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E-FILE

March 31, 2026

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

**Re: PPL Electric Utilities Corporation
Tax Cuts and Jobs Act Temporary Surcharge Reconciliation Report
for the Period January 1, 2025 through December 31, 2025
Docket No. M-2024-3052301**

Dear Secretary Homsher:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") is PPL Electric's Tax Cuts and Jobs Act ("TCJA") Reconciliation Report for the Period January 1, 2025 through December 31, 2025. This reconciliation report, which is being filed pursuant to the procedures set forth in PPL Electric's Tariff - Electric Pa. P.U.C. No. 201, reflects actual data through December 31, 2025.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on March 31, 2026, which is the date it was filed electronically with the Commission's E-Filing System.

If you have any questions regarding the enclosed filing, please call me or Katelyn Arnold, PPL Electric's Manager – Regulatory Strategy and Rates, at (610) 774-5401.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kimberly A. Klock". The signature is fluid and cursive, written in a professional style.

Kimberly A. Klock

Enclosures

cc via email: Darryl Lawrence, Esquire
Allison Kaster, Esquire
NazAarah Sabree
Steven Gray, Esquire
Marissa Boyle
Kelly Monaghan

PPL ELECTRIC UTILITIES CORPORATION
TAX CUTS AND JOBS ACT TEMPORARY SURCHARGE
RECONCILIATION REPORT
For the Period January 1, 2025 to December 31, 2025

Docket No. M-2024-3052301

March 31, 2026

PPL ELECTRIC UTILITIES CORPORATION
Tax Cuts and Jobs Act ("TCJA") RECONCILIATION
Report For The Period January 1, 2025 to December 31, 2025

| Line No. | | (A) TOTAL |
|----------|---|------------------------|
| 1 | Tax Cuts and Jobs Act Revenues Available (excluding GRT) (Schedule 2, Line 1, Column M) | <u>(70,902,958)</u> |
| 2 | Tax Savings from TCJA (Schedule 2, Line 2, Column M) | <u>(57,347,607)</u> |
| | Total Expenses to Recover | <u>(57,347,607)</u> |
| 3 | Net (Over)/Under Collection (Schedule 2, Line 3, Column M) | (13,555,351) |
| 4 | Interest on (Over)/Under Collection (Schedule 2, Line 4, Column M) | (2,206,396) |
| 5 | Net (Over)/Under Collection Amount, Including Interest (Schedule 2, Line 5, Column M) | <u>\$ (15,761,747)</u> |
| 6 | Reclass to Long Term (Schedule 2, Line 6, Column M) | - |
| 7 | Net (Over)/Under Collection, Including Interest (Current Period) - Line 5 plus Line 6 | (15,761,747) |
| 8 | Remaining E-Factor Balance due to lag (Schedule 3, Line 13) | (22,397,975) |
| 8A | Remaining E-Factor Balance (Schedule 3A, Line 13) | 246,098 |
| 9 | Total (Over)/Under - Line 7 plus Line 8 | <u>\$ (37,913,624)</u> |

