



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY, PLEASE
REFER TO OUR FILE

April 10, 2026

Docket No. M-2026-3060815
Utility Code: 110500

KIMBERLY A. KLOCK
ASSISTANT GENERAL COUNSEL
PPL ELECTRIC UTILITIES CORPORATION
645 HAMILTON STREET, SUITE 700
ALLENTOWN, PA 18101
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**Re: Annual Asset Optimization Plan for PPL Electric Utilities Corporation at
Docket No. M-2026-3060815**

Dear Attorney, Klock:

On March 2, 2026, PPL Electric Utilities Corporation (PPL Electric) filed its 2025 Annual Asset Optimization Plan (AAOP) for its electric operations, pursuant to 52 Pa. Code § 121.6.

The Commission’s regulations require utilities with an approved Distribution System Improvement Charge (DSIC) to file annually an AAOP with the Commission. The AAOP shall be filed 60 days after the prior 12 months of the company’s Long-Term Infrastructure Improvement Plan (LTIIIP) has expired, and pursuant to this timeframe for each successive AAOP. 52 Pa. Code § 121.6(a). The AAOP must include:

- 1) A description that specifies all of the eligible property repaired, improved, and replaced in the prior 12-month period under its LTIIIP and prior year’s AAOP.
- 2) A description of the eligible property to be repaired, improved, and replaced in the upcoming 12-month period.

The Commission is charged with reviewing each AAOP only to determine whether the utility is in substantial compliance with the repairs, improvements, or replacements of the specific eligible property in its approved LTIIIP, for the corresponding 12-month timeframes. 52 Pa. Code § 121.6(d). The Commission has delegated the review of AAOPs to the Bureau of Technical Utility Services (TUS).

Timely Filing

52 Pa. Code § 121.6(a)

A utility with an approved DSIC shall file with the Commission, for informational purposes, an AAO plan. The AAO plan shall be filed annually with the Commission 60 days after the 12

months of its LTIIIP has expired and under this time frame for each successive year of the term of the LTIIIP.

PPL Electric's 2025 AAOP complies with this requirement.

Content

52 Pa. Code § 121.6(b)

An AAO plan must include:

- (1) A description that specifies all the eligible property repaired, improved and replaced in the prior 12-month period under its LTIIIP and prior year's AAO plan.*
- (2) A description of the eligible property to be repaired, improved and replaced in the upcoming 12-month period.*

PPL Electric's 2025 AAOP complies with this requirement.

Substantial Adherence to LTIIIP

52 Pa. Code § 121.6(d)

An AAO plan will be reviewed by the Commission only to determine whether the utility is in substantial compliance with the repairs, improvements or replacements of the specific eligible property in its approved LTIIIP for the corresponding 12-month time frames.

52 Pa. Code § 121.6(e)

Absent any major modifications to the LTIIIP or Commission action to reject an AAO plan within 60 days of its submission to the Commission, the AAO plan will be deemed approved. The Commission may extend its consideration period if necessary.

52 Pa. Code § 121.6(f)

If an AAO plan is rejected by the Commission, the utility will be notified of the plan's deficiencies and actions needed to repair, improve or replace eligible property to bring the utility into compliance with the work schedule in its approved LTIIIP. If the utility concludes that it needs to revise its LTIIIP to comply with the Commission's determinations, it shall file a petition for modification under § 121.5.

The Commission reviewed PPL Electric's AAOP and found that it generally complied with its LTIIIP project goals and spending in 2025. In its AAOP, PPL Electric indicated that it spent approximately \$207.55 million on LTIIIP programs in 2025, compared to the \$202.51 million estimated in its LTIIIP. For each of its LTIIIP programs, PPL Electric's AAOP included descriptions of: the program and its purpose; the quantities of eligible assets improved, repaired, or replaced in 2025 and planned to be improved, repaired, or replaced in 2026; project locations;

the actual in-service dollar amounts for 2025 and the planned expenditures for 2026; and any deviation or modification from the LTIP.

On September 25, 2025, PPL Electric filed a Petition for Approval of a Major Modification to its Modified Third LTIP (Second Major Modification).¹ The Second Major Modification revised PPL Electric's projected capital spending on programs and initiatives over the remainder of the third LTIP from \$715.04 million to \$1.397 billion. The Commission approved PPL Electric's Second Major Modification on March 26, 2026.

In its AAOP, PPL Electric indicated that it expects to spend \$464.68 million on DSIC-eligible projects in 2026 compared to the \$468.94 million proposed in its Second Major Modification. The table provided on page eight of the AAOP indicated that most of this spending would focus on PPL Electric's System Reliability Improvement Projects and Substation programs.

Compliance with the LTIP is evaluated on a multiyear basis over the life of the LTIP. Construction and budget variations in individual years can be expected, and it is reasonable to expect that over a multi-year timeframe, much of this variation will be mitigated.

The AAOP does not propose a Major Modification to the company's LTIP.

Accordingly, PPL Electric's AAOP appears to substantially conform to the schedule set forth in the company's LTIP.

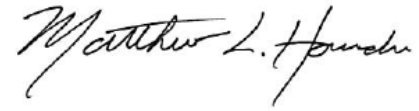
Conclusion

Upon review of PPL Electric's AAOP, it appears that the filing substantially complies with the requirements of 52 Pa. Code § 121.6 and it is approved. This approval is contingent upon the possibility that subsequent audits, reviews and inquiries, in any Commission proceeding, may be conducted pursuant to 52 Pa. Code § 121.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code § 5.44, file a petition with the Commission within twenty (20) days after the date of this letter. Please direct any questions regarding this filing to Clinton McKinley, TUS, at cmckinley@pa.gov.

¹ See, *Petition of PPL Electric Utilities Corporation for Approval of a Second Major Modification to its Existing Long-Term Infrastructure Improvement Plan*. Order and Opinion Entered March 26, 2026, at Docket No. P-2022-3034972.

Sincerely,

A handwritten signature in black ink that reads "Matthew L. Homsher". The signature is written in a cursive style with a large, stylized initial "M".

Matthew L. Homsher
Secretary

cc: Kriss Brown, LAW
Allison Kaster, BIE
Brent Killian, BIE
Dan Searfoorce, TUS
John Van Zant, TUS