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October 30, 2026

VIA ELECTRONIC FILING

Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RE: PPL Electric Utilities Corporation
Docket No. ER09-1148-000
Informational Filing of 2027 Formula Rate Annual Update

Dear Secretary Reese:

Pursuant to the Formula Rate Implementation Protocols ("Protocols") of PPL Electric Utilities Corporation ("PPL Electric") contained in Attachment H-8H of the PJM Interconnection, L.L.C. ("PJM") Open Access Transmission Tariff ("OATT"), PPL Electric submits its Formula Rate Annual Update ("Annual Update") for 2027. This 2027 Annual Update sets forth PPL Electric's annual transmission revenue requirement ("ATRR") calculated in accordance with its formula rate for transmission service ("Formula Rate") under the PJM OATT for the period commencing January 1, 2027 to and including December 31, 2027.[1]

In accordance with the Protocols, this submission is provided to the Federal Energy Regulatory Commission ("Commission" or "FERC") for informational purposes only.[2] As required by the Protocols, PPL Electric is also providing a copy of this filing to PJM for posting on the PJM website. Exhibit 1 to this informational filing is a copy of PPL Electric's Formula Rate template (the "Template") that has been populated with (1) actual 2025 inputs from PPL Electric's 2025 FERC Form No. 1, which was filed with the Commission on March 27, 2026, and other data based on PPL Electric's books and records, (2) 2026 capital additions,[3] and (3) forecasted 2027 capital additions.[4] PJM will use the populated Template to determine charges for transmission service under Attachment H-8, Schedule 12-Appendix and Schedule 12-Appendix A of the PJM OATT. Consistent with the Commission Staff's Guidance on Formula

[1] *PJM,* Intra-PJM Tariffs, OATT Attachment H-8H-PPL (3.2.0), §§ I.A, IV ("Protocols").

[2] *See PPL Elec. Utils. Corp.*, Letter Order, Docket No. ER09-1148-000 (issued Mar. 19, 2010) (stating that PPL Electric submits its Annual Updates in Docket No. ER09-1148-000 "for informational purposes only" and, as the Commission stated, "[u]pon receipt, the Commission will not act on or notice the informational filing because the formula rate implementation protocols provide specific procedures for notice, review, and challenges to the annual updates").

[3] The 2026 capital additions utilize actuals through August 2026. Projected 2026 capital additions are reflected for September 1, 2026, through December 31, 2026.

[4] Protocols § IV.A(2).

Rate Updates, PPL Electric is submitting the Template and additional exhibits in Microsoft Excel format, where required.[5]

As required by the Protocols, within five days of this filing, PPL Electric will send a "workable" Excel file containing the data in the populated Template in Exhibit 1 to the attention of the Chief Counsel of the Pennsylvania Public Utility Commission ("PA PUC") and the General Counsel or Executive Secretary of the New Jersey Board of Public Utilities, the Maryland Public Service Commission, and the Delaware Public Service Commission.[6] PPL Electric will also, no later than seven days prior to the Annual Meeting, provide notice on the PJM website of the time, date, and location of the Annual Meeting during which PPL Electric will provide interested parties an opportunity to seek further information and clarification regarding PPL Electric's 2027 Annual Update.[7] As required by the Protocols, PPL Electric will use its best efforts to notify by electronic mail each of the parties in the docket in which PPL Electric's Formula Rate was accepted by the Commission (Docket No. ER08-1457-000) that the 2027 Annual Update has been posted and describe the time and location of the Annual Meeting.[8]

I. SUPPORTING DOCUMENTATION

In addition to the populated template, PPL Electric also submits Exhibits 2A through 5, which contain additional information provided pursuant to the Protocols. PPL Electric also includes Exhibit 6 in its Annual Update, which provides work papers supporting the return of excess accumulated deferred income taxes ("ADIT") associated with the Tax Cuts and Jobs Act of 2017 ("TCJA") and the recovery of the deferred income tax expense associated with the equity component of the Allowance for Funds Used During Construction ("AFUDC Equity") approved by the Commission in Docket No. ER19-1145-000.[9]

A. Data Not Otherwise Available in FERC Form No. 1

Section IV.A(3)(a) of the Protocols and the Commission Staff's Guidance on Formula Rate Updates require PPL Electric to submit supporting documentation for data not otherwise available in its FERC Form No. 1. Exhibit 2 contains support for the relevant data not otherwise available in PPL Electric's 2025 FERC Form No. 1. Specifically, Exhibit 2 includes additional details regarding the following: (1) revenue credits (Revenue Credit Worksheet, Exhibit 2A), (2) amortized investment tax credits (Schedule of Deferred Investment Tax Credit, Exhibit 2B), and (3) Post-Retirement Benefits Other Than Pensions ("PBOP") expenses (PBOP Expenses, Exhibit 2C).

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[5] *See* FERC Staff, *Staff's Guidance on Formula Rate Updates* (July 17, 2014).

[6] Protocols § IV.B(1).

[7] *Id.* § IV.B(2).

[8] *Id.* § IV.B(3).

[9] *PJM Interconnection, L.L.C.,* 167 FERC ¶ 61,083 (2019) ("April 2019 Order").

