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August 25, 2022

Via eTariff  
The Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: *PPL Electric Utilities Corporation*, Docket No. ER22-2719-000

Modifications to the Formula Rate, Attachments H-8G and H-8H to the PJM Open Access Transmission Tariff, to Utilize a Calendar Year Rate Year

Dear Secretary Bose:

Pursuant to Section 205(d) of the Federal Power Act (“FPA”),<sup>1</sup> and Part 35.13 of the Federal Energy Regulatory Commission’s (the “Commission”) regulations, PPL Electric Utilities Corporation (“PPL Electric”) hereby submits for filing limited revisions to its formula rate template and implementation protocols contained in Attachment H-8 of the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT”), to transition to a calendar year rate year (January 1 to December 31) from a mid-year rate year (June 1 to May 31).<sup>2</sup>

As described in more detail below, as part of the settlement of Docket No. EL20-48-000, PPL Electric committed to file revisions to its formula rate template to reflect a projected rate year based on a calendar year rate year of January 1 to December 31.<sup>3</sup> In accordance with this settlement provision, PPL Electric requests Commission approval to transition its formula rate to a calendar year rate year and separate the timing of the true-up process from the annual update process. As demonstrated below and in the accompanying testimony, those changes are just and reasonable and will result in a more accurate rate that more closely aligns with PPL Electric’s

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<sup>1</sup> 16 U.S.C. § 824d(d).

<sup>2</sup> Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. on behalf of PPL Electric as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all tariff filings on behalf of PPL Electric in order to retain administrative control over the PJM Tariff. Thus, PPL Electric has requested PJM to submit the revised Attachments H-8G and H-8H in the Tariff system as part of PJM’s electronic Intra PJM Tariff.

<sup>3</sup> Settlement Agreement and Offer of Settlement, Docket No. EL20-48-000 at § 2.2 (filed Aug. 20, 2021).

accounting and fiscal year. Therefore, PPL Electric requests that the Commission accept this filing to be made effective on October 25, 2022, without modification, suspension, or further proceedings.<sup>4</sup> Upon acceptance, as detailed below, PPL Electric will implement the annual update process and post a populated formula rate template on or before October 31, 2022, with rates to be effective in the calendar year January 1, 2023 through December 31, 2023, including all workpapers and true-up reconciliation information.

## **I. Background**

### **A. PPL Electric Utilities Corporation**

PPL Electric is a public utility organized under the laws of the Commonwealth of Pennsylvania, and a wholly owned subsidiary of PPL Corporation. PPL Electric owns and operates transmission and distribution facilities in eastern and central Pennsylvania and is a founding member of PJM. PPL Electric's transmission system consists of approximately 5,000 miles of electric transmission lines, which are integrated into the PJM Transmission System and comprise most of the transmission assets in the PJM PPL Zone. PPL Electric operates and maintains its transmission facilities under the direction of PJM and transmission service over PPL Electric's transmission facilities is provided by PJM under the PJM OATT.

### **B. PPL Electric's Current Formula Rate and Implementation Protocols**

PPL Electric's transmission formula rate template is set forth in Attachment H-8G and its formula rate implementation protocols are provided in Attachment H-8H to the PJM OATT. The formula rate template principally utilizes FERC Form No. 1 filed data from the most recent historical year. The formula rate template and implementation protocols provide that transmission plant in service for purposes of projecting the upcoming rate year includes expected new transmission plant to be placed in service in the current calendar year, weighted based on the number of months the plant is expected to be in service.<sup>5</sup> The annual rate update process and true-up reconciliation of the past year's rates occur at the same time on or before May 15<sup>th</sup> to be implemented in a mid-year rate year, or June 1 to May 31.<sup>6</sup>

### **C. Settlement of Docket No. EL20-48-000**

On May 21, 2020, PP&L Industrial Customer Alliance filed a complaint against PPL Electric, under sections 206, 306, and 309 of the FPA and Rule 206 of the Commission's Rules of Practice and Procedure, alleging that PPL Electric's 11.18% base return on equity was unjust and unreasonable. The Commission set the Complaint for hearing and settlement judge procedures.<sup>7</sup> A settlement was filed on August 20, 2021, and the Commission approved the

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<sup>4</sup> PPL Electric requests that the Commission accept the filing effective October 25, 2022 to allow PPL Electric to prepare and post the Annual Update on or before October 31, 2022.

<sup>5</sup> See Attachment H-8G at lines 15-17, Note B, and Attachment 6.

<sup>6</sup> *Id.*; Attachment H-8H at I(A), III(B).

<sup>7</sup> 173 FERC ¶ 61,042 (2020).

settlement on November 5, 2021.<sup>8</sup> As part of the settlement, PPL Electric agreed “to modify the Rate Year used to populate the Formula Rate Template from the current June 1 to May 31 Rate Year period to reflect a projected Rate Year based on the calendar year of January 1 to December 31 (“Projected Rate Year”).”<sup>9</sup> This included the requirement to amend the OATT, Attachment H-8H, to accommodate the use of a calendar year rate year.<sup>10</sup> The Settlement also required that a blended return on equity be used for the rate year if the change from a mid-year to a calendar year rate year occurred in a year when the base return on equity changed on June 1 in accordance with the settlement. That is the case here, as the base return on equity increases from 9.90% to 9.95% on June 1, 2022, and from 9.95% to 10.00% on June 1, 2023.<sup>11</sup>

This filing is in conformance with the settlement and the spirit of its terms. The settlement requires PPL Electric to change from the use of filed FERC Form No. 1 data to projected FERC Form No. 1 data.<sup>12</sup> PPL Electric believes that the proposed changes are consistent with the intent of the Settlement Agreement and has discussed the proposed changes with the active parties in the proceeding in Docket EL20-48, PPLICA and American Electric Power (“AMP”). Those parties have indicated that they do not have any material concerns with the proposed changes or filing more than 180 days after the approval of the Settlement Agreement by the Commission.

## II. ADDITIONAL FILING INFORMATION

### A. Description of the Proposed Changes to Attachments H-8G and H-8H

PPL Electric requests approval pursuant to Section 205(d) of the FPA to make limited changes to its formula rate template and implementation protocols to effectuate the terms of the settlement in Docket No. EL20-48-000. The changes fall into the following two categories: 1) a change from a mid-year to a calendar year rate year; and 2) the separation of the timing of the true-up process from the annual rate update process. For example, several changes are required to Attachment H-8G Formula Rate Template, Attachment 6 (Estimate and Reconciliation Worksheet) to bifurcate the timing and steps of the true-up process to occur in the Spring following the applicable rate year and the annual update process to occur in the Fall prior to the upcoming rate year. Likewise, several changes are needed to the formula rate implementation protocols, Attachment H-8H, to effectuate this modified rate year and update process, including the definitions, the true-up adjustment process, and the annual update timing provisions. The specific changes are set forth in the attached redline tariff sheets and described in more detail in the testimony of Mr. Scott Koch.

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<sup>8</sup> *In re PJM Interconnection, L.L.C.*, 177 FERC ¶ 61,082 (2021).

<sup>9</sup> Settlement Agreement and Offer of Settlement, Docket No. EL20-48-000 at § 2.2.1 (filed Aug. 20, 2021).

<sup>10</sup> *Id.*

<sup>11</sup> Settlement Agreement and Offer of Settlement, Docket No. EL20-48-000 at § 1.1.1 (filed Aug. 20, 2021).

<sup>12</sup> *Id.* at § 2.2.

Numerous utilities in PJM have a calendar year rate year for their formula rate templates, and numerous utilities bifurcate the timing of the true-up and annual update process.<sup>13</sup> The specific changes proposed here are detailed and supported in the testimony of Mr. Koch.<sup>14</sup> Mr. Koch details the need for these changes and why they are just and reasonable. As Mr. Koch testifies, a calendar year rate year will more closely aligns with PPL Electric's accounting and fiscal year. It will also align the 1-CP peak with the rate period reducing the risk for the customer and the utility.

## **B. Transition Mechanisms**

PPL Electric provides several transition mechanisms in the proposed modifications to the formula rate implementation protocols to make explicitly clear the intended transition process.

First, the implementation protocols include a footnote explicitly stating that the annual update process to transition to a calendar year rate year will occur on October 31, 2022, for calendar year rates to be effective January 1, 2023 to December 31, 2023. In the event that the Commission suspends the effective date of this filing, the annual update to transition to a calendar year rate year will occur on the effective date of this filing. In addition, if a suspension of the effective date of this filing causes the first calendar year rate year to be a partial calendar year, the protocols provide a mechanism to pro-rate the rates and the subsequent true-up reconciliation. To be clear, the Commission should not suspend the effective date of this filing, but if that should occur, the proposed protocols address this situation.

Second, since the transition to a calendar year rate year will occur in a year when the base return on equity will change in accordance with the settlement in Docket No. EL20-48-000, the implementation protocols explicitly set forth the mechanism agreed to in the settlement agreement in Docket No. EL20-48-000 to address this transition. Specifically, the settlement agreement and the proposed protocols provide that PPL Electric will use a blended (i.e., weighted average) base return on equity that reflects the number of months each return on equity set forth in the settlement agreement is in effect during the transition year. This will occur with this filing because the base return on equity increases on both June 1, 2022 and June 1, 2023. As Mr. Koch testifies, this means the true-up that will take place in May 2023 for the 2022 calendar year will include a weighted average of the base return on equity of 9.90% from January 1, 2022 to May 31, 2022, and 9.95% from June 1, 2022 to December 31, 2022.<sup>15</sup> In addition, the projected rates for calendar year 2023, and the subsequent true-up, will utilize a base return on

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<sup>13</sup> See, e.g., PJM OATT, Attachment H-14A (AEP East Operating Companies); PJM OATT, Attachment H-15B (The Dayton Power & Light Co.); PJM Tariff, Attachment H-16B (Virginia Electric and Power Co.); PJM OATT, Attachment H-19B (Transource Pennsylvania, LLC); PJM OATT, Attachment H-30B (Transource Maryland, LLC).

<sup>14</sup> Direct Testimony of Scott F. Koch on Behalf of PPL Electric Utilities Corporation, Attached hereto as Exhibit PPL-00001 ("Koch Testimony").

<sup>15</sup> Koch Testimony at P7:4-7 & P7:14-18.

equity of 9.95% from January 1, 2023 to May 31, 2023, and a base return on equity of 10.00% from June 1, 2023 to December 31, 2023.<sup>16</sup>

Finally, Mr. Koch describes how the True-Up process will work during the transition from the June to May Rate year to a January to December Rate Year.<sup>17</sup> As Mr. Koch explains, PPL Electric will continue to bill customers from June 1, 2022 until December 31, 2022 based on the current formula rate.<sup>18</sup> This will include a truncated True-up that reflects a pro-rated share of 7 months of the True-Up for 2021. The remaining 5 months of the 2021 True Up will be included with the Annual Update submitted in October 2022. The 2022 True Up will be determined and posted to the PJM website and submitted to the Commission as an informational filing in May 2023 consistent with the revised Protocols. Going forward, PPL Electric will follow the process set forth in the Protocols. Mr. Koch includes an Exhibit to his testimony that provides more detail on how the True-Up will work during the transition period. This transition is also described in footnote 3 of the Protocols.<sup>19</sup>

### **C. Documents Included with This Filing**

In accordance with the Commission's eTariff protocols, this filing includes the following documents:

1. This transmittal letter;
2. A redline of the proposed changes to Attachments H-8G and H-8H;
3. A clean version of the proposed changes to Attachments H-8G and H-8H;
4. Exhibit No. PPL-00001, Direct Testimony of Scott Koch.
  - a. Exhibit No. PPL-00002, Diagram of Transition Process to Calendar Year Rate Year.

### **D. Persons Receiving Notice**

On behalf of PPL Electric, PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region alerting them that this filing has been made by PJM today and is available by following such

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<sup>16</sup> *Id.* at P7:18-8:2.

<sup>17</sup> *Id.* at P6:15-8:4.

<sup>18</sup> *Id.* at P6:20-7:1.

<sup>19</sup> *Id.*; *see also*, Attachment H-8H, n. 3.

link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <https://elibrary.ferc.gov/eLibrary/search> in accordance with the Commission's regulations and Order No. 714.

