

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120**

Public Meeting held March 26, 2026

Commissioners Present:

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

Petition of PPL Electric Utilities Corporation  
for Approval of a Second Major Modification  
to its Existing Long-Term Infrastructure  
Improvement Plan

Docket No.: P-2022-3034972

**OPINION AND ORDER**

**BY THE COMMISSION:**

Before the Pennsylvania Public Utility Commission (Commission) for consideration is the Petition (Petition) of PPL Electric Utilities Corporation (PPL Electric) for Approval of a Second Major Modification to its Existing Long-Term Infrastructure Improvement Plan (LTIIP), filed with the Commission on September 25, 2025.<sup>1</sup> PPL Electric's Petition would increase its total projected LTIIP capital spending from \$715.04 million to \$1.397 billion for the five-year period ending December 31, 2027.

On October 21, 2025, the Office of Consumer Advocate (OCA) filed with the Commission an Unopposed Motion for Extension of Time to File Comments (Motion).

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<sup>1</sup> Copies of the petition were served on the statutory advocates and the parties of record from PPL's most recent base rate case proceeding at Docket No. R-2015-2469275, in accordance with the requirements Commission regulations at 52 Pa. Code § 121.4(a).

The Motion averred that the scope, size, and complexity of the LTIP, which nearly doubled the anticipated LTIP investment amount by December 31, 2027, required significant review beyond the amount that could be provided in 30 days and requested a 30-day extension of time to November 26, 2025.

On October 24, 2025, the Commission, via Secretarial Letter, granted OCA's Motion and extended the deadline for filing of all parties' comments from October 27, 2025, to November 26, 2025.

On November 24, 2025, the OCA filed comments (Comments) that, *inter alia*, averred that additional information 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 Sections 1352 and 1353 of the Public Utility Code (Code), 66 Pa. C.S. §§ 1352(a)(5), (a)(6) and 1353. Comments at 4.

On December 2, 2025, the Commission issued a data request to PPL Electric, via Secretarial Letter, seeking additional information on the proposed expenditures in the LTIP.

On December 16, 2025, PPL Electric filed its response to the Commission's data request (Data Request Response).

On December 30, 2025, PPL Electric filed a reply to the Comments (Reply Letter).

On January 16, 2026, the OCA filed a letter with the Commission containing additional comments (Additional Comments) that requested additional information be provided by PPL Electric.

On February 9, 2026, PPL Electric filed a letter in reply to OCA's Additional Comments (Additional Reply Letter). No other comments were filed and no hearings were held.

For the reasons expressed in this Opinion and Order we approve PPL Electric's Petition for a major modification to its existing LTIP.

## **BACKGROUND**

Act 11 of 2012, (Act 11) became effective April 16, 2012, and provides jurisdictional water and wastewater utilities, electric distribution companies (EDCs), and natural gas distribution companies or a city natural gas distribution operation the ability to implement a Distribution System Improvement Charge (DSIC) to recover reasonable and prudent costs incurred to repair, improve or replace certain eligible distribution property that is part of the utility's distribution system. Eligible property is defined in Section 1351 of the Code, 66 Pa. C.S. §1351. Act 11 states that as a precondition of the implementation of a DSIC, a utility must file an LTIP with the Commission, consistent with Section 1325 of the Code, 66 Pa.C.S. § 1352.

The Commission promulgated regulations relating to LTIPs at 52 Pa. Code §§ 121.1 – 121.8 effective December 20, 2014 (Commission Regulations). In accordance with the regulations, utilities implementing a DSIC must include the following elements in an LTIP:<sup>2</sup>

- (1) Identification of the types and age of eligible property;
- (2) An initial schedule for the planned repair and replacement of eligible property;
- (3) A general description of the location of eligible property;
- (4) A reasonable estimate of the quantity of property to be improved or repaired;

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<sup>2</sup> See, 52 Pa. Code § 121.3.

- (5) Projected annual expenditures and means to finance the expenditures;
- (6) A description of the manner in which replacement of aging infrastructure will be accelerated and how repair, improvement or replacement will maintain safe, reliable, and reasonable service;
- (7) A workforce management and training program; and
- (8) A description of a utility's outreach and coordination activities with other utilities, PennDOT and local governments on planned maintenance/construction projects.

PPL Electric's currently approved LTIP addressed the eight required elements of an LTIP at the time it was approved. Therefore, we will only discuss the proposed changes from the currently approved LTIP.

### **PPL ELECTRIC'S PETITION FOR APPROVAL OF A SECOND MAJOR MODIFICATION TO ITS LTIP**

PPL Electric, Utility Code 110500, is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. PPL Electric is considered a public utility within the meaning of Section 102 of the Code, 66 Pa.C.S. § 102, and, with respect to its provision of electric service, an Electric Distribution Company (EDC) as defined in Section 2803 of the Code, 66 Pa.C.S. § 2803. PPL Electric manages an electric distribution and transmission system and default supply services for approximately 1.5 million customers throughout its certificated service territory, which includes all or portions of 29 counties in eastern and central Pennsylvania.

PPL Electric's third LTIP was approved by a Commission Order entered December 22, 2022, at Docket No. P-2022-3034972 and covers the years 2023 through 2027. On July 11, 2024, PPL Electric filed a petition with the Commission for approval of major modifications to its third LTIP (2024 Petition). By a Commission Order

entered July 11, 2024, the 2024 Petition was approved, in part, and denied in part, permitting PPL Electric's projected spending to increase from \$511.62 million to \$715.04 million over the remainder of the third LTIP.

On February 28, 2025, the Commission entered an Order permitting PPL Electric to increase its DSIC cap to 7.5% until the effective date of rates established in its next base rate case or the end of the PPL Electric's third LTIP, whichever occurs first.<sup>3</sup>

Through this Petition, PPL Electric proposed a second major modification to its third LTIP to revise its projected capital spending on programs and initiatives over the remainder of the third LTIP from \$715.04 million to \$1.397 billion. This amount includes an additional \$328.55 million to be invested during the 2026 calendar year and \$332.35 million to be invested during the 2027 calendar year. PPL Electric proposed the largest increases to the following programs: 1) System Reliability Improvement Projects increasing from \$51.21 million to \$678.77 million; 2) Substations increasing from \$124.35 million to \$161.46 million; 3) Poles increasing from \$85.27 million to \$96.93 million; and 4) Failed Equipment increasing from \$189.78 million to \$215.90 million.<sup>4</sup>

In the Petition, PPL Electric proposed additional storm hardening measures that it averred are designed to strengthen the distribution system and protect against increasing weather-related outages and improve customer experience. PPL Electric referenced the Commission's *2024 Pennsylvania Electric Reliability Report* that indicated calendar year 2024 had the most reportable outage events for all EDCs in Pennsylvania since 1993.<sup>5</sup> PPL Electric also cited the Commission's Bureau of Audits' *Focused Management and Operations Audit of PPL Electric Utilities Corporation Management* (Audit)<sup>6</sup> that noted

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<sup>3</sup> See, *Petition of PPL Electric Utilities Corporation for a Waiver of the Distribution System Improvement Charge Cap of 5% of Billed Revenues*, Opinion and Order entered February 28, 2025, at Docket No. P-2024-3048732.