PPL ELECTRIC UTILITIES CORPORATION
RECONCILIATION OF TAX CUTS AND JOBS ACT ("TCJA") NEGATIVE SURCHARGE AND TAX SAVINGS

| Line No. | Month >> | (A) January 2025 | (B) February 2025 | (C) March 2025 | (D) April 2025 | (E) May 2025 | (F) June 2025 | (G) July 2025 | (H) August 2025 | (I) September 2025 | (J) October 2025 | (K) November 2025 | (L) December 2025 | (M) Total |
|----------|--|---------------------|----------------------|-------------------|-------------------|-----------------|------------------|------------------|--------------------|-----------------------|---------------------|----------------------|----------------------|-----------------|
| 1 | TCJA Revenues (excluding GRT (1) (Schedule 4, column (D))) | (7,255,314) | (7,380,818) | (6,289,124) | (5,463,576) | (5,073,157) | (5,185,343) | (6,192,115) | (6,126,565) | (5,421,609) | (5,021,774) | (5,168,020) | (6,325,543) | \$ (70,902,958) |
| 2 | Tax Savings as a result of TCJA | 531,781 | (6,867,123) | (7,403,670) | (3,604,769) | (5,055,846) | (6,304,757) | (2,766,324) | (6,327,957) | (2,661,798) | (5,347,153) | (1,052,631) | (10,487,360) | \$ (57,347,607) |
| 3 | Net (Over)/Under (Line 1 less Line 2) | (7,787,095) | (513,695) | 1,114,546 | (1,858,807) | (17,311) | 1,119,414 | (3,425,791) | 201,392 | (2,759,811) | 325,379 | (4,115,389) | 4,161,817 | \$ (13,555,351) |
| 4 | Interest on (Over)/Under (Schedule 5, Column (D)) | (1,362,742) | (86,900) | 188,544 | (292,762) | (2,626) | 163,248 | (496,740) | 27,985 | (366,825) | 41,283 | (480,129) | 461,268 | \$ (2,206,396) |
| 5 | Net (Over)/Under | \$ (9,149,837) | \$ (600,595) | \$ 1,303,090 | \$ (2,151,569) | \$ (19,937) | \$ 1,282,662 | \$ (3,922,531) | \$ 229,377 | \$ (3,126,636) | \$ 366,662 | \$ (4,595,518) | \$ 4,623,085 | \$ (15,761,747) |
| 6 | Reclass to Long Term | | | | | | | | | | | | | \$ - |
| 7 | Net (Over)/Under, Including Interest (Current Period) - (Line 5 plus Line 6) | \$ (9,149,837) | \$ (600,595) | \$ 1,303,090 | \$ (2,151,569) | \$ (19,937) | \$ 1,282,662 | \$ (3,922,531) | \$ 229,377 | \$ (3,126,636) | \$ 366,662 | \$ (4,595,518) | \$ 4,623,085 | \$ (15,761,747) |

(1) Gross Receipts Tax Factor (1-.059)

**PPL ELECTRIC UTILITIES CORPORATION
EFFECT ON THE (OVER)/UNDER COLLECTION BALANCE
Report For The Period January 1, 2025 to December 31, 2025**

| Line No. | Month | (A) | (B) |
|----------|---------------------------------|--------------------------|--------------------------|
| | | (Refund)/Recovery (1) | (Over)/Under Balance (2) |
| | | TCJA Not in rates | |
| 1 | Balance - December 31, 2024 (3) | | \$ (22,397,975) |
| 2 | January | \$ - | \$ (22,397,975) |
| 3 | February | \$ - | \$ (22,397,975) |
| 4 | March | \$ - | \$ (22,397,975) |
| 5 | April | \$ - | \$ (22,397,975) |
| 6 | May | \$ - | \$ (22,397,975) |
| 7 | June | \$ - | \$ (22,397,975) |
| 8 | July | \$ - | \$ (22,397,975) |
| 9 | August | \$ - | \$ (22,397,975) |
| 10 | September | \$ - | \$ (22,397,975) |
| 11 | October | \$ - | \$ (22,397,975) |
| 12 | November | \$ - | \$ (22,397,975) |
| 13 | December | \$ - | \$ (22,397,975) |

(1) From Schedule 4, Column (C).

(2) Calculated using Line 1, Column (B) less the (Refund)/Recovery for the respective month in Columns (A).

(3) The (Over)/Under from Page 1, (Line 5 plus Line 8A) of the 2024 Reconciliation Report filed on April 28, 2025 at Docket No. M-2025-3054826. Additional interest of \$27,438 was calculated on the E-Factor balance as of December 31, 2024 due to the timing lag.

**PPL ELECTRIC UTILITIES CORPORATION
EFFECT ON THE (OVER)/UNDER COLLECTION BALANCE
Report For The Period January 1, 2025 to December 31, 2025**

| Line No. | Month | (A) | (B) |
|----------|---------------------------------|-----------------------|--------------------------|
| | | (Refund)/Recovery (1) | (Over)/Under Balance (2) |
| 1 | Balance - December 31, 2024 (3) | | \$ 5,281,380 |
| 2 | January | \$ (517,502) | \$ 4,763,877 |
| 3 | February | \$ (523,705) | \$ 4,240,173 |
| 4 | March | \$ (446,256) | \$ 3,793,917 |
| 5 | April | \$ (387,827) | \$ 3,406,090 |
| 6 | May | \$ (359,952) | \$ 3,046,138 |
| 7 | June | \$ (367,905) | \$ 2,678,233 |
| 8 | July | \$ (439,344) | \$ 2,238,889 |
| 9 | August | \$ (434,669) | \$ 1,804,220 |
| 10 | September | \$ (384,671) | \$ 1,419,550 |
| 11 | October | \$ (356,653) | \$ 1,062,896 |
| 12 | November | \$ (367,339) | \$ 695,557 |
| 13 | December | \$ (449,459) | \$ 246,098 |

(1) From Schedule 4, Column (C).