#### **E. Statement as to Expenses or Costs**

No expenses or costs proposed in this filing and submitted herewith "have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices."<sup>20</sup>

#### **F. Information Relating to the Effect of the Rate Change**

The proposed changes in this filing do not change the rate charged, only which 12-months are utilized as the rate year and the timing of the annual update and true-up process, such that the modified formula rates do not result in a rate change, other than timing differences on when the rate is updated. Specifically, in order to transition to a calendar year rate year, the updated rate will go into effect on January 1, 2023, as opposed to June 1, 2023. To the extent there is a rate increase or decrease, this rate change will go into effect sooner than it otherwise would have for just this initial transition annual update. The formula rate implementation protocols require the inclusion of interest in the true-up determination, however, in accordance with 18 C.F.R §35.19a under the same calculation provided in PPL Electric's current formula rate implementation protocols.

#### **G. Effective Date and Implementation Process**

PPL Electric requests that the proposed changes to Attachments H-8G and H-8H be made effective on October 25, 2022, so that the company can post its Annual Update on the PJM website and submit it to the Commission prior to October 31, 2022. This will allow the first calendar year rate year to be a complete calendar year, without the need for pro-rata adjustments. In addition, the proposed changes in this filing do not change the rate charged, only which 12-months are utilized as the rate year and the timing of the annual update and true-up process, such that the modified formula rates do not result in unjust, unreasonable, or substantially excessive rates under the Commission's *West Texas* policy.<sup>21</sup>

### **III. REQUEST FOR WAIVERS**

To the extent necessary, PPL Electric requests waiver of Section 35.13 of the Commission's regulations, including waiver of the full Period I and Period II data requirements, waiver of the requirement in Section 35.13(a)(2)(iv) to determine if and to the extent to which a

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<sup>20</sup> 18 C.F.R. § 35.13(b)(7).

<sup>21</sup> *W. Tex. Utils. Co.*, 18 FERC ¶ 61,189 at 61,375 (1982); *see Tucson Electric Power Co.*, 168 FERC ¶ 61,068, at P 52 & n.69 (2019); *Allegheny Power Sys. Operating Cos.*, 111 FERC ¶ 61,308 at P 51 (2005), *reh'g denied*, 115 FERC ¶ 61,156 (2006).

proposed change constitutes a rate increase based on Period I-Period II rates and billing determinants, and the requirement for an attestation. Good cause exists to grant this waiver. The Commission generally grants requests for waiver for the full cost of service filing requirements prescribed by Section 35.13 in formula rate filings. Waiver is also appropriate in this instance based on the non-opposition of the settling parties in Docket No. EL20-48-000, the reliance on filed FERC Form No. 1 data, and the limited nature of the proposed change to the formula rates and implementation protocols.

#### IV. COMMUNICATIONS

PPL Electric requests that any correspondence or communications with respect to this filing be directed to the following:<sup>22</sup>

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<sup>22</sup> PPL Electric respectfully requests waiver of 18 C.F.R. § 385.203(b)(3), to the extent necessary, to permit more than two persons to be placed on the service list for this proceeding.

Kimberly D. Bose, Secretary

August 25, 2022

Page 8

## V. CONCLUSION

PPL Electric requests that the Commission issue an order accepting these tariff revisions and making them effective on the date indicated, and grant any waivers the Commission finds necessary.

Respectfully submitted,

*/s/ William M. Keyser*

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Attachment A

Revisions to PJM OATT  
Attachment H-8G & Attachment H-8H

(Clean Version)

PPL Electric Utilities Corporation Formula Rate -- Appendix A		Notes	FERC Form 1 Page # or Instruction	Enter the Year
<b>Shaded cells are input cells</b>				
<b>Allocators</b>				
<b>Wages &amp; Salary Allocation Factor</b>				
1	Transmission Wages Expense		p354.21.b	-
2	Total Wages Expense		p354.28.b	-
3	Less A&G Wages Expense		p354.27.b	-
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	-
5	<b>Wages &amp; Salary Allocator</b>		(Line 1 / Line 4)	-
<b>Plant Allocation Factors</b>				
6	Electric Plant in Service		p207.104.g	-
7	Accumulated Depreciation (Total Electric Plant)	(Note J)	p219.29.c	-
8	Accumulated Amortization	(Note A)	p200.21.c	-
9	Total Accumulated Depreciation		(Line 7 + 8)	-
10	Net Plant		(Line 6 - Line 9)	-
11	Transmission Gross Plant (excluding Land Held for Future Use)		(Line 25 - Line 24)	-
12	<b>Gross Plant Allocator</b>		(Line 11 / Line 6)	-
13	Transmission Net Plant (excluding Land Held for Future Use)		(Line 33 - Line 24)	-
14	<b>Net Plant Allocator</b>		(Line 13 / Line 10)	-
<b>Plant Calculations</b>				
<b>Plant In Service</b>				
15	Transmission Plant In Service	(Note B)	p207.58.g	-
16	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only	Attachment 6	-
17	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	(Note B)	Attachment 6	-
18	<b>Total Transmission Plant</b>		(Line 15 - Line 16 + Line 17)	-
19	General		p207.99.g	-
20	Intangible		p205.5.g	-
21	Total General and Intangible Plant		(Line 19 + Line 20)	-
22	Wage & Salary Allocator		(Line 5)	-
23	<b>Total General and Intangible Functionalized to Transmission</b>		(Line 21 * Line 22)	-
24	<b>Land Held for Future Use</b>	(Note C) (Note P)	Attachment 5	-
25	<b>Total Plant In Rate Base</b>		(Line 18 + Line 23 + Line 24)	-
<b>Accumulated Depreciation</b>				
26	Transmission Accumulated Depreciation	(Note J)	p219.25.c	-
27	Accumulated General Depreciation	(Note J)	p219.28.c	-
28	Accumulated Amortization		(Line 8)	-
29	Total Accumulated Depreciation		(Line 27 + 28)	-
30	Wage & Salary Allocator		(Line 5)	-
31	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 29 * Line 30)	-
32	<b>Total Accumulated Depreciation</b>		(Sum Lines 26 + 31)	-
33	<b>Total Net Property, Plant &amp; Equipment</b>		(Line 25 - Line 32)	-

**Adjustment To Rate Base**

34	<b>Accumulated Deferred Income Taxes</b> ADIT net of FASB 106 and 109		Attachment 1	-
35	<b>CWIP for Incentive Transmission Projects</b> CWIP Balances for Current Rate Year	(Note H)	Attachment 6	-
36	<b>Prepayments</b> Prepayments	(Note A) (Note O)	Attachment 5	-
37	<b>Materials and Supplies</b> Undistributed Stores Expense	(Note A)	p227.16.c	-
38	Wage & Salary Allocator		(Line 5)	-
39	Total Undistributed Stores Expense Allocated to Transmission		(Line 37 * Line 38)	-
40	Transmission Materials & Supplies		p227.8.c	-
41	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 39 + Line 40)	-
42	<b>Cash Working Capital</b> Operation & Maintenance Expense		(Line 70)	-
43	1/8th Rule		1/8	12.5%
44	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 42 * Line 43)	-
45	<b>Total Adjustment to Rate Base</b>		(Lines 34 + 35 + 36 + 41 + 44)	-
46	<b>Rate Base</b>		(Line 33 + Line 45)	-

**Operations & Maintenance Expense**

47	<b>Transmission O&amp;M</b> Transmission O&M		Attachment 5	0
48	Less Account 565		Attachment 5	-
49	Plus Charges billed to Transmission Owner and booked to Account 565	(Note N)	Attachment 5	-
50	<b>Transmission O&amp;M</b>		(Lines 47 - 48 + 49)	-
51	<b>Allocated Administrative &amp; General Expenses</b> Total A&G		323.197b	-
52	Less: Administrative & General Expenses on Securitization Bonds	(Note O)	Attachment 8	-
53	Plus: Fixed PBOP expense	(Note J)	Attachment 5	1,518,585
54	Less: Actual PBOP expense		Attachment 5	-
55	Less Property Insurance Account 924		p323.185.b	-
56	Less Regulatory Commission Exp Account 928	(Note E)	p323.189.b	-
57	Less General Advertising Exp Account 930.1		p323.191.b	-
58	Less EPRI Dues	(Note D)	p352 & 353	-
59	Administrative & General Expenses		Sum (Lines 51 + 53) - Line 52 - Sum (Lines 54 to 58)	1,518,585
60	Wage & Salary Allocator		(Line 5)	-
61	<b>Administrative &amp; General Expenses Allocated to Transmission</b>		(Line 59 * Line 60)	-
62	<b>Directly Assigned A&amp;G</b> Regulatory Commission Exp Account 928	(Note G)	Attachment 5	-
63	General Advertising Exp Account 930.1	(Note K)	Attachment 5	-
64	<b>Subtotal - Accounts 928 and 930.1 - Transmission Related</b>		(Line 62 + Line 63)	-
65	Property Insurance Account 924	(Note G)	Attachment 5	-
66	General Advertising Exp Account 930.1	(Note F)	Attachment 5	-
67	Total Accounts 924 and 930.1 - General		(Line 65 + Line 66)	-
68	Net Plant Allocator		(Line 14)	-
69	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 67 * Line 68)	-
70	<b>Total Transmission O&amp;M</b>		(Lines 50 + 61 + 64 + 69)	-

Depreciation & Amortization Expense				
<b>Depreciation Expense</b>				
71	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	-
72	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	-
73	Intangible Amortization	(Note A)	p336.1.d&e	-
74	Total		(Line 72 + Line 73)	-
75	Wage & Salary Allocator		(Line 5)	-
76	<b>General Depreciation &amp; Intangible Amortization Allocated to Transmission</b>		(Line 74 * Line 75)	-
77	<b>Total Transmission Depreciation &amp; Amortization</b>		(Lines 71 + 76)	-
Taxes Other than Income Taxes				
78	<b>Taxes Other than Income Taxes</b>		Attachment 2	-
79	<b>Total Taxes Other than Income Taxes</b>		(Line 78)	-
Return \ Capitalization Calculations				
<b>Long Term Interest</b>				
80	Long Term Interest		p117.62.c through 66.c	-
81	Less LTD Interest on Securitization Bonds	(Note O)	Attachment 8	-
82	<b>Long Term Interest</b>		(Line 80 - Line 81)	-
83	<b>Preferred Dividends</b>	enter positive	p118.29.c	-
<b>Common Stock</b>				
84	Proprietary Capital		p112.16.c	-
85	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	-
86	Less Preferred Stock		(Line 94)	-
87	Less Account 216.1		p112.12.c	-
88	<b>Common Stock</b>		(Line 84 - 85 - 86 - 87)	-
<b>Capitalization</b>				
89	Long Term Debt		p112.18.c, 19.c & 21.c	-
90	Less Loss on Reacquired Debt		p111.81.c	-
91	Plus Gain on Reacquired Debt		p113.61.c	-
92	Less LTD on Securitization Bonds	(Note O)	Attachment 8	-
93	<b>Total Long Term Debt</b>		(Line 89 - 90 + 91 - 92)	-
94	Preferred Stock		p112.3.c	-
95	Common Stock		(Line 88)	-
96	<b>Total Capitalization</b>		(Sum Lines 93 to 95)	-
97	Debt %	Total Long Term Debt	(Line 93 / Line 96)	-
98	Preferred %	Preferred Stock	(Line 94 / Line 96)	-
99	Common %	Common Stock	(Line 95 / Line 96)	-
100	Debt Cost	Total Long Term Debt	(Line 82 / Line 93)	-
101	Preferred Cost	Preferred Stock	(Line 83 / Line 94)	-
102	Common Cost	Common Stock	(Note J) Fixed	0.1040
103	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 97 * Line 100)	-
104	Weighted Cost of Preferred	Preferred Stock	(Line 98 * Line 101)	-
105	Weighted Cost of Common	Common Stock	(Line 99 * Line 102)	-
106	<b>Rate of Return on Rate Base ( ROR )</b>		(Sum Lines 103 to 105)	-
107	<b>Investment Return = Rate Base * Rate of Return</b>		(Line 46 * Line 106)	-
Composite Income Taxes				
<b>Income Tax Rates</b>				
108	FIT=Federal Income Tax Rate	(Note I)		-
109	SIT=State Income Tax Rate or Composite			-
110	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	-
111	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		-
112	T / (1-T)			-
<b>ITC Adjustment</b>				
113	Amortized Investment Tax Credit - Transmission Related		Attachment 5	-
114	<b>ITC Adjust. Allocated to Trans. - Grossed Up</b>	ITC Adjustment x 1 / (1-T)	Line 113 * (1 / (1 - Line 111))	-
<b>Income Tax Adjustments</b>				
114a	<b>Other Income Tax Adjustments</b>	(Note Q, Note R)	Attachment 5	-
114b	<b>Other Income Tax Adjustments - Grossed Up</b>	Other Income Tax Adjustment x 1 / (1-T)	Line 114a * (1 / (1 - Line 111))	-
115	<b>Income Tax Component =</b>	$(T/1-T) * Investment Return * (1-(WCLTD/ROR)) =$	Line 112 * Line 107 * (1- (Line 103 / Line 106))	-
116	<b>Total Income Taxes</b>		(Line 114 + Line 114b + Line 115)	-