<sup>4</sup> These are not the only categories whose budgets are proposed to change under the revised LTIP, with other categories' budgets increasing or decreasing. However, these are the primary increases in capital spending that are proposed under the revised LTIP.

<sup>5</sup> See, Pennsylvania Public Utility Commission, *2024 Pennsylvania Electric Reliability Report*, August 2025, available at: [https://www.puc.pa.gov/media/3565/24\\_electric-reliability-report\\_final.pdf](https://www.puc.pa.gov/media/3565/24_electric-reliability-report_final.pdf).

<sup>6</sup> See, Docket No. D-2023-3039488, made public by the Commission on July 11, 2024.

PPL Electric needed to improve its performance for its SAIDI and CAIDI reliability indices.<sup>7</sup> The Audit also noted that PPL should modify or expand existing reliability programs to address issues with Customers Experiencing Multiple Interruptions (CEMI). PPL Electric averred that the primary driver for its poor performance in these reliability indices was an increase in storm frequency and impacts. By devoting a significant increase in capital spending to these long-term projects with proven reliability benefits, PPL Electric stated that it fully expects the reliability performance of circuits and substations to improve and better withstand the challenges posed by the increasingly severe weather events.

PPL Electric stated that its System Reliability Improvement Projects focus 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.<sup>8</sup> Solutions identified include rebuilding infrastructure with spacers, tree wire or undergrounding, relocating assets away from inaccessible and heavily vegetated areas, improving sectionalizing through fusing or Smart Grid devices, and enhancing transferability by adding ties, new lines, terminals, and new substations. PPL Electric stated that these areas will be constructed using hardening standards, which include larger poles, sturdier wires, and shorter span lengths.

Table 1 below shows PPL Electric's projected spending under its existing LTIIIP. Table 2 below shows PPL Electric's proposed LTIIIP spending described in the Petition.

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<sup>7</sup> The Commission established reliability benchmarks and standards to measure the performance of each EDC. *See*, Docket No. M-00991220. The benchmarks and standards established by the Commission are based on four reliability performance indices adopted by the Institute of Electrical and Electronic Engineers, Inc. (IEEE): SAIFI, CAIDI, SAIDI, and MAIFI. SAIFI is the system average interruption frequency index, or frequency of outages; CAIDI is the customer average interruption duration index, or duration of outages; SAIDI is the system average interruption duration index, or average number of minutes the average customer experiences in the measurement period; and MAIFI is the momentary average interruption frequency index, or occurrences of momentary customer interruptions. There is no benchmark measure for MAIFI.

<sup>8</sup> CEMI 6+ refers to customers experiencing six or more service interruptions annually. There are no Commission standards or benchmarks established for CEMI.

Table 3 below shows the differences in spending between the existing LTIP and the proposed LTIP, by category.

**Table 1: PPL Electric’s Existing LTIP Spending**

|                                                             | Millions of Dollars Invested |           |           |           |           |           |
|-------------------------------------------------------------|------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                                             | 2023                         | 2024      | 2025      | 2026      | 2027      | Total     |
| Poles                                                       | \$ 11.40                     | \$ 19.70  | \$ 17.11  | \$ 19.32  | \$ 17.74  | \$ 85.27  |
| New Electronic Reclosers                                    | \$ 1.03                      | \$ 10.10  | \$ 7.55   | \$ 7.28   | \$ 7.00   | \$ 32.96  |
| Distribution Animal Guarding                                | \$ 0.20                      | \$ 0.34   | \$ 0.32   | \$ 0.31   | \$ 0.32   | \$ 1.49   |
| Failed Equipment                                            | \$ 42.85                     | \$ 42.44  | \$ 34.12  | \$ 34.68  | \$ 35.69  | \$ 189.78 |
| Underground Cable Replacement                               | \$ 0.52                      | \$ 4.36   | \$ 1.98   | \$ 1.50   | \$ 2.03   | \$ 10.39  |
| Low Tension Network Primary Cable, Equipment and Structures | \$ 0.54                      | \$ 3.76   | \$ 4.56   | \$ 4.25   | \$ 4.45   | \$ 17.56  |
| Substation                                                  | \$ 11.25                     | \$ 26.94  | \$ 28.12  | \$ 30.24  | \$ 27.80  | \$ 124.35 |
| LTN Upgrades                                                | \$ 6.87                      | \$ 10.55  | \$ 11.56  | \$ 13.94  | \$ -      | \$ 42.92  |
| Reliability                                                 | \$ 9.19                      | \$ 32.97  | \$ 7.13   | \$ 5.84   | \$ 6.91   | \$ 62.04  |
| System Reliability Improvement Projects                     | \$ 19.23                     | \$ 11.52  | \$ 12.66  | \$ 4.13   | \$ 3.67   | \$ 51.21  |
| Unreimbursed Highway Relocations                            | \$ 8.87                      | \$ 4.50   | \$ 4.92   | \$ 4.07   | \$ 3.71   | \$ 26.07  |
| Protection and Control                                      | \$ 3.34                      | \$ 21.73  | \$ 13.47  | \$ 14.82  | \$ 17.63  | \$ 70.99  |
| Total                                                       | \$ 115.29                    | \$ 188.91 | \$ 143.50 | \$ 140.38 | \$ 126.95 | \$ 715.03 |