B. Return of Excess ADIT and Accounting for AFUDC Equity

On April 29, 2019, the Commission accepted modifications to PPL Electric's Formula Rate to: (1) permit PPL Electric to return to customers or recover from customers, as applicable, excess or deficient ADIT resulting from the reduction in the Federal Income Tax ("FIT") Rate under the TCJA and from future changes in income tax laws; and (2) permit PPL Electric to prospectively account for deferred income tax expense associated with the equity component of AFUDC Equity (together, the "ADIT/AFUDC Component").[10] The modifications to PPL Electric's Formula Rate were made effective June 1, 2019.[11] As noted above, PPL Electric includes Exhibit 6, which provides work papers supporting the return of excess ADIT associated with the TCJA and the recovery of the deferred income tax expense associated with the equity component of AFUDC Equity.

C. Material Accounting Changes

Section IV.A(3)(b) of the Protocols requires PPL Electric to provide notice of any Material Accounting Changes in its 2027 Annual Update.[12] PPL Electric has no Material Accounting Changes to report.

D. Changes to PPL Electric's ATRR

Section IV.A(3)(d) of the Protocols requires PPL Electric to provide sufficient information to explain any changes made since the last Annual Update. Exhibit 3A is a variance report that identifies the changes to PPL Electric's populated Template contained in Exhibit 1 when compared to the populated Template submitted in Docket No. ER09-1148-000 for the 2026 Rate Year.[13] Included with the variance report is an explanation of significant changes made since the last Annual Update (Exhibit 3B).

The Protocols also require PPL Electric to identify any changes in the formula references in FERC Form No. 1 and any adjustments made to the FERC Form No. 1 data in determining inputs. There are no changes to the formula references in FERC Form No. 1 or adjustments to the FERC Form No. 1 data in determining inputs.[14]

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[10] *PPL Elec. Utils. Corp.*, Revisions to Attachment H-8G of the PJM Interconnection, L.L.C., Open Access Transmission Tariff, Docket No. ER19-1145-000 (filed Feb. 28, 2019) ("February 2019 Filing").

[11] April 2019 Order at P 1.

[12] Section I.G. of the Protocols defines Material Accounting Changes.

[13] *PPL Elec. Utils. Corp.,* Informational Filing of 2026 Formula Rate Annual Update, Docket No. ER09-1148-000, at Exhibit 1 (filed Oct. 30, 2025).

[14] PPL Electric revised its formula transmission rate in Attachment H-8G of the PJM Interconnection, L.L.C. Open Access Transmission Tariff (Formula Rate) to align references in its Formula Rate with changes made to FERC Form No. 1 pursuant to Order No. 898. *Accounting and Reporting Treatment of Certain Renewable Energy Assets*, Order No. 898, 183 FERC ¶ 61,205 (2023). The Federal Energy Regulatory Commission accepted these revisions on October 22, 2025, to be effective October 31, 2025.

Section VIII of the Protocols provides that corrections to prior Annual Updates should be reflected in the True-Up Adjustment in the next succeeding True-Up Adjustment. PPL Electric makes such a correction in the 2027 Annual Update. Prior to Order No. 864, PPL Electric's formula rate credited the Contribution in Aid of Construction ("CIAC") tax gross-up to network transmission customers as a revenue credit and recovered that up-front benefit over time by including the associated CIAC deferred tax asset ("DTA") in the rate base. However, in approving PPL Electric's proposed change to the Formula Rate to address the requirements of Order No. 864, the Commission directed PPL Electric to remove the CIAC DTA beginning in 2022.[15] On compliance, PPL Electric indicated that it would remove the CIAC DTA going forward. However, PPL Electric also noted that for prior years, network customers received a benefit as a result of PPL Electric including the CIAC gross-up as a credit in its Formula Rate. Doing so also impacted PPL Electric, and it would be determinantal if PPL Electric were not allowed to recover the remaining CIAC-associated ADIT in its transmission rates. To be made whole for the benefit provided to transmission customers for the gross-up credit, PPL Electric proposed to recover the outstanding CIAC-associated ADIT.[16] The Commission accepted these changes including the proposal to recover the outstanding CIAC-associated ADIT.[17] PPL Electric inadvertently included the CIAC tax gross-up to network transmission customers as a revenue credit in its formula rate for the period of 2022 to 2025 and makes an adjustment now to recover approximately $5.9 million for the 2022 to 2025 period. This correction is reflected as a separate adjustment in Exhibit 1.

E. Depreciation Expense

Section IV.A(3)(d)(iv) of the Protocols requires PPL Electric to provide the most recent annual report filed with the PA PUC that shows the annual depreciation rates derived from the applicable depreciation and service life study approved for use by the Commission as the basis for calculating such rates. Exhibit 5 is a copy of the annual report filed with the PA PUC on April 16, 2026, in PA PUC Docket No. M-2026-3061809.

PPL Electric Utilities Corp., Letter Order, Docket No. ER23-3352-002 (issued Oct. 22, 2025). PPL Electric used this revised template in this year's True-Up.

[15] *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019), *order on reh'g*, Order No. 864-A, 171 FERC ¶ 61,033 (2020).

[16] *PPL Elec. Utils. Corp.*, Order No. 864 Compliance Filing, Docket No. ER20-1719 (filed Feb. 9, 2022).

[17] *PPL Elec. Utils. Corp.*, Letter Order, Docket No. ER20-1719 (issued May 20, 2022).

II. CONCLUSION

The enclosed 2027 Annual Update provides the information required by the Protocols to be submitted to the Commission and posted on PJM's website. The Protocols provide specific procedures governing notice, requests for information, review and challenge of this 2027 Annual Update. Therefore, no action is required by the Commission regarding this 2027 Annual Update at this time.

If you should have any questions regarding the Informational Posting of PPL Electric's 2027 Annual Update, please contact the undersigned.

Sincerely,

/s/ William M. Keyser
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Enclosures