**Revenue Requirement**

Summary			
117	Net Property, Plant & Equipment	(Line 33)	-
118	Total Adjustment to Rate Base	(Line 45)	-
119	Rate Base	(Line 46)	-
120	Total Transmission O&M	(Line 70)	-
121	Total Transmission Depreciation & Amortization	(Line 77)	-
122	Taxes Other than Income	(Line 79)	-
123	Investment Return	(Line 107)	-
124	Income Taxes	(Line 116)	-
<b>125</b>	<b>Gross Revenue Requirement</b>	<b>(Sum Lines 120 to 124)</b>	<b>-</b>
<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>			
126	Transmission Plant In Service	(Line 15)	-
127	Excluded Transmission Facilities	(Note M) Attachment 5	-
128	Included Transmission Facilities	(Line 126 - Line 127)	-
129	Inclusion Ratio	(Line 128 / Line 126)	-
130	Gross Revenue Requirement	(Line 125)	-
131	<b>Adjusted Gross Revenue Requirement</b>	<b>(Line 129 * Line 130)</b>	<b>-</b>
<b>Revenue Credits</b>			
132	<b>Revenue Credits</b>	Attachment 3	-
<b>133</b>	<b>Net Revenue Requirement</b>	<b>(Line 131 - Line 132)</b>	<b>-</b>
<b>Net Plant Carrying Charge</b>			
134	Gross Revenue Requirement	(Line 130)	-
135	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	-
136	Net Plant Carrying Charge	(Line 134 / Line 135)	-
137	Net Plant Carrying Charge without Depreciation	(Line 134 - Line 71) / Line 135	-
138	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 134 - Line 71 - Line 107 - Line 116) / Line 135	-
<b>Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE</b>			
139	Gross Revenue Requirement Less Return and Taxes	(Line 130 - Line 123 - Line 124)	-
140	Increased Return and Taxes	Attachment 4	-
141	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 139 + Line 140)	-
142	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	-
143	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 141 / Line 142)	-
144	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 141 - Line 71) / Line 142	-
145	<b>Net Revenue Requirement</b>	(Line 133)	-
146	True-up amount	Attachment 6	-
147	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
148	<b>Net Zonal Revenue Requirement</b>	<b>(Line 145 + 146 + 147)</b>	<b>-</b>
<b>Network Zonal Service Rate</b>			
149	1 CP Peak	(Note L) PJM Data	-
150	Rate (\$/MW-Year)	(Line 148 / 149)	-
<b>151</b>	<b>Network Service Rate (\$/MW/Year)</b>	<b>(Line 150)</b>	<b>-</b>

**Notes**

- A Electric portion only.
- B Line 16, for the Reconciliation, includes New Transmission Plant that actually was placed in service weighted by the number of months it actually was in service. Line 17 includes New Transmission Plant to be placed in service in the current calendar year.
- C Includes Transmission portion only.
- D Includes all EPRI Annual Membership Dues.
- E Includes all Regulatory Commission Expenses.
- F Includes Safety-related advertising included in Account 930.1.
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at page 351.h. Property Insurance excludes prior period adjustment in the first year of the formula's operation and reconciliation for the first year.
- H CWIP can be included only if authorized by the Commission.
- I The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income tax rate, and  $p =$  the percentage of federal income tax deductible for state income taxes.  
The calculation of the Reconciliation revenue requirement according to Step 7 of Attachment 6 ("Estimate and Reconciliation Worksheet") shall reflect the actual tax rates in effect for the Rate Year being reconciled ("Test Year"). When statutory marginal tax rates change during such Test Year, the effective tax rate used in the formula shall be weighted by the number of days each such rate was in effect. For example, a 35% rate in effect for 120 days superseded by a 40% rate in effect for the remainder of the year will be calculated as:  $((.3500 \times 120) + (.4000 \times 245))/365 = .3836$ .
- J Base ROE will be as follows: (i.) 9.90% for the period May 21, 2020 through May 31, 2022; (ii.) 9.95% for the period June 1, 2022 through May 31, 2023; (iii.) 10.00% on June 1, 2023 and thereafter. If PPL Electric transitions from a June 1 to May 31 Rate Year period to a projected rate year based on January 1 to December 31 period and the transition occurs during a year when the Base ROE would change on June 1 PPL Electric will use a blended Base ROE that reflects the number of months each ROE is in effect during the transition year. No change in ROE will be made absent a filing at FERC.  
PBOP expense is fixed until changed as the result of a filing at FERC.  
Depreciation rates shown in Attachment 9 are fixed until changed as the result of a filing at FERC.  
Upon request, PPL Electric Utilities Corporation will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to Form No. 1 amounts.  
As set forth in Attachment 5, added to the depreciation expense will be actual removal costs (net of salvage) amortized over five years.
- K Education and outreach expenses related to transmission (e.g., siting or billing).
- L As provided for in Section 34.1 of the PJM OATT, the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Includes only charges incurred for system integration, such as those under the EHV Agreement, and transmission costs paid to others that benefit transmission customers.
- O Amounts associated with transition bonds issued to securitize the recovery of retail stranded costs are removed from account balances, pursuant to an Order entered by the Pennsylvania Public Utility Commission on May 21, 1999 at Docket No. R-00994637, in accordance with Pennsylvania's Electric Generation Customer Choice and Competition Act.
- P Any gain from the sale of land included in Land Held for Future Use in the Formula Rate received during the Rate Year shall be used to reduce the ATRR in the Rate Year. The Formula Rate shall not include any losses on sales of such land.
- Q Includes amounts associated with the amortization of any deficient or excess deferred income taxes (resulting from changes in income tax laws, income tax rates, and other actions taken by a tax authority), and amounts associated with the tax effect of the AFUDC Equity permanent difference. See Attachment 5 for a detailed breakdown of these amounts.
- R The revisions to PPL Electric's Formula Rate to allow for the flow back of excess ADIT approved by the Commission in *PPL Electric Utilities Corporation*, 167 FERC ¶ 61,083 (2019), were applied effective January 1, 2018, and were included in true-up calculations for the period beginning January 1, 2018.

PPL Electric Utilities Corporation  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Line No.		Transmission Related	Plant Related	Labor Related	Transmission ADIT	
1	ADIT- 282	0	0	0		From Acct. 282 total, below
2	ADIT-283	0	0	0		From Acct. 283 total, below
3	ADIT-190	0	0	0		From Acct. 190 total, below
4	Subtotal	0	0	0		Sum lines 1 through 3
5	Wages & Salary Allocator			0.0000%		
6	Net Plant Allocator		0.0000%			
7	ADIT	0	0	0	0	Sum Cols. D, E, F; Enter as negative Appendix A, line 42.
		row 4	row 5 * row 4	row 5 * row 4		

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

Line No.	A	B	C Gas, Prod, Dist Or Other Related	D Transmission Related	E Plant Related	F Labor Related	G Justification
	Table1: ADIT-190						
1	Account 190						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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16							
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32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46	Subtotal - p234	-	-	-	-	-	
47	Less FASB 109 Above if not separately removed	-	-	-	-	-	
48	Less FASB 106 Above if not separately removed	-	-	-	-	-	
49	Total	-	-	-	-	-	

**Instructions for Account 190:**

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PPL Electric Utilities Corporation  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B	C	D	E	F	G
Table 2: ADIT- 282	Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
Line No.	Account 282					
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	Subtotal - p275					
47	Less FASB 109 Above if not separately removed					
48	Less FASB 106 Above if not separately removed					
49	Total					

**Instructions for Account 282:**

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.



PPL Electric Utilities Corporation

A	B	C	D	E	F	G
	Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification

Table 3: ADIT-283

Line No.	Account 283					
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
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31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	Subtotal - p277	-	-	-	-	
47	Less FASB 109 Above if not separately removed	-	-	-	-	
48	Less FASB 106 Above if not separately removed	-	-	-	-	
49	Total	-	-	-	-	

**Instructions for Account 283:**

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

	A	B	C	D	E	F	G
		Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification

Table 4: ADIT Related Regulatory Asset - Account 182.3

Line No.	End of Year Sub-Totals						
1	Protected Plant Deficient/(Excess) ADIT	-					
2	Protected Plant Related Deficient/(Excess) NOL ADIT	-					
3	Unprotected Plant Deficient/(Excess) ADIT	-					
4	Total Unamortized Net Deficient/(Excess) Plant ADIT	-	-	-	-	-	Sum of Lines 1-3
5	AFUDC Equity Incurred Net of Depreciation	-					
6	Unamortized Transmission Monthly Deferred Tax Adjustment Charge	-					
7	Other Flow-Through Activity	-					
8	Plant ADIT Related Regulatory Asset excluding Gross-up	-	-	-	-	-	Sum of Lines 4-7
9	Gross-up of Line 8	-	-	-	-	-	
10	<b>Total Plant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	-	<b>Total equals sum of Lines 8-9 and is found on FERC Form 1 Page 232, Column f</b>
11	Unprotected Nonplant Deficient ADIT excluding Gross-up	-					
12	Gross-up of Line 11	-					
13	<b>Total Unprotected Nonplant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	-	<b>Total equals sum of Lines 11-12 and is found on FERC Form 1 Page 232, Column f</b>
14	FAS109 Deferred Tax Asset (Account 190)	-					
15	FAS109 Deferred Tax Liability (Account 282)	-					
16	FAS109 Deferred Tax Liability (Account 283)	-					
17	Regulatory Asset Balances and FAS109 ADIT Balances in Tables 1-3 Net to Zero	-	-	-	-	-	Sum of Lines 10 and 13-16

Beginning of Year Sub-Totals

18	Protected Plant Deficient/(Excess) ADIT	-					
19	Protected Plant Related Deficient/(Excess) NOL ADIT	-					
20	Unprotected Plant Deficient/(Excess) ADIT	-					
21	Total Unamortized Net Deficient/(Excess) Plant ADIT	-	-	-	-	-	Sum of Lines 18-20
22	AFUDC Equity Incurred Net of Depreciation	-					
23	Unamortized Transmission Monthly Deferred Tax Adjustment Charge	-					
24	Other Flow-Through Activity	-					
25	Plant ADIT Related Regulatory Asset excluding Gross-up	-	-	-	-	-	Sum of Lines 21-24
26	Gross-up of Line 25	-	-	-	-	-	
27	<b>Total Plant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	-	<b>Total equals sum of Lines 25-26 and is found on FERC Form 1 Page 232, Column b</b>
28	Unprotected Nonplant Deficient ADIT excluding Gross-up	-					
29	Gross-up of Line 28	-					
30	<b>Total Unprotected Nonplant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	-	<b>Total equals sum of Lines 28-29 and is found on FERC Form 1 Page 232, Column b</b>
31	FAS109 Deferred Tax Asset (Account 190)	-					
32	FAS109 Deferred Tax Liability (Account 282)	-					
33	FAS109 Deferred Tax Liability (Account 283)	-					
34	Regulatory Asset Balances and FAS109 ADIT Balances in Tables 1-3 Net to Zero	-	-	-	-	-	Sum of Lines 27 and 30-33

Current Year Activity (End of Year Less Beginning of Year Sub-Totals)