**Table 2: PPL Electric’s Proposed LTIP Spending**

|                                                             | Millions of Dollars Invested |                  |                   |                  |                  | Total              |
|-------------------------------------------------------------|------------------------------|------------------|-------------------|------------------|------------------|--------------------|
|                                                             | 2023<br>Actual               | 2024<br>Actual   | 2025<br>Forecast* | 2026<br>Planned  | 2027<br>Planned  |                    |
| Poles                                                       | \$ 11.40                     | \$ 12.58         | \$ 29.07          | \$ 21.94         | \$ 21.94         | \$ 96.93           |
| New Electronic Reclosers                                    | \$ 2.10                      | \$ 3.62          | \$ 8.28           | \$ 6.50          | \$ 8.98          | \$ 29.48           |
| Distribution Animal Guarding                                | \$ 0.20                      | \$ 0.63          | \$ 0.20           | \$ 0.30          | \$ 0.27          | \$ 1.60            |
| Failed Equipment                                            | \$ 42.85                     | \$ 55.59         | \$ 44.14          | \$ 38.17         | \$ 35.15         | \$ 215.90          |
| Underground Cable Replacement and Life Extension            | \$ 0.52                      | \$ 0.39          | \$ 5.72           | \$ 3.20          | \$ 3.07          | \$ 12.90           |
| Low Tension Network Primary Cable, Equipment and Structures | \$ 0.54                      | \$ 1.58          | \$ 1.86           | \$ 5.33          | \$ 3.50          | \$ 12.81           |
| Substation                                                  | \$ 11.25                     | \$ 16.38         | \$ 32.46          | \$ 42.56         | \$ 58.80         | \$ 161.46          |
| LTN Upgrades                                                | \$ 6.87                      | \$ 4.90          | \$ 4.33           | \$ 7.44          | \$ 5.91          | \$ 29.45           |
| Reliability                                                 | \$ 9.19                      | \$ 15.62         | \$ 11.31          | \$ 11.55         | \$ 10.37         | \$ 58.04           |
| System Reliability Improvement Projects                     | \$ 19.23                     | \$ 21.11         | \$ 23.05          | \$ 314.53        | \$ 300.85        | \$ 678.77          |
| Unreimbursed Highway Relocations                            | \$ 8.87                      | \$ 10.12         | \$ 4.74           | \$ 4.26          | \$ 4.71          | \$ 32.69           |
| Protection and Control                                      | \$ 3.34                      | \$ 7.58          | \$ 37.36          | \$ 13.16         | \$ 5.73          | \$ 67.17           |
| <b>Total</b>                                                | <b>\$ 116.36</b>             | <b>\$ 150.10</b> | <b>\$ 202.51</b>  | <b>\$ 468.93</b> | <b>\$ 459.29</b> | <b>\$ 1,397.20</b> |

\* 2025 Forecast includes actual costs through June 30, 2025, and the remaining plan for the year.

**Table 3: Differences in Program Spending Between Existing and Proposed LTIP**

|                                                             | Millions of Dollars |            |           |           |            |           |
|-------------------------------------------------------------|---------------------|------------|-----------|-----------|------------|-----------|
|                                                             | 2023                | 2024       | 2025      | 2026      | 2027       | Total     |
| Poles                                                       | \$ -                | \$ (7.12)  | \$ 11.96  | \$ 2.62   | \$ 4.20    | \$11.66   |
| New Electronic Reclosers                                    | \$ 1.07             | \$ (6.48)  | \$ 0.73   | \$ (0.78) | \$ 1.98    | \$(3.48)  |
| Distribution Animal Guarding                                | \$ -                | \$ 0.29    | \$ (0.12) | \$ (0.01) | \$ (0.05)  | \$0.11    |
| Failed Equipment                                            | \$ -                | \$ 13.15   | \$ 10.02  | \$ 3.49   | \$ (0.54)  | \$26.12   |
| Underground Cable Replacement                               | \$ -                | \$ (3.97)  | \$ 3.74   | \$ 1.70   | \$ 1.04    | \$2.51    |
| Low Tension Network Primary Cable, Equipment and Structures | \$ -                | \$ (2.18)  | \$ (2.70) | \$ 1.08   | \$ (0.95)  | \$(4.75)  |
| Substation                                                  | \$ -                | \$(10.56)  | \$ 4.34   | \$ 12.32  | \$ 31.00   | \$37.10   |
| LTN Upgrades                                                | \$ -                | \$ (5.65)  | \$ (7.23) | \$ (6.50) | \$ 5.91    | \$(13.47) |
| Reliability                                                 | \$ -                | \$ (17.35) | \$ 4.18   | \$ 5.71   | \$ 3.46    | \$(4.00)  |
| System Reliability Improvement Projects                     | \$ -                | \$ 9.59    | \$ 10.39  | \$ 310.40 | \$ 297.18  | \$627.56  |
| Unreimbursed Highway Relocations                            | \$ -                | \$ 5.62    | \$ (0.18) | \$ 0.19   | \$ 1.00    | \$6.63    |
| Protection and Control                                      | \$ -                | \$(14.15)  | \$ 23.89  | \$ (1.66) | \$ (11.90) | \$(3.82)  |
| Total                                                       | \$ 116.36           | \$ 150.10  | \$ 202.51 | \$ 468.93 | \$ 459.29  | \$682.17  |

Table 4, below, shows PPL Electric’s existing eligible property replacement schedule. Table 5 below shows PPL Electric’s proposed LTIP eligible property replacement schedule. Of note, the Poles Category in the tables below reflect PPL Electric’s plans to increase the number of pole replacements and decrease reinforcements. PPL Electric expects to replace approximately 10,091 to 12,091 poles over the LTIP, with 2,785 to 3,085 reinforcements planned. In the Petition, PPL Electric indicated that although pole reinforcements are less expensive than pole replacements, significantly increasing pole replacements compared to reinforcements is expected to improve service reliability by installing poles that meet its current hardening standards which will reduce potential pole failures for a longer period. This change is further discussed in the OCA Comments, and Resolution sections of this Order.

**Table 4: PPL Electric’s Current LTIP Eligible Property Replacement**

| <b>Category</b>                                             | <b>2023</b>                                              | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> |
|-------------------------------------------------------------|----------------------------------------------------------|-------------|-------------|-------------|-------------|
| Poles                                                       | 6,000-7,500                                              | 6,000-7,500 | 6,000-7,500 | 6,000-7,500 | 6,000-7,500 |
| New Electronic Reclosers                                    | 130-160                                                  | 120-250     | 120-200     | 120-200     | 120-200     |
| Distribution Animal Guarding                                | 240-360                                                  | 240-360     | 240-360     | 240-360     | 240-360     |
| Failed Equipment                                            | <i>Scope and locations determined as equipment fails</i> |             |             |             |             |
| Underground Cable Replacement                               | 25-100                                                   | 220-320     | 135-225     | 100-200     | 100-200     |
| Low Tension Network Primary Cable, Equipment and Structures | 6-20                                                     | 6-20        | 30-77       | 75-128      | 6-21        |
| Substation                                                  | 41-74                                                    | 58-107      | 125-181     | 126-178     | 126-178     |
| LTN Upgrades                                                | 9                                                        | 62          | 155         | 262         | 0           |
| Reliability                                                 | 10-25                                                    | 100-135     | 20-35       | 20-35       | 20-35       |
| System Reliability Improvement Projects                     | 6-12                                                     | 6-12        | 6-12        | 6-12        | 6-12        |
| Unreimbursed Highway Relocations                            | <i>Scope and locations determined as equipment fails</i> |             |             |             |             |
| Protection and Control                                      | 2-6                                                      | 79-101      | 104-114     | 121-139     | 94-118      |

