

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

**PETITION OF PPL ELECTRIC UTILITIES
CORPORATION FOR APPROVAL OF A
SECOND MAJOR MODIFICATION TO ITS
EXISTING LONG-TERM INFRASTRUCTURE
IMPROVEMENT PLAN**

**Public Meeting held March 26, 2026
Agenda No. 3034972-TUS
Docket No. P-2022-3034972**

STATEMENT OF COMMISSIONER KATHRYN L. ZERFUSS

Presently before the Commission for consideration is the Petition of PPL Electric Utilities Corporation (PPL) for approval of a second major modification to its Third Long-Term Infrastructure Improvement Plan (LTIIP) filed on September 25, 2025. 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. PPL's updated capital expenditure projection exceeds the total capital expenditure projection set forth in its current LTIIP, which has yet to expire, by more than 20%.

This Commission has granted PPL relief on more than one occasion with the goal of seeing PPL's reliability indices go consistently back within the company's standards. PPL already received an increase to its tariffed Distribution System Improvement (DSIC) to 7.50% of billed distribution revenues until the effective date of rates established in the Company's pending base rate case or until the end of the Company's 2023-2027 LTIIP, whichever occurs first.¹ The purpose of DSIC is to recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, between base rate cases and to provide PPL Electric with the resources to accelerate the replacement of aging infrastructure.

In the instant matter, PPL's justification for its second modification to its LTIIP is that "the number and severity of storms are increasingly affecting reliability performance"² is vague and non-persuasive. PPL is receiving accelerated capital already to support inspection and maintenance objectives, and the Commission's reliability standards exclude anomaly data from major events. Only outages during normal periods are used in the calculations.

¹ Commission Order dated May 23, 2013, at Docket No. P-2012-2325034, approving the DSIC and the Commission Order dated February 28, 2025, at Docket No. P-2024-3048732 increasing the cap to 7.5%.

² In its petition for approval of its Third LTIIP, PPL acknowledged it had been challenged in the areas of CAIDI and SAIDI and claimed its reliability metric numbers are representative of the impact upon electric distribution companies by severe weather events from 2020 and 2021. This Commission granted PPL's Third LTIIP, reasoning that PPL's reliability performance should show substantive improvement. *Petition of PPL Electric Utilities Corporation for Approval of its Third Long-Term Infrastructure Improvement Plan*, Docket No. P-2022-3034972, (Opinion and Order entered December 22, 2022).

In the Commission’s recent Management and Operations Audit of PPL Electric, it was noted that the Company needed to improve its System Average Interruption Duration Index (“SAIDI”), Customer Average Interruption Duration Index (“CAIDI”), and Customers Experiencing Multiple Interruptions (“CEMI”) metrics. The Management and Operations Audit of PPL Electric also found tree-related and equipment failures to be the top two outage causes that negatively affected electric reliability to PPL customers. Vegetation management and equipment are factors within the Company’s control. 52 Pa. Code §§ 57.191-57.197; *See, Revision of 52 Pa. Code Chapter 57 Pertaining to Adding Inspection, Maintenance, Repair, and Replacement Standards for Electric Distribution Companies*, Order entered May 22, 2008, at Docket No. L-00040167.

PPL should review its vegetation management program to ensure expenditures and procedures are most efficiently and effectively directed at the main causes of service outages. With advances in technology and the implementation of the Predictive Failure Technology that was approved in PPL’s first modification to its LTIP, it is unclear why an accelerated 20% increase in capital expenditure is necessary today to meet the 12-month and 36-month-benchmark performance standards. PPL’s current LTIP plan was modified recently when the Commission approved projected expenditures for Predictive Failure Technology meant to reduce the duration and frequency of outages as reflected in the Company’s SAIDI, SAIFI and CAIDI statistics.

In 2024 and 2025, PPL consistently reported that its CAIDI and SAIDI reliability indices were greater than its short-term standard as well as the long-term 3-yr. rolling average standard. This shows a high statistical probability that the indices are consistently outside the standard due to factors that are within control of the company. PPL has had an opportunity to provide the Commission with reports and corrective action plans, enough time has elapsed such that results from implementation of the action plans should be seen in the indices, and three quarters or rolling 12-month averages should allow enough time for seasonal weather variability to even out and not skew the data. An increase in length of duration of outages is likely due to factors within the company’s control such as managerial decisions regarding its field construction workforce, vegetation management, and the inspection, repair, and replacement of equipment schedules.

	CAIDI Comparison		
	<u>2-st. dev.</u>	<u>120%</u>	<u>1 std. dev.</u>
PPL	190	174 - standard	167.5

PPL reports indicate that sometimes CAIDI is more than two standard deviations away from its benchmark, accounting for over 95% of all measured outcomes. CAIDI measures duration of customer outages and will sharply increase if the company does not have enough linemen to restore service. CAIDI is a statistic more within control of the EDC as its data is closer to its benchmark as opposed to SAIFI (measuring system wide frequency of outages) which is a more normal distribution. As PPL’s 120% standard for CAIDI is 174 and a 2-standard deviation is at 190, the CAIDI reports show performance worse than prior to 1997. In 2022, for example, PPL’s reported CAIDI was above its standard upper limit performance value of 174 when it

reported a score of 190 (Q1) and 191 (Q2), scores at the 2-standard deviation mark. The reported CAIDI in 2024 and 2025 are consistently higher than 2-standard deviations from the normal average. PPL's short term CAIDI standard of 174 minutes is approximately 3 hours average duration of an outage per customer. In 2025, PPL reported standard scores of 333 (Q1), 284 (Q2), 271 (Q3) and 208 (Q4), all significantly higher than the CAIDI standard of 174 minutes average power restoration time for every customer who lost power during that quarter. The benchmark standard of approximately 3 hours is consistently not being met as 333 minutes is approximately 5 ½ hours as reported in the first quarter of 2025. Thus, on average there is at least *prima facie* evidence that the duration of outages have increased and PPL's reliability service has deteriorated.

Capital expenditures related to LTIIP have a direct impact upon customer rates. Given the request for increased total projected LTIIP capital spending of \$681.96 million and other forms of relief granted to PPL for similar reasons has yet to meet the expectations, I find that PPL has failed to meet its burden of proof that its modified LTIIP contains measures to ensure that the projected annual expenditures are cost-effective, designed to accelerate or maintain an accelerated rate of infrastructure repair, improvement, or replacement, or that the relief requested is sufficient to ensure and maintain adequate, safe, reliable, and reasonable service. Thus, the requirements of 52 Pa. Code §121.3(a) are not met.

I reiterate that PPL should scrutinize its vegetation management program to ensure that expenditures and procedures are efficient and effective. Finally, even if I were to find PPL met its burden, I agree with the Office of Consumer Advocate's position that PPL should be required to track and report all categories and subcategories of System Reliability Improvement Projects and their forecast budgets in a separate compliance filing. I additionally, would require PPL to provide disaggregated information regarding PPL's intent to increase its field construction workforce by 60%. For all of these reasons, I hereby dissent.

Date: March 26, 2026


Kathryn L. Zeffuss, Commissioner