35	Amortization of Protected Plant (Deficient)/Excess ADIT	-					
36	Amortization of Protected Plant Related (Deficient)/Excess NOL ADIT	-					
37	Amortization of Unprotected Plant (Deficient)/Excess ADIT	-					
38	Total Amortization of Net (Deficient)/Excess Plant ADIT	-	-	-	-	-	Total amortization equals sum of Lines 35-37 and amounts recorded to Accounts 410.1 and 411.1 are reflected on Lines 39 and 40.
39	Total Amortization of Deficient Plant ADIT recorded to Account 410.1						Account 410.1
40	Total Amortization of Excess Plant ADIT recorded to Account 411.1						Account 411.1
41	Impact of Tax Rate Changes on Protected Plant ADIT Balance	-					
42	Impact of Tax Rate Changes on Protected Plant-Related NOL ADIT Balance						
43	Impact of Tax Rate Changes on Unprotected Plant ADIT Balance						
44	Total Impact of Tax Rate Changes on Plant ADIT Balance						Sum of Lines 41-43
45	AFUDC Equity Incurred Net of Depreciation	-					
46	Amortization of Transmission Monthly Deferred Tax Adjustment Charge	-					
47	Other Flow-Through Activity	-					
48	Reclass balance to/from Regulatory Liability (Table 5) when Balance changes directions						
49	Total ADIT activity excluding Gross-up	-	-	-	-	-	Sum of Lines 38 and 44-48
50	Gross-up of Line 49	-	-	-	-	-	
51	<b>Change in Plant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	-	<b>Total equals sum of Lines 49-50 and is found on FERC Form 1 Page 232, Columns c + e</b>
52	Amortization of Unprotected Nonplant Deficient ADIT in a Regulatory Asset	-					
53	Total Amortization of Deficient Nonplant ADIT recorded to Account 410.1						Account 410.1
54	Impact of Tax Rate Changes on Unprotected Nonplant ADIT Balance						
55	Gross-up of Lines 52 and 54	-					
56	<b>Change in Unprotected Nonplant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	-	<b>Total equals sum of Lines 52 and 54-55 and is found on FERC Form 1</b>

							Page 232, Columns c + e
57	Change in FAS109 Deferred Tax Asset (Account 190)	-					
58	Change in FAS109 Deferred Tax Liability (Account 282)	-					
59	Change in FAS109 Deferred Tax Liability (Account 283)	-					
60	Change in Regulatory Asset Balances and FAS109 ADIT Balances in Tables 1-3 net to Zero	-	-	-	-	-	Sum of Lines 51 and 56-59

**Instructions for Account 182:**

1. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount likewise shall not be included. Regulatory assets reflect the excluded ADIT balances that represent amounts to be collected by customers through future rates.
2. Excess and deficient ADIT are computed in any year where the applicable federal, state, or local income tax rates are changed. The detailed ADIT balances in Tables 1-3 in this Attachment that impact rate base are re-measured in Table 6 using the new tax rates and the change in ADIT balance is recorded to a regulatory asset or regulatory liability with an offsetting ADIT FAS109 adjustment. Amortization periods for protected and unprotected ADIT balances will be identified in the Justification field in Column G.
3. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
4. ADIT items related only to Transmission are directly assigned to Column D
5. ADIT items related to Plant and not in Columns C & D are included in Column E
6. ADIT items related to labor and not in Columns C & D are included in Column F

	A	B	C	D	E	F	G
		Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification

Table 5: ADIT Related Regulatory Liability - Account 254

Line No.	End of Year Sub-Totals						
1	Protected Plant Deficient/(Excess) ADIT	-					
2	Protected Plant Related Deficient/(Excess) NOL ADIT	-					
3	Unprotected Plant Deficient/(Excess) ADIT	-					
4	Total Unamortized Net Deficient/(Excess) Plant ADIT	-	-	-	-	-	Sum of Lines 1-3
5	AFUDC Equity Incurred Net of Depreciation	-					
6	Unamortized Transmission Monthly Deferred Tax Adjustment Charge	-					
7	Other Flow-Through Activity	-					
8	Plant ADIT Related Regulatory Liability excluding Gross-up	-	-	-	-	-	Sum of Lines 4-7
9	Gross-up of Line 8	-	-	-	-	-	
10	<b>Total Plant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	-	<b>Total equals sum of Lines 8-9 and is found on FERC Form 1 page 278, Column f</b>
11	Unprotected Nonplant Excess ADIT excluding Gross-up	-					
12	Gross-up of Line 11	-					
13	<b>Total Unprotected Nonplant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	-	<b>Total equals sum of Lines 11-12 and is found on FERC Form 1 page 278, Column f</b>
14	FAS109 Deferred Tax Asset (Account 190)	-	-	-	-	-	
15	FAS109 Deferred Tax Liability (Account 282)	-	-	-	-	-	
16	<b>FAS109 Deferred Tax Liability (Account 283)</b>						
17	Regulatory Liability Balances and FAS109 ADIT Balances in Tables 1-3 Net to Zero	-	-	-	-	-	Sum of Lines 10 and 13-16

Beginning of Year Sub-Totals

18	Protected Plant Deficient/(Excess) ADIT	-					
19	Protected Plant Related Deficient/(Excess) NOL ADIT	-					
20	Unprotected Plant Deficient/(Excess) ADIT	-					
21	Total Unamortized Net Deficient/(Excess) Plant ADIT	-	-	-	-	-	Sum of Lines 18-20
22	AFUDC Equity Incurred Net of Depreciation	-					
23	Unamortized Transmission Monthly Deferred Tax Adjustment Charge	-					
24	Other Flow-Through Activity	-					
25	Plant ADIT Related Regulatory Liability excluding Gross-up	-	-	-	-	-	Sum of Lines 21-24
26	Gross-up of Line 25	-	-	-	-	-	
27	<b>Total Plant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	-	<b>Total equals sum of Lines 25-26 and is found on FERC Form 1 page 278, Column b</b>
28	Unprotected Nonplant Excess ADIT excluding Gross-up	-					
29	Gross-up of Line 28	-					
30	<b>Total Unprotected Nonplant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	-	<b>Total equals sum of Lines 28-29 and is found on FERC Form 1 page 278, Column b</b>
31	FAS109 Deferred Tax Asset (Account 190)	-	-	-	-	-	
32	FAS109 Deferred Tax Liability (Account 282)	-	-	-	-	-	
33	<b>FAS109 Deferred Tax Liability (Account 283)</b>						
34	Regulatory Liability Balances and FAS109 ADIT Balances in Tables 1-3 Net to Zero	-	-	-	-	-	Sum of Lines 27 and 30-33

Current Year Activity (End of Year Less Beginning of Year Sub-Totals)

35	Amortization of Protected Plant (Deficient)/Excess ADIT	-					
36	Amortization of Protected Plant Related (Deficient)/Excess NOL ADIT	-					
37	Amortization of Unprotected Plant (Deficient)/Excess ADIT	-					
38	Total Amortization of Net (Deficient)/Excess Plant ADIT	-	-	-	-	-	Total amortization equals sum of Lines 35-37 and amounts recorded to Accounts 410.1 and 411.1 are reflected on Lines 39 and 40.
39	<b>Total Amortization of Deficient Plant ADIT recorded to Account 410.1</b>						<b>Account 410.1</b>
40	<b>Total Amortization of Excess Plant ADIT recorded to Account 411.1</b>						<b>Account 411.1</b>
41	Impact of Tax Rate Changes on Protected Plant ADIT Balance	-					
42	Impact of Tax Rate Changes on Protected Plant-Related NOL ADIT Balance						
43	Impact of Tax Rate Changes on Unprotected Plant ADIT Balance						
44	<b>Total Impact of Tax Rate Changes on Plant ADIT Balance</b>						<b>Sum of Lines 41-43</b>
45	AFUDC Equity Incurred Net of Depreciation	-					
46	Amortization of Transmission Monthly Deferred Tax Adjustment Charge	-					
47	Other Flow-Through Activity	-					
48	<b>Reclass balance to/from Regulatory Asset (Table 4) when Balance changes directions</b>						
49	Total ADIT activity excluding Gross-up	-	-	-	-	-	Sum of Lines 38 and 44-48.
50	Gross-up of Line 49	-	-	-	-	-	
51	<b>Change in Plant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	-	<b>Total equals sum of Lines 49-50 and is found on FERC Form 1 Page 278, Columns d + e</b>
52	Amortization of Unprotected Nonplant Excess ADIT in a Regulatory Liability	-					
53	<b>Total Amortization of Excess Nonplant ADIT recorded to Account 411.1</b>						<b>Account 411.1</b>
54	Impact of Tax Rate Changes on Unprotected Nonplant ADIT Balance						
55	Gross-up of Lines 52 and 54						
56	<b>Change in Unprotected Nonplant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	-	<b>Total equals sum of Lines 52 and 54-55 and is found on FERC Form 1</b>

							Page 278, Columns d + e
57	Change in FAS109 Deferred Tax Asset (Account 190)	-	-	-	-	-	
58	Change in FAS109 Deferred Tax Liability (Account 282)	-	-	-	-	-	
59	Change in FAS109 Deferred Tax Liability (Account 283)	-	-	-	-	-	
60	Change in Regulatory Liability Balances and FAS109 ADIT Balances in Tables 1-3 net to Zero	-	-	-	-	-	Sum of Lines 51 and 56-59

**Instructions for Account 254:**

1. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount likewise shall not be included. Regulatory liabilities reflect the excluded ADIT balances that represent amounts to be refunded to customers through future rates.
2. Excess and deficient ADIT are computed in any year where the applicable federal, state, or local income tax rates are changed. The detailed ADIT balances in Tables 1-3 in this Attachment that impact rate base are re-measured in Table 6 using the new tax rates and the change in ADIT balance is recorded to a regulatory asset or regulatory liability with an offsetting ADIT FAS109 adjustment. Amortization periods for protected and unprotected ADIT balances will be identified in the Justification field in Column G.
3. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
4. ADIT items related only to Transmission are directly assigned to Column D
5. ADIT items related to Plant and not in Columns C & D are included in Column E
6. ADIT items related to labor and not in Columns C & D are included in Column F

Line No.	A	B	C	D	E	F	G
	Table 6: Computations of Income Tax Rate Changes on Plant and Nonplant Temporary Differences						
		Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
<b>ADIT Net Liabilities on Protected Plant</b>							
<b>Federal Tax Rate Changes</b>							
1	Federal plant-related temporary difference (with ADIT in Account 282) on date of federal enacted tax rate change	-					Relates to book versus tax plant federal depreciation differences due to method and/or life of asset
2	Statutory tax rate enacted - Federal		-	-	-	-	
3	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 1 x Line 2
4	ADIT Balance prior to date of enacted tax rate change - Federal	-					
5	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 3 less Line 4 - <b>Account 282</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
6	Federal plant-related NOL temporary difference (with ADIT in Account 190) on date of federal enacted tax rate change	-					Relates to federal NOLs allocated to protected plant differences.
7	Statutory tax rate enacted - Federal		-	-	-	-	
8	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 6 x Line 7
9	ADIT Balance prior to date of enacted tax rate change - Federal	-					
10	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 8 less Line 9 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
11	<b>Total Impact of Tax Rate Change on Protected Plant ADIT Balance</b>	-	-	-	-	-	<b>Sum of Lines 5 and 10. Offset is to Account 182 or 254 depending on the direction of the total plant-related FAS109 ADIT balance at end of period, which includes impacts for excess and deficient ADIT, plant flow-through items and AFUDC equity.</b>