**Table 5: PPL Electric’s Proposed LTIP Eligible Property Replacement**

| <b>Category</b>                                             | <b>2023 Actual</b>                                       | <b>2024 Actual</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> |
|-------------------------------------------------------------|----------------------------------------------------------|--------------------|-------------|-------------|-------------|
| Poles                                                       | 2,131                                                    | 2,345              | 3,800-4,900 | 2,300-2,900 | 2,300-2,900 |
| New Electronic Reclosers                                    | 182                                                      | 72                 | 249-275     | 155-171     | 231-255     |
| Distribution Animal Guarding                                | 56                                                       | 362                | 240-360     | 240-360     | 240-360     |
| Failed Equipment                                            | <i>Scope and locations determined as equipment fails</i> |                    |             |             |             |
| Underground Cable Replacement                               | 0                                                        | 66                 | 350-400     | 200-300     | 200-300     |
| Low Tension Network Primary Cable, Equipment and Structures | 2                                                        | 3                  | 10-25       | 80-105      | 30-44       |
| Substation                                                  | 64                                                       | 50                 | 146-221     | 155-201     | 144-191     |
| LTN Upgrades                                                | 29                                                       | 37                 | 164-184     | 185-214     | 8-12        |
| Reliability                                                 | 58                                                       | 226                | 341-376     | 20-35       | 20-35       |
| System Reliability Improvement Projects                     | 5                                                        | 7                  | 17-22       | 310-370     | 255-305     |
| Unreimbursed Highway Relocations                            | <i>Scope and locations determined as requested</i>       |                    |             |             |             |
| Protection and Control                                      | 19                                                       | 130                | 170-200     | 145-160     | 20-30       |

## OCA COMMENTS

As noted above, the OCA submitted two sets of comments on PPL Electric's Petition. In its Comments the OCA, *inter alia*, averred that it identified the four primary drivers for the increased projections to be System Reliability Improvement Projects, Substation, Failed Equipment, and Poles. The OCA also averred that PPL Electric did not adequately explain its proposed spending increases for many of these categories and raised questions around PPL Electric's investment in vegetation management, aging plant in service data, and DSIC recovery.

### 1. System Reliability Improvement Projects

In its Comments, the OCA indicated that several aspects of the System Reliability Improvement Projects category overlap with other categories of LTIP spending, including Unreimbursed Highway Relocations and Underground Cable Replacement, without clear delineation as to how overlapping improvements are allocated between the budgeted categories. As such the OCA requested that the Commission direct PPL Electric to track and report all categories and subcategories of System Reliability Improvement Projects and their forecasted budgets. Additionally, the OCA requested that the Commission direct PPL Electric to include a description of its Worst Performing Circuit (WPC) identification process in its LTIP and to include more specific information on its hardening standards and the interplay between investment in hardening and investment in Failed Equipment and Poles. Comments at 8.

In its Additional Comments, the OCA averred that, in its Reply Letter, PPL Electric did not provide a breakdown, sub-categorization, or asset-class mapping for the \$628 million increase in System Reliability Improvement Projects and the OCA reiterated its concern that there is an overlap between System Reliability Improvement Projects and PPL Electric's other LTIP investments. The OCA also indicated that PPL Electric's Reply Letter 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 of PPL Electric's Reply Letter.<sup>9</sup> Additional Comments at 2.

## 2. **Substation**

In reviewing PPL Electric's Substation category, the OCA requested that the Commission require PPL Electric to provide a more detailed summary of its forecast budget increase for Substation investment. Comments at 9 through 10. In its Additional Comments, OCA indicated that PPL Electric's increase in substation investment is not supported by the failure rate identified by PPL Electric in its Reply Letter to be 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.

## 3. **Failed Equipment**

The OCA noted that for PPL Electric's Failed Equipment category, the Petition indicated that budget allocations are based on historical trends of hours charged to corrective work, in addition to projected trends of future equipment failures. However, OCA averred that PPL Electric did not justify or indicate what categories of equipment are failing at increased rates. As such, OCA requested that the Commission direct PPL Electric to provide additional details regarding how it allocated its LTIP budget to Failed Equipment based on historic trends, how anticipated future trends shape the proposed budget modification, and how the Failed Equipment budget is informed by sub-classifications of equipment for which PPL Electric has experienced failure. Comments at 10.

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<sup>9</sup> See, PPL Reply Letter at Page 6.

#### 4. Poles

In its Comments, the OCA noted that PPL Electric increased the number of pole rejections that are candidates for replacement from 70% to 80%. As such, OCA requested that the Commission direct PPL Electric to provide additional information on its pole-hardening standards. Comments at 11. In its Additional Comments, OCA averred that 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. As such the OCA requested 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. Additional Comments at 3.

#### 5. Vegetation Management

In its Comments, the OCA questioned whether PPL Electric’s proposed investments are targeted at the correct areas and cited the *2024 Pennsylvania Electric Reliability Report* section on PPL Electric, which stated that

Trees were the top cause of outages and customer minutes interrupted. Approximately 85% of Customer Minutes Interrupted (CMI) and 58% of incidents are caused by trees. Notably, PPL Electric’s transmission and distribution expenses for vegetation management in 2024 were 69% higher than budgeted.<sup>10</sup>

The OCA averred that it is currently unable to accurately determine how much of this proposed new level of spending, if any, is specifically being earmarked for enhanced, more frequent, or targeted vegetation management, consistent with the Commission’s recommendations. Accordingly, the OCA requested that the Commission direct PPL

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<sup>10</sup> See, Pennsylvania Public Utility Commission, *2024 Pennsylvania Electric Reliability Report*, August 2025, page 70, available at [https://www.puc.pa.gov/media/3565/24\\_electric-reliability-report\\_final.pdf](https://www.puc.pa.gov/media/3565/24_electric-reliability-report_final.pdf).

Electric to provide specific information regarding spending levels for enhanced, more frequent, or targeted vegetation management. Comments at 12.

## **6. Aging Plant in Service**

To assess whether asset age meaningfully contributes to the proposed \$627.63 million increase in System Reliability Improvement Projects or the \$26.12 million increase in Failed Equipment, the OCA requested that the Commission direct PPL Electric to provide information on asset age distributions, design life assumptions, and failure-rate trends by asset class. Comments at 12. Specifically, the OCA posed a list of questions related to the identification of the average age of major units of property. Comments at 12-13.

The OCA also requested that the Commission direct PPL Electric to provide failure-rate trends, cause-coded attribution, and asset-specific correlations between age and customers interrupted/customer minutes interrupted (CI/CMI) contributions to support its claims regarding equipment-related deterioration. Additionally, the OCA posed a list of questions to PPL Electric that it averred would address deficiencies in PPL Electric's determination of asset contribution to reliability metrics. Comments at 14-15.

In its Additional Comments, OCA indicated that PPL Electric did not supply industry benchmarking for asset class ages or provide data regarding the asset ages for other Pennsylvania utilities. Additional Comments at 3.

## **7. DSIC Recovery**

Finally, the OCA commented that, as previously held by the Commission, the issue of cost recovery should not be included in any ruling on PPL Electric's requested LTIP modifications. As such, OCA requested that the Commission reaffirm that the inclusion of property in the LTIP is not dispositive of whether the cost of that project will be afforded DSIC recovery. Comments at 16.

