

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Pa. PUC *et al*
v.
PPL Electric Utilities Corporation**

**Public Meeting held June 4, 2026
3057164-TUS
Docket No. R-2025-3057164**

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Before the Commission is rate case filing of PPL Electric Utilities Corporation (PPL or the Company) as well as the non-unanimous Settlement thereto. I would like to take the opportunity to highlight some pivotal issues addressed within the proposed Settlement.

First I note the maximum registered peak load (MRPL) provisions designed to address a structural mismatch in how default-service customers, particularly large net-metered solar facilities, are classified for generation supply service. PPL's current design does not appropriately recognize the generation and demand characteristics of the growing segment of "no-load" or "minimal-load" solar facilities, which are batched in with small businesses even though their generation profiles are often sized up to three Megawatts (MWs). To address this inequity, the Settlement includes the MRPL provision designed to categorize net-metering facilities into an appropriate default service rate class. The MRPL is similar to the Supply Peak Load Impact design approved by the Commission in UGI Utilities, Inc – Electric Division's most recent Default Service Plan proceeding.¹ In summary, the new definition would categorize net-metering customers based on their net power flow either from, or into, the distribution system.

As I have stated in recent testimony, the influx of merchant solar generation into the net-metering marketplace is creating a very real affordability concern.² The Commission estimates a \$700 million annual cost in the long-run. The instant Settlement not only addresses the inequity of default service rate classification but also works to quell this affordability concern in PPL's service territory. Here, existing customers will be grandfathered at their existing default service categorization for ten years. Further, net-metering applicants who have submitted an interconnection application with PPL before September 30, 2025, will be grandfathered in a tranche of up to 140 MWs. I find such terms to be prudent.

I would also like to note the large load tariff provisions in the Settlement. In summary, PPL will implement the following tariff provisions for the LP-6 schedule:

- Applicability of 50 MW for individual locations and 75 MW for aggregate facilities,
- Initial terms of no less than ten years,
- Load ramping schedule of up to five years,
- Requiring applicable customers to provide a revenue guarantee, in the form of a Rate Base Security Obligation, for the line extension costs not directly charged to them,
- A minimum demand charge of 80% of designed capacity during ramping, 80% for the first five years of the term, and 50% for the second five years of the term.
- Allocation of \$11 million in universal service costs to the LP-6 schedule,

¹ Petition of UGI Utilities, Inc – Electric Divisions for Approval of a Default Service Plan, Docket No. P-2024-3049343.

² Testimony submitted before the Pennsylvania House Energy Committee on April 14, 2026.

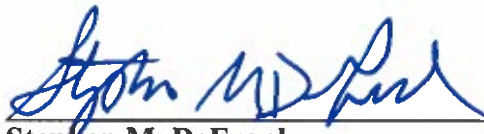
- Inclusion of an exit fee, and
- An option to connect customers on interruptible terms resulting in a reduced minimum demand charge of 60% designed capacity for the first five years and 30% for the second five years.

This Settlement comes in the wake of the Commission's recently issued Model Tariff regarding large load interconnection.³ I acknowledge that the Settlement terms were entered into well before the Commission finalized its Model Tariff. Upon review, many of the terms are well aligned or more stringent with those of our recent order, including the MW size, initial term parameters, and universal service contributions. With this said, I do focus on the contribution in aid of construction provisions, and how they differ from the "but for" design included in the Commission's Model Tariff. I encourage PPL to evaluate these contributions-in-aid of construction provisions and consider filing further tariff supplements in the future to better align with the Commission's Model Tariff.

As well, I am pleased to see a number of other positive provisions in the Settlement. These include a two-year stay-out, a \$1.5 million increase in LIURP funding, additional reliability investment reporting, commitments to improve call-center performance, and most notably an Electric Vehicle Time-of-Use Charging Rebate program that will offer \$10 rebates for every billing period the customer conducts at least 80% of its charging during off-peak hours.

The increased pace of rate filings since 2024 has created a significant challenge to balance necessary investments with customer affordability. Since PPL's last rate case request was made in 2015⁴, well over a decade ago, and since the proceeding includes the various provisions I highlighted herein, I am supportive of this Settlement.

June 4, 2026
Date



Stephen M. DeFrank
Chairman

³ Interconnection and Tariffs for Large Load Customers Final Order entered May 12, 2026, at Docket No. M-2025-3054271.

⁴ Opinion and Order entered November 19, 2015, at Docket No. R-2015-2469275.