**ADIT Net Liabilities on Unprotected Plant**

**Federal Tax Rate Changes**

12	Federal plant-related temporary difference (with ADIT in Account 282) on date of federal enacted tax rate change	-					Relates to book versus federal tax plant basis differences. Exclude items reflected on lines 17 and 29.
13	Statutory tax rate enacted - Federal		-	-	-	-	
14	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 12 x Line 13
15	ADIT Balance prior to date of enacted tax rate change - Federal	-					
16	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 14 less Line 15 - <b>Account 282</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
17	Federal plant-related temporary difference (with ADIT in Account 190) on date of federal enacted tax rate change	-					Relates to book versus federal tax plant basis differences with ADIT in Account 190.
18	Statutory tax rate enacted - Federal		-	-	-	-	
19	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 17 x Line 18
20	ADIT Balance prior to date of enacted tax rate change - Federal	-					
21	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 19 less Line 20 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
22	State plant-related temporary difference (with ADIT in Account 282) on date of federal enacted tax rate change	-					Relates to book versus state tax depreciation differences and book versus state tax plant basis differences. Exclude items reflected on line 29
23	Statutory tax rate - State		-	-	-	-	
24	ADIT Balance at statutory tax rate - State	-	-	-	-	-	Line 22 x Line 23
25	Statutory tax rate enacted - Federal		-	-	-	-	
26	ADIT Balance at new enacted statutory tax rate - Fed-Offset	-	-	-	-	-	Subtract (Line 24 x Line 25)
27	ADIT Balance prior to date of enacted tax rate change - Fed-Offset	-					
28	<b>Change in ADIT Balance due to enacted tax rate change - Fed-Offset</b>	-	-	-	-	-	Line 26 less Line 27 - <b>Account 282</b> (Reflects tax impact of federal tax rate changes on state temporary differences)
29	State plant-related temporary difference (with ADIT in Account 190) on date of federal enacted tax rate change	-					Relates to book versus state tax depreciation differences with ADIT in Account 190.
30	Statutory tax rate - State		-	-	-	-	
31	ADIT Balance at statutory tax rate - State	-	-	-	-	-	Line 29 x Line 30
32	Statutory tax rate enacted - Federal		-	-	-	-	
33	ADIT Balance at new enacted statutory tax rate - Fed-Offset	-	-	-	-	-	Subtract (Line 31 x Line 32)
34	ADIT Balance prior to date of enacted tax rate change - Fed-Offset	-					
35	<b>Change in ADIT Balance due to enacted tax rate change - Fed-Offset</b>	-	-	-	-	-	Line 33 less Line 34 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on state temporary differences)

**State Tax Rate Changes**

36	State plant-related temporary difference (with ADIT in Account 282) on date of state enacted tax rate change	-					Relates to book versus state tax depreciation differences and book versus state tax plant basis differences. Exclude items reflected on line 43.
37	Statutory tax rate enacted - State		-	-	-	-	
38	ADIT Balance at new enacted statutory tax rate - State	-	-	-	-	-	Line 36 x Line 37

39	ADIT Balance prior to date of enacted tax rate change - State	-					
40	<b>Change in ADIT Balance due to enacted tax rate change - State</b>	-	-	-	-	-	Line 38 less Line 39 - <b>Account 282</b> (Reflects tax impact of <u>state</u> tax rate changes on <u>state</u> temporary differences)
41	Statutory tax rate - Federal	-	-	-	-	-	
42	<b>Change in ADIT balance due to enacted state tax rate change - Fed-Offset</b>	-	-	-	-	-	Subtract (Line 40 x Line 41) - <b>Account 282</b> (Reflects fed-offset of <u>state</u> tax rate changes on <u>state</u> temporary differences)
43	State plant temporary difference (with ADIT in Account 190) on date of state enacted tax rate change	-					Relates to book versus state tax plant basis differences with ADIT in Account 190.
44	Statutory tax rate enacted - State	-	-	-	-	-	
45	ADIT Balance at new enacted statutory tax rate - State	-	-	-	-	-	Line 43 x Line 44
46	ADIT Balance prior to date of enacted tax rate change - State	-					
47	<b>Change in ADIT Balance due to enacted tax rate change - State</b>	-	-	-	-	-	Line 45 less Line 46 - <b>Account 190</b> (Reflects tax impact of <u>state</u> tax rate changes on <u>state</u> temporary differences)
48	Statutory tax rate - Federal	-	-	-	-	-	
49	<b>Change in ADIT balance due to enacted state tax rate change - Fed-Offset</b>	-	-	-	-	-	Subtract (Line 47 x Line 48) - <b>Account 190</b> -(Reflects fed-offset of <u>state</u> tax rate changes on <u>state</u> temporary differences)

50	<b>Total Impact of Tax Rate Change on Unprotected Plant ADIT Balance</b>	-	-	-	-	-	Sum of Lines 16, 21, 28, 35, 40, 42, 47 and 49. Offset is to Account 182 or 254 depending on the direction of the total plant-related FAS109 ADIT balance at end of period, which includes impacts for excess and deficient ADIT, plant flow-through items and AFUDC equity.
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51	<b>Total Impact of Tax Rate Change on Plant ADIT Balance</b>	-	-	-	-	-	Sum of Lines 11 and 50. Offset is to Account 182 or 254 depending on the direction of the total plant-related FAS109 ADIT balance at end of period, which includes impacts for excess and deficient ADIT, plant flow-through items and AFUDC equity.
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**ADIT Liabilities on Unprotected Nonplant Assets**

**Federal Tax Rate Changes**

52	Federal nonplant temporary difference on date of federal enacted tax rate change	-					Reflect as negative amounts
53	Statutory tax rate enacted - Federal	-	-	-	-	-	
54	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 52 x Line 53
55	ADIT Balance prior to date of enacted tax rate change - Federal	-					
56	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 54 less Line 55 - <b>Account 283</b> (Reflects tax impact of <u>federal</u> tax rate changes on <u>federal</u> temporary differences)
57	State nonplant temporary difference on date of federal enacted tax rate change	-					Reflect as negative amounts
58	Statutory tax rate - State	-	-	-	-	-	
59	ADIT Balance at statutory tax rate - State	-	-	-	-	-	Line 57 x Line 58
60	Statutory tax rate enacted - Federal	-	-	-	-	-	
61	ADIT Balance at new enacted statutory tax rate - Fed-Offset	-	-	-	-	-	Subtract (Line 59 x Line 60)
62	ADIT Balance prior to date of enacted tax rate change - Fed-Offset	-					
63	<b>Change in ADIT Balance due to enacted tax rate change - Fed-Offset</b>	-	-	-	-	-	Line 61 less Line 62 - <b>Account 283</b> (Reflects tax impact of <u>federal</u> tax rate changes on <u>state</u> temporary differences)

**State Tax Rate Changes**

64	State nonplant temporary difference on date of state enacted tax rate change	-					Reflect as negative amounts
65	Statutory tax rate enacted - State	-	-	-	-	-	
66	ADIT Balance at new enacted statutory tax rate - State	-	-	-	-	-	Line 64 x Line 65
67	ADIT Balance prior to date of enacted tax rate change - State	-					
68	<b>Change in ADIT Balance due to enacted tax rate change - State</b>	-	-	-	-	-	Line 66 less Line 67 - <b>Account 283</b> (Reflects tax impact of <u>state</u> tax rate changes on <u>state</u> temporary differences)
69	Statutory tax rate - Federal	-	-	-	-	-	
70	<b>Change in ADIT balance due to enacted state tax rate change - Fed-Offset</b>	-	-	-	-	-	Subtract (Line 68 x Line 69) - <b>Account 283</b> (Reflects fed-offset of <u>state</u> tax rate changes on <u>state</u> temporary differences)

71	<b>Total Impact of Tax Rate Change on ADIT Balance of Unprotected Nonplant Assets</b>	-	-	-	-	-	Sum of Lines 56, 63, 68 and 70. FAS109 adjustment recorded to Account 283 with an offset to Account 182 or 254 depending on the direction of the total nonplant FAS109 ADIT balance at end of period.
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**ADIT Assets on Unprotected Nonplant Liabilities**

**Federal Tax Rate Changes**

72	Federal nonplant temporary difference on date of federal enacted tax rate change	-					Reflect as positive amounts
73	Statutory tax rate enacted - Federal		-	-	-	-	
74	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 72 x Line 73
75	ADIT Balance prior to date of enacted tax rate change - Federal	-					
76	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 74 less Line 75 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
77	State nonplant temporary difference on date of federal enacted tax rate change	-					Reflect as positive amounts
78	Statutory tax rate - State		-	-	-	-	
79	ADIT Balance at statutory tax rate - State	-	-	-	-	-	Line 77 x Line 78
80	Statutory tax rate enacted - Federal		-	-	-	-	
81	ADIT Balance at new enacted statutory tax rate - Fed-Offset	-	-	-	-	-	Subtract (Line 79 x Line 80)
82	ADIT Balance prior to date of enacted tax rate change - Fed-Offset						
83	<b>Change in ADIT Balance due to enacted tax rate change - Fed-Offset</b>	-	-	-	-	-	Line 81 less Line 82 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on state temporary differences)

**State Tax Rate Changes**

84	State nonplant temporary difference on date of state enacted tax rate change	-					Reflect as positive amounts
85	Statutory tax rate enacted - State		-	-	-	-	
86	ADIT Balance at new enacted statutory tax rate - State	-	-	-	-	-	Line 84 x Line 85
87	ADIT Balance prior to date of enacted tax rate change - State	-					
88	<b>Change in ADIT Balance due to enacted tax rate change - State</b>	-	-	-	-	-	Line 86 less Line 87 - <b>Account 190</b> (Reflects tax impact of state tax rate changes on state temporary differences)
89	Statutory tax rate - Federal		-	-	-	-	
90	<b>Change in ADIT balance due to enacted state tax rate change - Fed-Offset</b>	-	-	-	-	-	Subtract (Line 88 x Line 89) - <b>Account 190</b> (Reflects fed-offset of state tax rate changes on state temporary differences)

91	<b>Total Impact of Tax Rate Change on ADIT Balance of Unprotected Nonplant Liabilities</b>	-	-	-	-	-	<b>Sum of Lines 76, 83, 88 and 90. FAS109 adjustment recorded to Account 190 with an offset to Account 182 or 254 depending on the direction of the total nonplant FAS109 ADIT balance at end of period.</b>
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**Instructions for Income Tax Rate Changes:**

1. Tax rate changes are calculated on 3 categories of temporary differences (plant, nonplant assets and nonplant liabilities) and by function (Distribution/Other, Transmission, Plant and Labor).
2. Tax rate changes on plant ADIT are further categorized by protected and unprotected plant, federal and state tax rate calculations, and ADIT FERC Accounts. The accounting of the tax rate change impact will be recorded to Account 182 or Account 254 depending on the direction of the offsetting ADIT FAS109 balance that reflects the difference between ADIT for ratemaking and ADIT for GAAP reporting at the end of the period.
3. Tax rate changes on ADIT related to nonplant assets are further categorized by federal and state tax rate calculations. The accounting of the tax rate change impact is recorded to Account 182 or Account 254 depending on whether the tax rate increased or decreased.
4. Tax rate changes on ADIT related to nonplant liabilities are further categorized by federal and state tax rate calculations. The accounting of the tax rate change impact is recorded to Account 182 or Account 254 depending if the tax rate increased or decreased.
5. The protected and unprotected plant amounts in the plant and labor columns (i.e., columns E and F) reflect cumulative balances of current and prior year annual activity allocated to Transmission at each year's respective allocation factors.
6. The unprotected nonplant asset and liability amounts in the plant and labor columns (i.e., columns E and F) reflect the current year's balance allocated to Transmission at the current year's respective allocation factors.