In its Additional Comments, OCA indicated that PPL Electric did not provide a 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. The OCA averred that absent such an analysis, the Commission cannot determine if PPL Electric's LTIP modifications are the most cost-effective solution for PPL Electric's ratepayers and encouraged PPL Electric to submit such an analysis to support the Petition. Additional Comments at 3.

## **PPL ELECTRIC REPLY LETTER AND ADDITIONAL REPLY LETTER**

### **1. System Reliability Improvement Projects**

In its Reply Letter to the OCA's Comments, PPL Electric averred that the OCA's request for the Commission to direct PPL Electric to track and report all categories and subcategories of System Reliability Improvement Projects and their forecasted budgets is unnecessary because the System Reliability Improvement Project category includes only one type of project, which is improvements to distribution circuits to harden those circuits against storms and improve reliability. PPL Electric further noted that it will already be tracking and reporting on these projects as part of its Annual Asset Optimization Plans (AAOPs).<sup>11</sup> Reply Letter at 2. In its Additional Reply Letter, PPL Electric confirmed 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. Additional Reply Letter at 2.

Separately, PPL Electric agreed to add a description of its WPCs to its LTIP and noted that the WPC identification process is laid out in Appendix A of PPL Electric's Quarterly Electric Reliability Report for the third quarter of 2025.<sup>12</sup>

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<sup>11</sup> See, 52 Pa Code § 121.6(b)

<sup>12</sup> See, Docket No. M-2023-3039027.

In response to the OCA request that PPL Electric include more specific information on its hardening standards and the interplay between investment in hardening and investment in Failed Equipment and Poles, in its Reply Letter, PPL Electric indicated that storm hardening standards include installing stronger poles and covered conductors that can better withstand severe weather events or relocating circuits underground or away from trees. PPL Electric further averred that hardening the system will help decrease the trend in failed poles and failed equipment, which should eventually reduce the investment required in the Failed Equipment and Poles LTIIP category. Reply Letter at 3.

## **2. Substation**

In response to OCA's Comments regarding PPL Electric's Substation category, PPL Electric provided a table detailing its forecasted budget increases, by asset, for calendar years 2026 and 2027. PPL Electric noted that Substation investments are primarily driven by investments in proactive Power Transformer and Underground Getaway Cable replacements as these categories have a large population that is at or near the end of their expected useful life. Reply Letter at 3-4. Additionally, in its Additional Reply Letter, PPL Electric averred that 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. Additional Reply Letter at 5.

## **3. Failed Equipment**

PPL Electric noted that to determine the Failed Equipment budget, it analyzed the historic trend of failures and average budget spent on Failed Equipment sub-classifications. Based on that analysis, PPL Electric indicated that it determines modifications to increase or decrease the budget. For example, PLL Electric identified an anticipated increase in Getaway Cable failures and a recent increase in recloser failures that require an increased budget to address. PPL Electric further averred that as it

increases its proactive investment in these and other LTIIP categories, the future investment needed in the Failed Equipment category should be reduced. Additionally, PPL Electric indicated that any minor modifications to the Failed Equipment budget would be addressed through the AAOP process. Reply Letter at 4.

#### **4. Poles**

As requested by OCA, PPL Electric in its Reply Letter provided additional information regarding its current hardening standards and indicated that storm hardening standards include installing stronger poles that can better withstand severe weather events. PPL Electric averred that it is more favorable to replace an already degraded wood pole with a new higher-class pole when practical to do so and that the threshold for lower-class poles to be deemed non-restorable has been lowered, ensuring that PPL Electric can replace more poles that are at risk of failure and harden the system against storms, which will improve service reliability for customers. PPL Electric also noted that its pole replacement estimate for calendar year 2025 included approximately 1,800 pole replacements that were not completed in 2024 and were carried into work for 2025. In its Additional Reply Letter, PPL Electric averred that 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. PPL Electric also indicated that it has proved that it is operationally feasible to replace the increased number of poles, as it completed over 4,000 pole replacements in 2025. Reply Letter at 2 and 4.

#### **5. Vegetation Management**

In response to OCA's request that PPL Electric provide specific information regarding spending levels for enhanced, more frequent, or targeted vegetation management, PPL Electric noted that it has proposed to increase its vegetation maintenance budget based on the current base rate case, which remains pending before

the Commission. Additionally, PPL Electric indicated that it would identify and prioritize this enhanced vegetation reliability work by utilizing a combination of remote sensing and risk modeling techniques to map vegetation presence and model tree conditions/risk system wide. Models are developed using data sources, such as satellite imagery, LiDAR, historical vegetation maintenance information, and outage data. PPL Electric also noted that additional information on its planned vegetation management expenditures could be found in PPL Electric St. No. 17, submitted in PPL Electric's 2025 Rate Case at Docket No. R-2025-3057164. Reply Letter at 5.

## 6. **Aging Plant in Service**

To address OCA's request for information as to whether asset age meaningfully contributes to PPL Electric's proposed \$627.63 million increase to System Reliability Improvement Projects, PPL Electric provided, in its Reply Letter, a chart depicting the average service life of assets by utility plant account, including the percentage of assets exceeding the average service life, and a chart depicting the age distribution for each asset class. PPL Electric also provided a chart depicting the annual historic failure rate by asset class. However, PPL Electric reiterated that the System Reliability Improvement Projects are initiated to address reliability concerns and harden the system to withstand severe weather events and that this category of projects is not driven by age of assets or end-of-life failures. Reply Letter at 8.

Additionally, PPL Electric provided a table identifying specific equipment components and the associated CI attributed to failures of those components and a table depicting the percentage contribution of each asset component to the total CI and CMI for the calendar years 2020 through 2025. PPL Electric noted that while the trend line of this data for 2020 through 2024 CI is decreasing, the period 2023 through year-to-date 2025 (at the time of filing) is showing an increase. Reply Letter at 13. Finally, PPL Electric indicated that for the period 2020 through 2024, tree related outages and animal contacts have increased materially, while equipment failures have increased mildly. A

table containing the data to support these claims was provided on Page 17 of PPL Electric's Reply Letter.

## **RESOLUTION**

After reviewing the Petition, the resulting comments and replies, and PPL Electric's Data Request Response, it appears that PPL Electric provided sufficient information to address the issues raised by the OCA in its comments and the issues raised in the Commission's data request. The OCA, in its comments, requested that the Commission issue several directives to PPL Electric which are addressed in the following. We note that any requested directive that we do not specifically deliberate shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider, expressly or at length, each contention or argument raised by the parties. *Consolidated Rail Corp. v. Pa. Pub. Util. Comm'n*, 625 A.2d 741, 744 (Pa. Cmwlth. 1993); *see also*, generally, *University of Pennsylvania v. Pa. Pub. Util. Comm'n*, 485 A.2d 1217, 1222 (Pa. Cmwlth. 1984).

