by the parties in this case is the result of amicable negotiations and compromise by numerous parties with diverse interests. Accordingly, Walmart believes that the Settlement produces a non-discriminatory result that is in the public interest and advances the Commission's policy favoring settlements.

WHEREFORE, Walmart Inc. respectfully requests that Deputy Chief Administrative Law Judge Mark Hoyer, Administrative Law Judge Barbara Shadie Nause, and the Pennsylvania Public Utility Commission approve the Joint Petition for Approval of Non-Unanimous Settlement of All Issues filed by the parties in this proceeding, without modification.

Respectfully submitted,

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By  _____

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Dated: March 20, 2026