PPL Electric Utilities Corporation  
Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
<b>Plant Related</b>		<b>Net Plant Allocator</b>	
1	-		
2	-		
3			
4			
5			
6			
7			
8 <b>Total Plant Related</b>	-		-
<b>Labor Related</b>		<b>Wages &amp; Salary Allocator</b>	
9	-		
10	-		
11	-		
12			
13			
14 <b>Total Labor Related</b>	-		-
<b>Other Included</b>		<b>Net Plant Allocator</b>	
15	-		
16	-		
17			
18			
19 <b>Total Other Included</b>	-		-
20 <b>Total Included (Lines 8 + 14 + 19)</b>	-		-
<b>Currently Excluded</b>			
21	-		
22	-		
23	-		
24	-		
25	-		
26	-		
27			
28 <b>Subtotal, Excluded</b>	-		-
29 <b>Total, Included and Excluded (Line 20 + Line 28)</b>	-		-
30 <b>Total Other Taxes from p114.14.c less Tax on Securitization Bonds</b>	-		-
31 <b>Difference (Line 29 - Line 30)</b>	-		-

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant, including transmission plant, will be allocated based on the Net Plant Allocator. If the taxes are 100% recovered at retail, they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail, they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes, except as provided for in A, B and C above, which are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service, will be allocated based on the Net Plant Allocator; provided, however, that overheads shall be treated, as described in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

PPL Electric Utilities Corporation

Attachment 3 - Revenue Credit Worksheet

<b>Account 454 - Rent from Electric Property</b>		
1	Rent from Electric Property - Transmission Related	-
<b>Account 456 - Other Electric Revenues (Note 1)</b>		
2	Transmission for Others (Note 3)	-
3	Schedule 12 Revenues (Note 3)	-
4	Schedule 1A	-
5	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (Note 3)	-
6	Point-to-Point Service revenues for which the load is not included in the divisor received by Transmission Owner (e.g. Schedule 8)	-
7	Professional Services provided to others	-
8	Facilities Charges including Interconnection Agreements (Note 2)	-
9	Gross Revenue Credits	(Sum Lines 1-10)
10	Amount offset from Note 3 below	-
11	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula, will be included as a revenue credit or included in the peak on line 150 of Appendix A.	-
12	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.	-
13	Note 3: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support, e.g., revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited directly by PJM to zonal customers.	-

**PPL Electric Utilities Corporation**  
**Attachment 4 - Calculation of 100 Basis Point Increase in ROE**

A	Return and Taxes with 100 Basis Point increase in ROE				
B	100 Basis Point increase in ROE and Income Taxes			Line 29 + Line 39 from below	-
	100 Basis Point increase in ROE				1.00%
<b>Return Calculation</b>					
1	<b>Rate Base</b>			<b>Appendix A Line or Source Reference</b>	
	<b>Long Term Interest</b>			(Attachment A Line 46)	-
2	Long Term Interest			(Attachment A Line 80)	-
3	Less LTD Interest on Securitization Bonds			Attachment 8	-
4	Long Term Interest			(Line 2 - Line 3)	-
5	<b>Preferred Dividends</b>	enter positive		p118.29.c	-
	<b>Common Stock</b>				
6	Proprietary Capital			p112.16.c	-
7	Less Accumulated Other Comprehensive Income Account 219			p112.15.c	-
8	Less Preferred Stock			(Attachment A Line 86)	-
9	Less Account 216.1			p112.12.c	-
10	Common Stock			(Line 6 - 7 - 8 - 9)	-
	<b>Capitalization</b>				
11	Long Term Debt			p112.18.c, 19.c & 21.c	-
12	Less Loss on Reacquired Debt			p111.81.c	-
13	Plus Gain on Reacquired Debt			p113.61.c	-
14	Less LTD on Securitization Bonds			Attachment 8	-
15	Total Long Term Debt			(Line 11 - 12 + 13 - 14)	-
16	Preferred Stock			p112.3.c	-
17	Common Stock			(Line 10)	-
18	Total Capitalization			(Sum Lines 15 to 17)	-
19	Debt %	Total Long Term Debt		(Line 15 / Line 18)	-
20	Preferred %	Preferred Stock		(Line 16 / Line 18)	-
21	Common %	Common Stock		(Line 17 / Line 18)	-
22	Debt Cost	Total Long Term Debt		(Line 4 / Line 15)	-
23	Preferred Cost	Preferred Stock		(Line 5 / Line 16)	-
24	Common Cost	Common Stock		Fixed	0.1260
25	Weighted Cost of Debt	Total Long Term Debt (WCLTD)		(Line 19 * Line 22)	-
26	Weighted Cost of Preferred	Preferred Stock		(Line 20 * Line 23)	-
27	Weighted Cost of Common	Common Stock		(Line 21 * Line 24)	-
28	<b>Rate of Return on Rate Base ( ROR )</b>			(Sum Lines 25 to 27)	-
29	<b>Investment Return = Rate Base * Rate of Return</b>			<b>(Line 1 * Line 28)</b>	-
<b>Composite Income Taxes</b>					
	<b>Income Tax Rates</b>				
30	FIT=Federal Income Tax Rate				-
31	SIT=State Income Tax Rate or Composite				-
32	p = percent of federal income tax deductible for state purposes			Per State Tax Code	-
33	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$			-
34	CIT = T / (1-T)				-
35	1 / (1-T)				-
	<b>ITC Adjustment</b>				
36	Amortized Investment Tax Credit			Attachment 5	-
37	<b>ITC Adjust. Allocated to Trans. - Grossed Up</b>			(Line 36 * (1 / (1 - Line 33)))	-
	<b>Income Tax Adjustments</b>				
37a	<b>Other Income Tax Adjustments</b>			Attachment 5	-
37b	<b>Other Income Tax Adjustments - Grossed Up</b>	Other Income Tax Adjustment x 1 / (1-T)		Line 114a * (1 / (1 - Line 111))	-
38	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$			-
39	<b>Total Income Taxes</b>				-

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related	Non-transmission Related	Details
113	Amortized Investment Tax Credit		Company Records	-	-	-	- Enter Negative

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related Major Items	Transmission Related Minor Items	Non-transmission Related	Details
24	Land Held for Future Use	(Note C) p.214.d - p214.6.d &	Company Records	-	-	-	-	Removal of land held for future use (if any) that is included in CWIP balance
		(Note P) Company Records		-	-	-	-	Gains from the sale of Land Held for Future Use Balance for Appendix A

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Prior Period Adjustment	Adjusted Total	Details
Allocated Administrative & General Expenses							
53	Fixed PBOP expense		FERC Authorized	1,518,585			Current year actual PBOP expense Annual Premium associated with storm insurance excluding recoveries related to prior periods. (See FM 1 note to page 320 line 185)
54	Actual PBOP expense		Company Records	-			
65	Property Insurance Account 924		p323.185.b	-			

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related	Non-transmission Related	Details
62	Directly Assigned A&G			-	-	-	
	Regulatory Commission Exp Account 928	(Note G)	p350-151h				

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Safety Related	Non-safety Related	Details
66	Directly Assigned A&G			-	-	-	
	General Advertising Exp Account 930.1	(Note F)	p323.191.b				

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
Income Tax Rates									
109	SIT=State Income Tax Rate or Composite	(Note I)		PA					

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Education & Outreach	Other	Details
63	Directly Assigned A&G			-	-	-	
	General Advertising Exp Account 930.1	(Note K)	p323.191.b				

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
127	Excluded Transmission Facilities	(Note M)		Enter \$	General Description of the Facilities
	Instructions:			-	None
1	Remove all investment below 69 kV or generator step-up transformers included in transmission plant in service that are not a result of the RTEP process.				
2	If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher, as well as below 69 kV, the following formula will be used:			Or	
				Enter \$	
A	Total investment in substation		1,000,000		
B	Identifiable investment in Transmission (provide workpapers)		500,000		
C	Identifiable investment in Distribution (provide workpapers)		400,000		
D	Amount to be excluded (A x (C / (B + C)))		444,444		

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Prepayments on Securitization Bonds Adjustment	POLR and Retail Related Adjustment	Prepayments	W&S Allocator	Functionalized to TX	Description of the Prepayments
36	Prepayments	(Note A) (Note O)	Form 1 -- p111.57.c	-	-	-	-	-	-	Less amounts related to POLR, Retail Issues and Bond Securitization.

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Adjustments	Transmission Related	Details
47	Transmission O&M		p.321.112.b	-	-	-	Adjustment for Ancillary Services p321.88b and p321.92b.
48	Less Account 565		p.321.96.b	-	-	-	None

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Amount	Description & PJM Documentation
Net Revenue Requirement					
147	Facility Credits under Section 30.9 of the PJM OATT			-	None

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
Network Zonal Service Rate					
149	1 CP Peak	(Note L)	PJM Data	-	

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Year 1	Year 2	Year 3	Year 4	Year 5	Total	5 - Year Amortization	
Transmission Depreciation Expense Including Amortization of Limited Term Plant, Transmission Plant Cost of Removal Net of Salvage												
71	Transmission Depreciation Expense Including Amortization of Limited Term	(Note J)	Company Records	-	-	-	-	-	-	-	-	
	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Company Records	-	-	-	-	-	-	-	-	
72	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Company Records	-	-	-	-	-	-	-	-	

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Details				
Amortized Deficient / (Excess) Deferred Taxes									
	Amortized Deficient / (Excess) Deferred Taxes	(Note Q)	Attachment 1	-	Table 4	Lines 38 and 52	Columns D, E and F		
	Tax effect of AFUDC Equity Permanent Difference	(Note Q)	Attachment 1	-	Table 5	Lines 38 and 52	Columns D, E and F		
114a	Total Other Income Tax Adjustments	(Note Q)	Company Records	-					

**PPL Electric Utilities Corporation**  
**Attachment 6 – Estimate and Reconciliation Worksheet**

**Summary of Formula Rate Process**

Year	Month	Action
Year 2	October	TO populates the formula with data from FERC Form No. 1 (Year 1) and plant in service estimated data
Year 3	June	TO populates the formula with actual data from FERC Form 1 (Year 2) and calculates the True-Up Adjustment Before Interest
Year 3	October	TO calculates the Interest to include in the True-Up Adjustment
Year 3	October	TO populates the formula with data from FERC Form No. 1 (Year 2), plant in service estimated data and True-Up Adjustment
Year 4	June	TO populates the formula with actual data from FERC Form 1 and calculates the True-Up Adjustment Before Interest
Year 4	October	TO calculates the Interest to include in the True-Up Adjustment
Year 4	October	TO populates the formula with data from FERC Form No. 1, plant in service estimated data and True-Up Adjustment
(Year)	June	TO populates the formula with actual data from FERC Form 1 and calculates the True-Up Adjustment Before Interest
(Year)	October	TO calculates the Interest to include in the True-Up Adjustment
(Year)	October	TO populates the formula with data from FERC Form No. 1, plant in service estimated data and True-Up Adjustment

**True-up Adjustment for Network Integration Transmission Service**

A	ATRR based on actual costs included for the previous calendar year but excludes the true-up adjustment.	-
B	ATRR based on projected costs included for the previous calendar year but excludes the true-up adjustment.	-
C	Difference (A-B)	-

**Interest Calculation**

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March of the Current Yr 0.0000%

Month	Yr	1/12 of True-up Adj	Interest rate for March of the Current Yr	Months	Interest	Surcharge (Refund) Owed
Jan	Year 1	-	0.0000%	11.5	-	-
Feb	Year 1	-	0.0000%	10.5	-	-
Mar	Year 1	-	0.0000%	9.5	-	-
Apr	Year 1	-	0.0000%	8.5	-	-
May	Year 1	-	0.0000%	7.5	-	-
Jun	Year 1	-	0.0000%	6.5	-	-
Jul	Year 1	-	0.0000%	5.5	-	-
Aug	Year 1	-	0.0000%	4.5	-	-
Sep	Year 1	-	0.0000%	3.5	-	-
Oct	Year 1	-	0.0000%	2.5	-	-
Nov	Year 1	-	0.0000%	1.5	-	-
Dec	Year 1	-	0.0000%	0.5	-	-
Total		-			-	-
Jan-Dec	Year 2	-	0.0000%	12	-	-
Jan	Year 3	Balance	Interest rate from above	Amortization over Rate Year	Balance	
Feb	Year 3	-	0.0000%	-	-	
Mar	Year 3	-	0.0000%	-	-	
Apr	Year 3	-	0.0000%	-	-	
May	Year 3	-	0.0000%	-	-	
Jun	Year 3	-	0.0000%	-	-	
Jul	Year 3	-	0.0000%	-	-	
Aug	Year 3	-	0.0000%	-	-	
Sep	Year 3	-	0.0000%	-	-	
Oct	Year 3	-	0.0000%	-	-	
Nov	Year 3	-	0.0000%	-	-	
Dec	Year 3	-	0.0000%	-	-	
Total with interest					-	
True-up Adjustment with Interest					-	

**Weighted Plant in Service**

Prior Year Forecast	(A) Monthly Additions Other Plant In Service	(B) Weighting	(C) Other Plant In Service Amount (A x B)	(D) Other Plant In Service (H/ 12)	(E) Total
	CWIP Balance Dec (prior yr.)	12			
Jan	-	11.5	-	-	-
Feb	-	10.5	-	-	-
Mar	-	9.5	-	-	-