Regarding PPL Electric's proposed System Reliability Improvement Projects, the OCA requested that the Commission direct PPL Electric to track and report all categories and subcategories of System Reliability Improvement Projects and their forecasted budgets, include a description of PPL Electric's WPC identification process, and include more specific information on its hardening standards and the interplay between investment in hardening and investment in Failed Equipment and Poles.

We concur with PPL Electric that it will already be tracking and reporting its System Reliability Improvement Projects as part of its AAOPs. As such, we will not direct PPL Electric to track and report all categories and subcategories of System Reliability Improvement Projects and their forecast budgets in a separate filing. However, to ensure clarity, we will direct PPL Electric to specifically identify and provide detailed information regarding the cost, quantity of materials, and expected or

experienced benefits of all work completed under the System Reliability Improvement Projects category, in its AAOPs throughout the remainder of its LTIIIP.<sup>13</sup>

In PPL Electric's Reply Letter, it agreed to add a description of its WPC identification process in its LTIIIP. Accordingly, PPL Electric will be required to file final clean and redlined versions of its LTIIIP that include a description of its WPC identification process.<sup>14</sup>

Considering OCA's request that the Commission direct PPL Electric to provide additional information on its storm-hardening standards and the interplay between investment in hardening and investments in Failed Equipment and Poles, the Commission reviewed PPL Electric's Reply Letter and its Data Request Response, which indicated that the highest number of distribution poles replaced in one calendar year was 4,079 poles, replaced by November 30th, 2025, with approximately 100 more poles to be replaced by the end of 2025 (as of the time of filing). PPL Electric further averred that its pole replacement estimates are reasonable because they align with its demand planning projections, it has established orders and agreements with vendors for long-lead materials, and it has increased its field construction workforce by approximately 60% from 2022 to 2025 to support the increase in project work. Data Request Response at 4. The Commission is satisfied with PPL Electric's additional description of its storm hardening standards provided in its Reply Letter and Additional Reply and will not require PPL Electric to include an additional description of these standards in its LTIIIP.

Regarding the OCA's request that PPL Electric provide specific information on its spending levels for enhanced, more frequent, or targeted vegetation management, PPL Electric noted that it has proposed to increase its vegetation maintenance budget in the current base rate case, which remains pending before the Commission. Vegetation management expenditures are beyond the scope of this Petition and not included in any

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<sup>13</sup> See, Ordering Paragraph 3.

<sup>14</sup> See, Ordering Paragraph 4.

LTIP as vegetation management is not an eligible property category as defined at 66 Pa. C.S. § 1351. We agree that the current base rate case is the appropriate vehicle in which to discuss PPL Electric's Operation and Maintenance (O&M) expenditures, including vegetation management.

Finally, the Commission notes that the DSIC is not intended to displace or impact a company's baseline (meaning pre-DSIC and pre-LTIP) budgets for O&M and capital improvements. In fact, the DSIC and LTIP are to reflect an acceleration of infrastructure replacement over the utility's historic level of capital improvement, or to maintain an already accelerated rate of infrastructure replacement.<sup>15</sup> As requested by the OCA, the Commission reaffirms that approval of property for inclusion in an LTIP is not dispositive of whether it will receive DSIC approval for cost recovery in the future.

As noted above, the Commission has identified in the *Audit and 2024 Pennsylvania Electric Reliability Report* that PPL Electric has struggled to meet its benchmarks for SAIDI and CAIDI. In considering PPL Electric's proposed capital spending increase and its claim that the primary driver for its poor performance in these reliability indices was an increase in storm frequency, the Commission reviewed PPL Electric's recent and historic annual and quarterly reliability reports filed with the Commission.<sup>16</sup>

PPL Electric indicated that in 2024 it experienced 11 storms of 600 damage locations or higher, including six storms of over 1,000 damage locations. Petition at 5. As shown in Figure 1 below, PPL Electric maintained SAIFI performance of benchmark or better between 2013 through 2023 prior to exceeding the benchmark in 2024. However, Figure 2, below, shows that PPL Electric's CAIDI has worsened since 2013. This is also shown in Figure 3 below, which represents the total CMI each year from

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<sup>15</sup> See, *Implementation of Act 11 of 2012 Final Implementation Order*, Order entered August 2, 2012, at Docket No. M-2012-2293611, page 24.

<sup>16</sup> See, Docket Nos. M-2016-2522508 and M-2023-3039027.

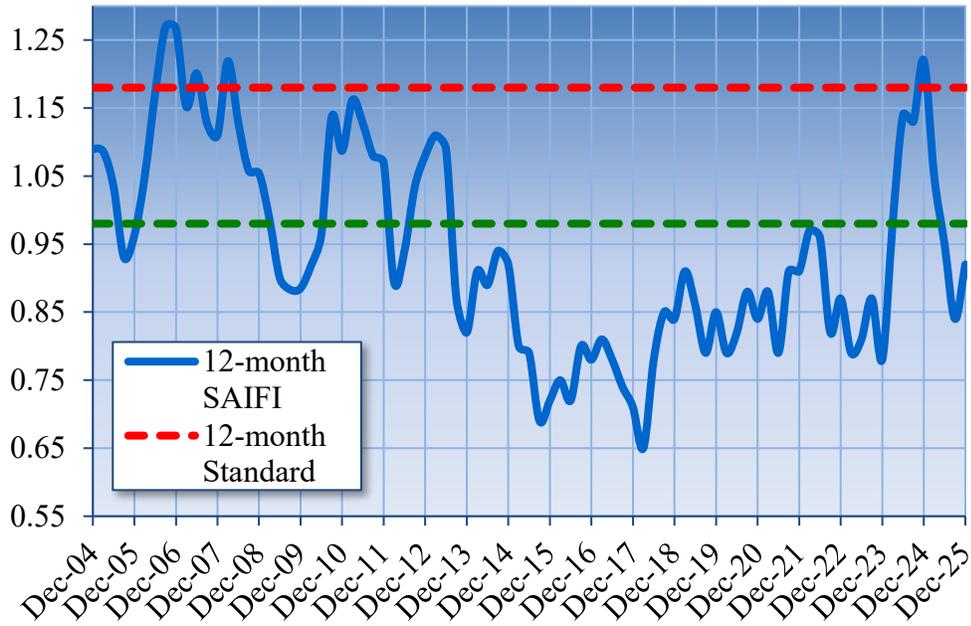
2015 through 2025. Figure 4, below, details the number of outage events that have occurred on PPL Electric's system from 2015 through 2025. The data in Figures 1 through 4 indicate that while PPL Electric has lessened the number of customers impacted by each outage event, PPL Electric customers are experiencing more outage events each year, and the outages are of a longer duration.