(2) Calculated using Line 1, Column (B) less the (Refund)/Recovery for the respective month in Columns (A).

(3) The (over)/under from Page 1, Line 8 of the 2024 reconciliation filed on April 28, 2025 at Docket No. M-2025-3054826.

PPL ELECTRIC UTILITIES CORPORATION
SUMMARY OF ALLOCATION OF TAX AND JOBS ACT (TCJA) Negative Surcharge
Report For The Period January 1, 2025 to December 31, 2025

| Month | | (A) | (B) | (C) | (D) |
|-----------|------|----------------------------|--|------------------------------|------------------------------------|
| | | TCJA Negative Surcharge | TCJA Negative Surcharge (Excl. Gross Receipts Tax) (1) | Recouped Through E Factor | Net TCJA Negative Surcharge (2) |
| January | 2025 | \$ (8,260,166) | \$ (7,772,816) | (517,502) | \$ (7,255,314) |
| February | 2025 | (8,400,131) | (7,904,523) | (523,705) | \$ (7,380,818) |
| March | 2025 | (7,157,683) | (6,735,380) | (446,256) | \$ (6,289,124) |
| April | 2025 | (6,218,282) | (5,851,403) | (387,827) | \$ (5,463,576) |
| May | 2025 | (5,773,761) | (5,433,109) | (359,952) | \$ (5,073,157) |
| June | 2025 | (5,901,432) | (5,553,248) | (367,905) | \$ (5,185,343) |
| July | 2025 | (7,047,246) | (6,631,459) | (439,344) | \$ (6,192,115) |
| August | 2025 | (6,972,618) | (6,561,234) | (434,669) | \$ (6,126,565) |
| September | 2025 | (6,170,329) | (5,806,280) | (384,671) | \$ (5,421,609) |
| October | 2025 | (5,715,651) | (5,378,427) | (356,653) | \$ (5,021,774) |
| November | 2025 | (5,882,422) | (5,535,359) | (367,339) | \$ (5,168,020) |
| December | 2025 | (7,199,789) | (6,775,002) | (449,459) | \$ (6,325,543) |
| | | <u>\$ (80,699,510)</u> | <u>\$ (75,938,240)</u> | <u>\$ (5,035,282)</u> | <u>\$ (70,902,958)</u> |

(1) Column (A) times (1 - GRT).

(2) Column (B) less Column (C).

**PPL ELECTRIC UTILITIES CORPORATION
INTEREST EXPENSE ON TAX AND JOBS CUTS ACT ("TCJA")
OVER/(UNDER) COLLECTIONS**

| Line No. | Month | (A) | (B) | (C) (D) | |
|----------|--|--|---|----------------------------------|-------------------------------------|
| | | Interest Rate (Residential Mortgage Interest Rate) | Weighting Factor (number of months) (2) | TCJA (Over)/Under Collection (1) | Interest on (Over)/Under Collection |
| 1 | January 2025 | 7.00% | 30 | \$ (7,787,095) | \$ (1,362,742) |
| 2 | February 2025 | 7.00% | 29 | \$ (513,695) | \$ (86,900) |
| 3 | March 2025 | 7.25% | 28 | \$ 1,114,546 | \$ 188,544 |
| 4 | April 2025 | 7.00% | 27 | \$ (1,858,807) | \$ (292,762) |
| 5 | May 2025 | 7.00% | 26 | \$ (17,311) | \$ (2,626) |
| 6 | June 2025 | 7.00% | 25 | \$ 1,119,414 | \$ 163,248 |
| 7 | July 2025 | 7.25% | 24 | \$ (3,425,791) | \$ (496,740) |
| 8 | August 2025 | 7.25% | 23 | \$ 201,392 | \$ 27,985 |
| 9 | September 2025 | 7.25% | 22 | \$ (2,759,811) | \$ (366,825) |
| 10 | October 2025 | 7.25% | 21 | \$ 325,379 | \$ 41,283 |
| 11 | November 2025 | 7.00% | 20 | \$ (4,115,389) | \$ (480,129) |
| 12 | December 2025 | 7.00% | 19 | \$ 4,161,817 | \$ 461,268 |
| 13 | Total Interest on Over/(Under) Calculation | | | \$ (13,555,351) | \$ (2,206,396) |

(1) From Schedule 2, Line 3, for the respective rate group.

(2) The interest calculation uses the over(under) collection shown in columns D, times the interest rate in column (A) divided by 12 to obtain the monthly interest amount. The monthly amount calculated then is multiplied by the number of months in column (B).