Apr	-	8.5	-	-	-
May	-	7.5	-	-	-
Jun	-	6.5	-	-	-
Jul	-	5.5	-	-	-
Aug	-	4.5	-	-	-
Sep	-	3.5	-	-	-
Oct	-	2.5	-	-	-
Nov	-	1.5	-	-	-
Dec	-	0.5	-	-	-
Total	-	-	-	-	-
New Transmission Plant Additions and CWIP (weighted by months in service)					

Input to Line 17 of Appendix A  
Input to Line 35 of Appendix A

Prior Year Actual	(A) Monthly Additions Other Plant In Service	(B) Weighting	(C) Other Plant In Service Amount (A x B)	(D) Other Plant In Service (H/ 12)	(E) Total
CWIP Balance Dec (prior yr.)	-	12	-	-	-
Jan	-	11.5	-	-	-
Feb	-	10.5	-	-	-
Mar	-	9.5	-	-	-
Apr	-	8.5	-	-	-
May	-	7.5	-	-	-
Jun	-	6.5	-	-	-
Jul	-	5.5	-	-	-
Aug	-	4.5	-	-	-
Sep	-	3.5	-	-	-
Oct	-	2.5	-	-	-
Nov	-	1.5	-	-	-
Dec	-	0.5	-	-	-
Total	-	-	-	-	-
New Transmission Plant Additions and CWIP (weighted by months in service)					

Input to Line 17 of Appendix A  
Input to Line 35 of Appendix A  
Month In Service or Month for CWIP

Current Year Forecast	(A) Monthly Additions Other Plant In Service	(B) Weighting	(C) Other Plant In Service Amount (A x B)	(D) Other Plant In Service (H/ 12)	(E) Total
CWIP Balance Dec (prior yr.)	-	12	-	-	-
Jan	-	11.5	-	-	-
Feb	-	10.5	-	-	-
Mar	-	9.5	-	-	-
Apr	-	8.5	-	-	-
May	-	7.5	-	-	-
Jun	-	6.5	-	-	-
Jul	-	5.5	-	-	-
Aug	-	4.5	-	-	-
Sep	-	3.5	-	-	-
Oct	-	2.5	-	-	-
Nov	-	1.5	-	-	-
Dec	-	0.5	-	-	-
Total	-	-	-	-	-
New Transmission Plant Additions and CWIP (weighted by months in service)					

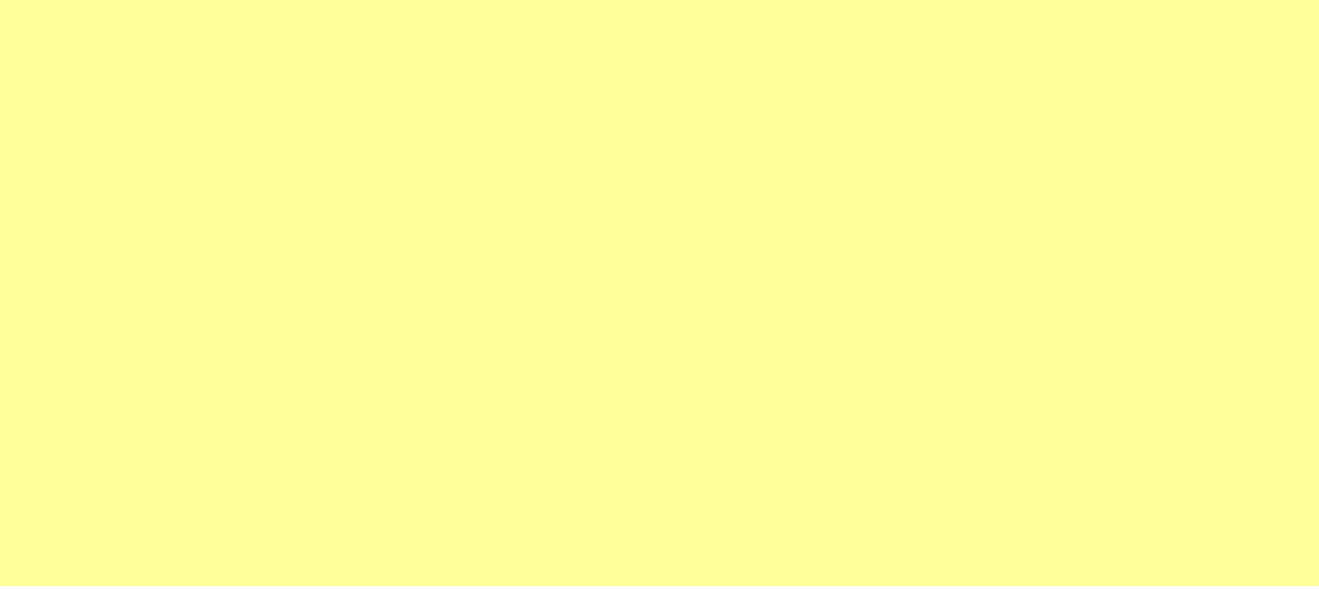
Input to Line 17 of Appendix A  
Input to Line 35 of Appendix A  
Month In Service or Month for CWIP



PPL Electric Utilities Corporation  
Attachment 8 - Company Exhibit - Securitization Worksheet

Line #

	Prepayments		
36	Less Prepayments on Securitization Bonds	-	(See FM 1, note to page 110, line 57)
	Administrative and General Expenses		
52	Less Administrative and General Expenses on Securitization Bonds	-	(See FM 1, note to page 114, line 4)
	Taxes Other Than Income		
78	Less Taxes Other Than Income on Securitization Bonds	-	(See FM 1, note to page 114, line 14)
	Long Term Interest		
81	Less LTD Interest on Securitization Bonds	-	(See FM 1, note to page 114, lines 62 + 63)
	Capitalization		
92	Less LTD on Securitization Bonds	-	(See FM 1, note to page 112, line 18)
	Calculation of the above Securitization Adjustments		





**PPL Electric Utilities Corporation  
Attachment 9 - Depreciation Rates**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Number	Plant Type	Estimated Life	Mortality Curve	Current Age	Remaining Life	Applied Depreciation Rate	Gross Depreciable Plant \$	Accumulated Depreciation \$	Depreciable Balance \$	Depreciation Expense \$
<b>Transmission</b>										
350.4	Land Rights	80	S4							
352	Structures and Improvements	65	R3							
353	Station Equipment	46	R1.5							
354	Towers and Fixtures	75	R3							
354.2	Towers and Fixtures - Clearing Land and Rights of Way	80	R4							
355	Poles and Fixtures	53	R0.5							
355.2	Poles and Fixtures - Clearing Land and Rights of Way	80	R4							
356	Overhead Conductors and Devices	65	R2.5							
357	Underground Conduit	55	S4							
358	Underground Conductors and Devices	45	S3							
359	Roads and Trails	80	R4							
<b>General</b>										
389.4	Land Rights	75	R4							
390.2	Structures and Improvements - Buildings	52	S0.5							
390.21	Structures and Improvements - Leaseholds	10	SQ							
390.4	Structures and Improvements - Air Conditioning	30	S1							
391.1	Office Furniture and Equipment - RF Mesh Computer Equip.	5	SQ							
391.2	Office Furniture and Equipment - Furniture	20	SQ							
391.4	Office Furniture and Equipment - Equipment	15	SQ							
391.6	Office Furniture and Equipment - Computers	5	SQ							
392.1	Transportation Equipment - Automobiles	9	S3							
392.2	Transportation Equipment - Light Duty Trucks	9	R1							
392.3	Transportation Equipment - Heavy Duty Trucks	13	S3							
392.4	Transportation Equipment - Trailers	23	L2							
392.5	Transportation Equipment - Large Tankers/Tractors	15	L4							
392.6	Transportation Equipment - Large Crane Trucks	13	S3							
393	Stores Equipment	25	SQ							
394	Tools and Work Equipment - L&S Line Crews	20	SQ							
394.2	Tools and Work Equipment - Tools	20	SQ							
394.4	Tools and Work Equipment - Construction Dept	20	SQ							
394.6	Tools and Work Equipment - Other	20	SQ							
394.8	Tools and Work Equipment - Garage Equipment	20	SQ							
395	Laboratory Equipment	20	SQ							
396	Power Operated Equipment	16	R1							
397	Communication Equipment	15	SQ							
398	Miscellaneous Equipment	20	SQ							
<b>Intangible</b>										
303.2	Miscellaneous Intangible Plant - Software	5	SQ							
303.5	Smart Meter Software	5	SQ							
303.6	Smart Meter Software - RF Mesh	5	SQ							

- Notes:
- Columns (A), (B), (C), and (D) are fixed and cannot be changed absent Commission approval or acceptance.
  - Column (E) is based on the Estimated Life in Column (C) less the Remaining Life in Column (F) for those accounts for which using a Mortality Curve is identified.
  - Column (F) is the average remaining life of the assets in the account based on their vintage.
  - Column (G) is the depreciation rate from the Mortality Curve specified based on data in Columns (C) and (D).
  - Columns (H) and (I) are the depreciable gross plant investment and accumulated depreciation in the account or subaccount.
  - Column (J) is the depreciable net plant in the account or subaccount.
  - Column (K) is Column (G) multiplied by Column (J) for those accounts that have an identified Mortality Curve.
  - Each year, PPL Electric will provide a copy of the annual report submitted to the PA PUC that shows the calculation of the depreciation rates and expenses derived from Columns (C) and (D).
  - Every 5 years, PPL Electric will file with the Commission a depreciation study supporting its existing Estimated Life and Mortality Curve for each account or subaccount.
  - Column (K) for Accounts Nos. 303.2, 303.5, and 303.6 are calculated using individual asset depreciation and, therefore, are not derived values.
  - Column (K) for Account No. 392.3 is net of capitalized depreciation expense. See the applicable note in FERC Form No. 1.
  - For those General Plant accounts that do not have Mortality Curves as indicated by "SQ" in Column (D), additional detail is provided in Attachment 9 - Supplemental General Plant Depreciation Details.

**PPL Electric Utilities Corporation  
Attachment 9 - Supplemental  
General Plant Depreciation Details**

(A) Number	(B) Plant Type	(C) Estimated Life	(G) Applied Depreciation Rate	(H) Gross Depreciable Plant \$	(I) Accumulated Depreciation \$	(J) Depreciable Balance \$	(K) Depreciation Expense \$
<b>General</b>							
390.21	Structures and Improvements - Leaseholds - Net Method	10					
391.1	Office Furniture and Equipment - RF Mesh Computer Equip - Gross Method	5					
391.2	Office Furniture and Equipment - Furniture - Gross Method	20					
391.2	Office Furniture and Equipment - Furniture - Net Method	20					
391.4	Office Furniture and Equipment - Equipment - Gross Method	15					
391.4	Office Furniture and Equipment - Equipment - Net Method	15					
391.6	Office Furniture and Equipment - Computers - Gross Method	5					
393	Stores Equipment - Gross Method	25					
393	Stores Equipment - Net Method	25					
394	Tools and Work Equipment - L&S Line Crews - Gross Method	20					
394	Tools and Work Equipment - L&S Line Crews - Net Method	20					
394.2	Tools and Work Equipment - Tools - Gross Method	20					
394.2	Tools and Work Equipment - Tools - Net Method	20					
394.4	Tools and Work Equipment - Construction Dept - Gross Method	20					
394.4	Tools and Work Equipment - Construction Dept - Net Method	20					
394.6	Tools and Work Equipment - Other - Gross Method	20					
394.6	Tools and Work Equipment - Other - Method	20					
394.8	Tools and Work Equipment - Garage Equipment - Gross Method	20					
394.8	Tools and Work Equipment - Garage Equipment - Net Method	20					
395	Laboratory Equipment - Gross Method	20					
395	Laboratory Equipment - Net Method	20					
397	Communication Equipment - Gross Method	15					
397	Communication Equipment - Net Method	15					
398	Miscellaneous Equipment - Gross Method	20					
398	Miscellaneous Equipment - Net Method	20					

Notes:

- This schedule shows additional detail for those General Plant accounts that do not have a Mortality Curve. The calculation of Depreciation Expense by the Gross Plant Method (i.e., Column (G) multiplied by Column (H)) and the Net Plant Method (i.e., Column (G) multiplied by Column (J)) is shown separately for the assets in each account subject to each such method. Assets purchased new are depreciated using the Gross Plant Method. Assets purchased used are depreciated using the Net Plant Method (i.e., over their remaining economic life).