Figure 5, below, provides a summary of PPL Electric's reliability indices for the calendar year 2025 as compared to its benchmarks and standards.<sup>17</sup> The data in Figure 5 indicates that PPL Electric improved in all reliability indices and it was able to meet its benchmark for SAIFI in the second, third, and fourth quarters of 2025. This appears to coincide with the timing of the Commission's approval of PPL Electric's increased DSIC percentage and indicates the necessity for continued and increased investments in equipment replacement and upgrades through the LTIIP as PPL Electric has proposed in its Petition.

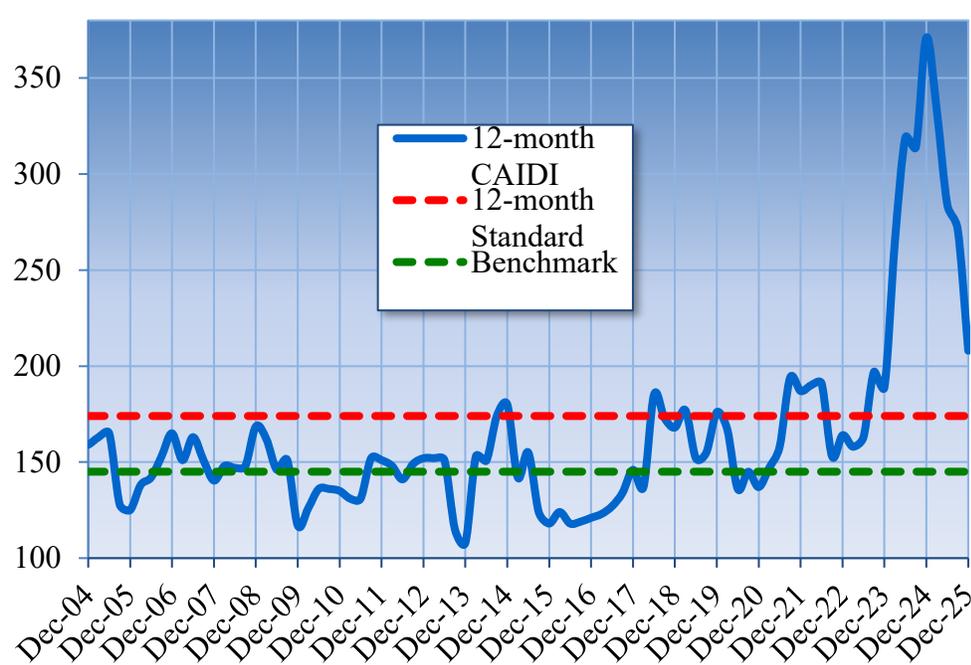
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<sup>17</sup> See, Docket No. M-2023-3039027

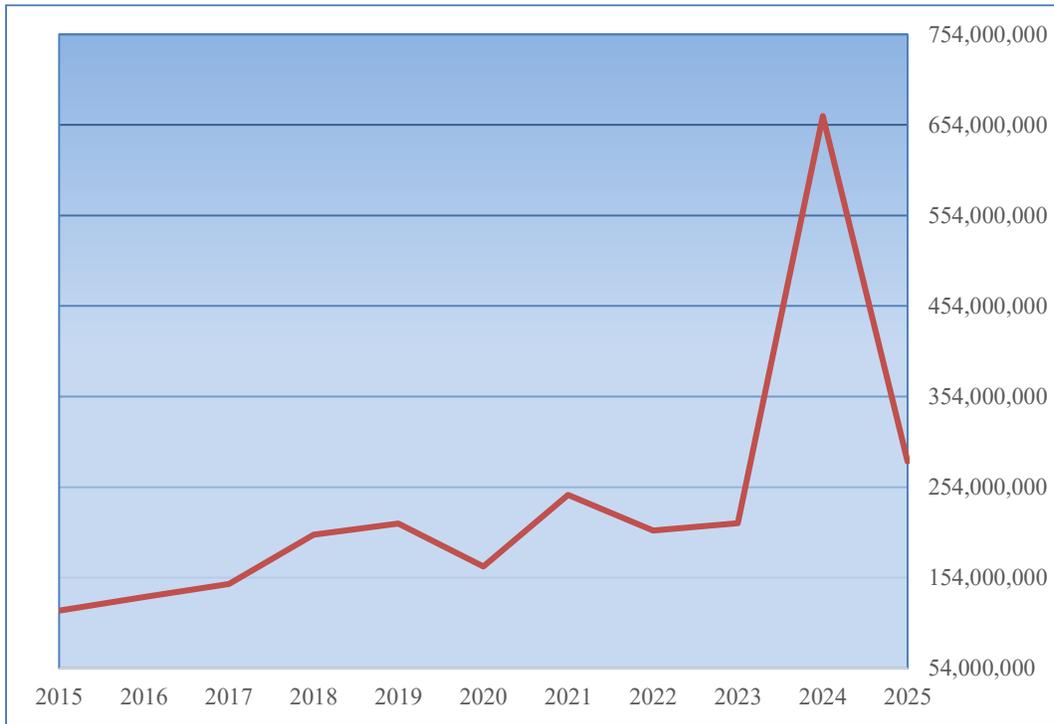
**Figure 1: PPL SAIFI 2004 through 2025**



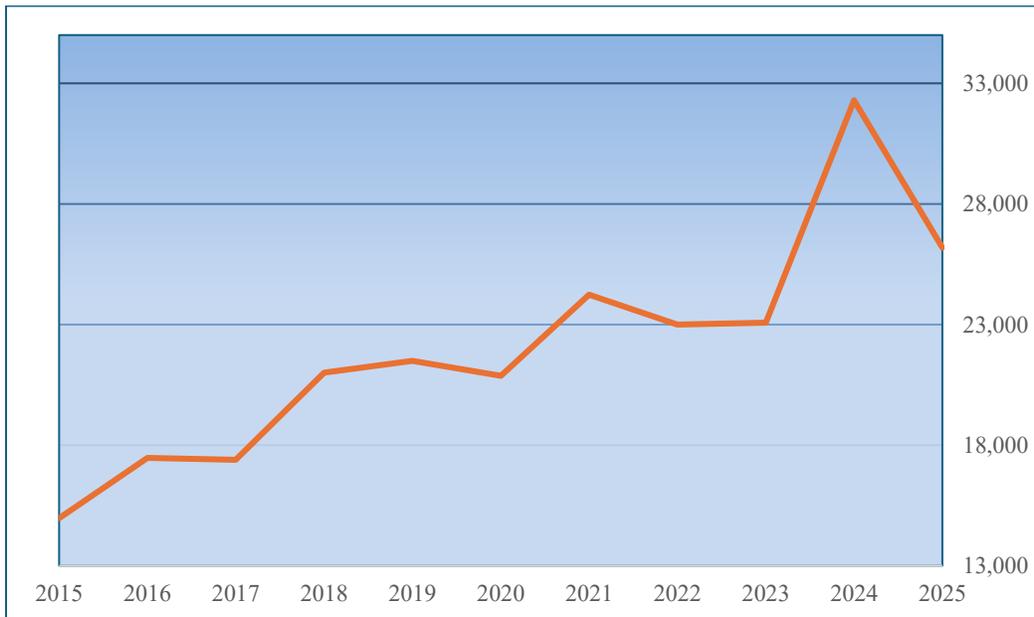
**Figure 2: PPL CAIDI 2004 through 2025**



**Figure 3: PPL Customer Minutes Interrupted (CMI) 2015 through 2025**



**Figure 4: PPL Number of Interruptions 2015 through 2025**



**Figure 5: PPL Electric Reliability Metrics 2025**

| <b>2025 EDC Performance Scorecard</b> |                                                                                                                                                                                                                                    |                                |      |      |      |      |                       |                               |      |      |      |            |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------|------|------|------|-----------------------|-------------------------------|------|------|------|------------|
| Metrics achieved                      | <b>GREEN</b>                                                                                                                                                                                                                       | Benchmark Metrics not achieved |      |      |      |      | <b>YELLOW</b>         | Standard Metrics not achieved |      |      |      | <b>RED</b> |
|                                       |                                                                                                                                                                                                                                    | <b>Rolling 12-Month</b>        |      |      |      |      |                       |                               |      |      |      |            |
|                                       |                                                                                                                                                                                                                                    | <b>Benchmark Score</b>         |      |      |      |      | <b>Standard Score</b> |                               |      |      |      |            |
| <b>EDCs</b>                           | <sup>1</sup> Metrics                                                                                                                                                                                                               | <sup>2</sup> BM                | Q1   | Q2   | Q3   | Q4   | <sup>3</sup> STD      | Q1                            | Q2   | Q3   | Q4   |            |
| <b>PPL</b>                            | CAIDI                                                                                                                                                                                                                              | 145                            | 333  | 284  | 271  | 208  | 174                   | 333                           | 284  | 271  | 208  |            |
|                                       | SAIDI                                                                                                                                                                                                                              | 142                            | 350  | 271  | 228  | 191  | 205                   | 350                           | 271  | 228  | 191  |            |
|                                       | SAIFI                                                                                                                                                                                                                              | 0.98                           | 1.05 | 0.95 | 0.84 | 0.92 | 1.18                  | 1.05                          | 0.95 | 0.84 | 0.92 |            |
| <sup>1</sup> CAIDI                    | (Customer Average Interruption Duration Index) - Measures average power restoration time (minutes) for every customer who lost power during this year.                                                                             |                                |      |      |      |      |                       |                               |      |      |      |            |
| SAIDI                                 | (System Average Interruption Duration Index) - Measures average outage duration time (minutes) for every customer served during this year.                                                                                         |                                |      |      |      |      |                       |                               |      |      |      |            |
| SAIFI                                 | (System Average Interruption Frequency Index) - Measures average frequency of power interruptions for every customer served during this year.                                                                                      |                                |      |      |      |      |                       |                               |      |      |      |            |
| <sup>2</sup> BM                       | (Benchmark) - EDC's attained performance baseline score prior to electric restructuring. Calculated by averaging historical performance metrics over the five-year period directly prior to electric restructuring (1994 to 1998). |                                |      |      |      |      |                       |                               |      |      |      |            |
| <sup>3</sup> STD                      | (Standard) - EDC's upper limit performance value. CAIDI STD & SAIFI STD is calculated by multiplying BM by 120% for                                                                                                                |                                |      |      |      |      |                       |                               |      |      |      |            |

### **MODIFIED LTIP SUMMARY**

Commission review of an LTIP must determine if the LTIP:<sup>18</sup>

- Contains measures to ensure that the projected annual expenditures are cost-effective.
- Specifies the manner in which it accelerates or maintains an accelerated rate of infrastructure repair, improvement or replacement.
- Is sufficient to ensure and maintain adequate, efficient, safe, reliable and reasonable service.
- Meets the requirements of 52 Pa. Code § 121.3(a).

<sup>18</sup> See, 52 Pa. Code § 121.4(e).

The utility has the burden of proof to demonstrate that its proposed LTIIIP and associated expenditures are reasonable, cost effective and designed to ensure and maintain sufficient, safe, adequate, reliable, and reasonable service to consumers.<sup>19</sup>

The Commission has reviewed PPL Electric's modified LTIIIP, supplemental information filed, and any resulting comments. The Commission finds that PPL Electric has met its burden of proof by demonstrating that its modified LTIIIP contains measures to ensure that the projected annual expenditures are cost-effective, specifies the manner in which the LTIIIP accelerates or maintains an accelerated rate of infrastructure repair, improvement, or replacement, is sufficient to ensure and maintain adequate, safe, reliable, and reasonable service, and meets the requirements of 52 Pa. Code § 121.3(a). Accordingly, PPL Electric's modified LTIIIP is approved.

The Commission finds that PPL Electric's modified LTIIIP and manner in which it was filed conform to the requirements of Act 11 and our Regulations. The plan, as approved herein, is designed to maintain safe, adequate and reliable service and, as such, PPL Electric shall be required to comply with the infrastructure placement schedule and elements of the plan; **THEREFORE,**

**IT IS ORDERED:**

1. That the Petition of PPL Electric Utilities Corporation for Approval of a Second Major Modification to its Existing Long-Term Infrastructure Improvement Plan is approved.

2. That the modifications to the approved programs in PPL Electric Utilities Corporation's existing Long-Term Infrastructure Improvement Plan are approved, consistent with this Opinion and Order.

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<sup>19</sup> See, 52 Pa. Code § 121.4(d).

3. That in PPL Electric Utility Corporation's Annual Asset Optimization Plans, it shall specifically identify and provide detailed information regarding the cost, quantity of materials, and expected or experienced reliability benefits of all work completed under the System Reliability Improvement Projects category of its Long-Term Infrastructure Improvement Plan.

4. That PPL Electric Utilities Corporation shall file a redlined and a clean version of its Long-Term Infrastructure Improvement Plan that includes a description of its Worst Performing Circuit identification process with the Commission's Secretarial Bureau at Docket No. P-2022-3034972, and that the Commission's Bureau of Technical Utility services shall review the filing and prepare a Secretarial Letter upon determining its sufficiency.

5. That a copy of this Opinion and Order be served upon the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, and the Commission's Bureau of Audits.

6. That upon the issuance of the Secretarial Letter pursuant to Ordering Paragraph 4, the proceeding related to the Long-Term Infrastructure Improvement Plan at Docket No. P-2022-3034972 be marked closed.

**BY THE COMMISSION,**



Matthew L. Homsher  
Secretary

(SEAL)

ORDER ADOPTED: March 26, 2026

ORDER ENTERED: March 26, 2026