**ATTACHMENT H-8H**  
**FORMULA RATE IMPLEMENTATION PROTOCOLS**

**Section 1:**

**I. Definitions**

- A. “Annual Transmission Revenue Requirement” or “ATRR” means the net revenue requirement calculated in accordance with PPL Electric’s Formula Rate, and which shall be posted on the PJM Website on or before October 31, 2022, and on or before each October 31<sup>st</sup> thereafter,<sup>1</sup> and shall be applicable for services for the period commencing January 1 of the next calendar year through and including December 31 of the next calendar year.
- B. “Annual Update” means the informational filing submitted by PPL Electric on or before October 31, pursuant to Section IV of these Protocols.
- C. “Discovery Period” means the period, commencing as of the day immediately following the True-Up Adjustment Publication Date, for serving Information Requests pursuant to Section V of these Protocols.
- D. “Formal Challenge” means a filing made by an Interested Party to the Commission in accordance with the terms of Section VII of these Protocols, and which shall include the information required under 18 C.F.R. § 385.206(b)(1), (2), (3), (4) and (7).
- E. “Formula Rate” means the cost of service template and associated attachments shown in Attachment H-8G.
- F. “Interested Party” means a party that is or may become a customer taking transmission service under this Formula Rate, any state utility commission or state consumer advocacy agency of a state in which customers that are allocated costs of the PPL Electric transmission facilities are located, any party to Commission Docket ER08-1457, or any entity having standing under Section 206 of the Federal Power Act.
- G. “Material Accounting Change” means any (i) change in PPL Electric’s accounting policies and practices (as such changes are defined by the Statement of Financial Accounting Standards No. 154 issued by the Financial Accounting Standards Board or its successor), or (ii) change in PPL Electric’s inter-corporate cost allocation policies or practices from those policies and/or practices in effect for the Rate Year upon which the immediately preceding Annual Update was based, which change causes a result under the

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<sup>1</sup> In the transition from a June 1 to May 31 Rate Year to a calendar year Rate Year based on the January 1 to December 31 period, the Annual Update will occur on or before October 31, 2022 for rates to be effective January 1, 2023 through December 31, 2023. If the effective date of the transition from a June 1 to May 31 Rate Year to a calendar year Rate Year based on the January 1 to December 31 period does not occur by October 31, 2022, the Annual Update establishing the first calendar year rate year will be delayed by the same amount of time the effective date is delayed beyond October 31, 2022.

Formula Rate different than the result under the Formula Rate as calculated without such change.

- H. “Preliminary Challenge” means a written notice delivered to PPL Electric during the Review Period which specifies an Interested Party’s challenge to the Annual Update or True-Up Adjustment pursuant to Section VI of these Protocols.
- I. “Protocols” means these Formula Rate Implementation Protocols.
- J. “Publication Date” means, with respect to the filing and posting of each Annual Update, October 31st of each year and with respect to the filing and posting of each True-Up Adjustment, June 1st of each year; provided, however, that if such date should fall on a weekend or a holiday recognized by the Commission, then the posting or filing shall be due on the next business day and the “Publication Date” shall correspond to the actual posting or filing date.
- K. “Rate Year” means the twelve consecutive month period of January 1 through December 31 that corresponds to the year for which charges are assessed under the Formula Rate.
- L. “Review Period” means the period, commencing as of the day immediately following the True-Up Publication Date, for reviewing these informational filings for any given year pursuant to Section V of these Protocols.
- M. “True-Up Adjustment” means informational filing submitted by PPL Electric on or before June 1 of every year, pursuant to Section III of these Protocols that will calculate the difference between (i) the ATRR for a Rate Year calculated pursuant to steps 1, 2, 3, and 9 of Attachment 6 of the Formula Rate and (ii) the ATRR for the same Rate Year calculated pursuant to steps 6 through 8 of Attachment 6 of the Formula Rate, which difference, together with interest, calculated in accordance with the terms of Section III.B, shall be added to, or subtracted from, as the case may be, the ATRR used to set the rate that will be in effect for the next succeeding Rate Year.

## **II. Formula Rate**

- A. Formula Rate inputs for (i) rate of return on common equity;<sup>2</sup> and (ii) “Post-Employment Benefits other than Pensions” pursuant to Statement of Financial Accounting Standards No. 106, Employers’ Accounting for Post-Retirement Benefits other than Pensions (“PBOP”) charges shall be stated values to be used in the Formula Rate until changed pursuant to a Federal Power Act Section 205 or 206 proceeding. PPL Electric may make a limited Section 205 filing to change its rate of return on common equity, change its PBOP accruals, or to change the amortization/depreciation rate computations set forth in the Formula Rate. The sole issue for examination in any such limited Section 205 filing

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<sup>2</sup> If the transition from a June 1 to May 31 Rate Year to a calendar year Rate Year based on the January 1 to December 31 period occurs during a year in which the Base ROE would change on June 1<sup>st</sup> pursuant to the approved settlement agreement in Docket No. EL20-48-000, PPL Electric will use a blended (i.e., weighted average) Base ROE that reflects the number of months each ROE set forth in Section 1.1 of the settlement agreement is in effect during the transition year.

shall be whether such proposed changes are just and reasonable, and shall not include other aspects of the Formula Rate. These protocols shall not prohibit an Interested Party protesting any such limited Section 205 filing from arguing that the proposed changes will render other aspects of the Formula Rate unjust and unreasonable. If the Commission accepts such argument, the only remedy shall be the rejection of the limited Section 205 filing or of the proposed changes, and such rejection shall not result in any change to any aspect of the Formula Rate. Changes in depreciation rates to track a state commission order shall become effective on the same date as the state commission order becomes effective, but no earlier than the effective date of a limited Section 205 filing to incorporate such changes in the Formula Rate.

- B. Any modification to the Formula Rate shall be made through a Federal Power Act Section 205 or Section 206 filing, and not through any Annual Update, a Preliminary Challenge, a Formal Challenge or a True-Up Adjustment.
- C. The Formula Rate is not intended to preempt, negate, or be a substitute for any obligations of PPL Electric under any applicable state law.
- D. PPL Electric shall file and seek Commission approval to use a new depreciation and service life study at the time it files any such study with the Pennsylvania Public Utility Commission, provided, however, no depreciation and service life study may be used by PPL Electric to determine the amortization/depreciation expense in the Formula Rate for more than five years without completing, filing and obtaining Commission approval of a new depreciation and service life study.

### **III. True-Up Adjustment**

- A. PPL Electric will calculate the amount of under- or over-collection of its actual Net Revenue Requirement during the preceding Rate Year (“True-Up Adjustment”) on June 1st of each year.<sup>3</sup> The True-Up Adjustment shall be the sum of the True-Up Adjustment Over/Under Recovery and the Interest on the True-Up Adjustment Over/Under Recovery as determined in Section III(C):
- B. PPL Electric’s projected Net Revenue Requirement collected during the previous Rate Year<sup>4</sup> will be compared to PPL Electric’s actual Net Revenue Requirement for the previous Rate Year

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<sup>3</sup> In order to transition to a calendar year rate year that is effective January 1, 2023, the October 31, 2022 annual update will consist of a truncated true-up. The rate in effect for the months of June through December 2022 included a pro-rata share of the 2021 true-up or seven months of the 2021 true-up amount. The rates effective January 1, 2023 will include the remaining portion, or five months, of the 2021 true-up amount. The June 1, 2023 True-Up Adjustment will true-up the 2022 calendar year ATRR received to 2022 calendar year revenue requirement based on 2022 actual costs.

<sup>4</sup> If the initial use of the calendar year rate year covers only part of a calendar year, the initial projected annual ATRR will be divided by 12 to calculate the monthly projected cost of service to be collected each month it is effective that first year. Similarly, the actual ATRR will be divided by 12 to calculate the actual monthly cost of service to be collected during those same months of that year. Similar calculations of projected ATRR and actual ATRR will be made for the months prior to the effective date of this Formula Rate using the previous formula rate and protocols in effect during those months. The actual ATRR computed under each of the two formula rate periods that initial Rate Year will be added together to obtain the total actual ATRR. The first True-Up Adjustment will compare this total actual ATRR to the ATRR collected under the two formulas for that initial Rate Year.

calculated in accordance with PPL Electric's Formula Rate and based upon (i) PPL Electric's FERC Form No. 1 for that same Rate Year, (ii) any FERC orders specifically applicable to PPL Electric's calculation of its annual revenue requirement, (iii) the books and records of PPL Electric (which shall be maintained consistent with the FERC Uniform System of Accounts ("USofA")), (iv) FERC accounting policies and practices applicable to the calculation of annual revenue requirements under formula rates, and (v) any aspects of the PJM Tariff Governing Documents that apply to the calculation of annual revenue requirements under individual transmission owner formula rates,<sup>5</sup> to determine any over- or under-recovery ("True-Up Adjustment Over/Under Recovery").

- C. PPL Electric shall submit its True Up Adjustment as an informational filing to the Commission and shall post the same on the website of PJM Interconnection, L.L.C. ("PJM"), [www.pjm.com](http://www.pjm.com), or any successor thereto ("PJM Website").
- D. Interest on any True-up shall be based on the interest rate equal to the interest rate determined by 18 C.F.R. § 35.19a. Interest rates will be used to calculate the time value of money for the period that the True-up exists. The interest rate to be applied to the True-up will be determined using the average rate for the twenty (20) months preceding September 1 of the current year.

#### **IV. Annual Update and Annual Meeting**

##### **A. Annual Update**

PPL Electric shall submit its Annual Update as an informational filing to the Commission and shall post the same on the PJM website

- (1) The Annual Update shall calculate PPL Electric's Annual Transmission Revenue Requirement for the next Rate Year in accordance with the terms of the Formula Rate and these Protocols.
- (2) The Annual Transmission Revenue Requirement shall be based on PPL Electric's books and records which reflect data properly recorded in:
  - (a) PPL Electric's FERC Form No. 1 (to the extent the Formula Rate specifies FERC Form No. 1 data as the input sources); and
  - (b) The Commission's Uniform System of Accounts, as each exists as of the last day of the preceding calendar year.
- (3) The Annual Update shall:
  - (a) provide supporting documentation for data not otherwise available in FERC Form No. 1 that are used in the Formula Rate;
  - (b) provide notice of Material Accounting Changes, which may incorporate by reference applicable disclosure statements filed with the Securities and Exchange Commission;

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<sup>5</sup> PJM Tariff Governing Documents include the PJM Tariff, Bylaws, Criteria, and Membership Agreements.

- (c) be subject to challenge and review only in accordance with the procedures set forth in this Attachment; and
- (d) provide sufficient information, including all workpapers necessary to explain any changes made since the last Annual Update, to enable any Interested Party to replicate the calculation of the Formula Rate results from FERC Form No. 1 and other applicable accounting inputs and to compare the calculation to that of prior Rate Years, and further to include, as applicable:
  - (i) identification of any changes in the formula references in the FERC Form No. 1;
  - (ii) identification of all adjustments made to the FERC Form No. 1 data in determining formula inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in FERC Form No. 1 footnotes;
  - (iii) a description and quantification of the inputs to the Annual Transmission Revenue Requirement that materially changed since the immediately preceding Annual Update, and a detailed explanation of the primary reason(s) for such changes; and
  - (iv) the most recent annual report filed with the Pennsylvania Public Utility Commission that shows the annual amortization/depreciation rates derived from the applicable depreciation and service life study approved for use by the Commission as the basis for calculating such rates.

B. Annual Meeting and Formula Rate Data

- (1) Within five calendar days of the Annual Update Publication Date, PPL Electric will send a “workable” Excel file containing data for the Formula Rate populated with inputs for the Annual Transmission Revenue Requirement for the next Rate Year to the attention of the Chief Counsel of the Pennsylvania Public Utility Commission, and to 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. Upon written request for a particular Rate Year’s Annual Update by any Interested Party, PPL Electric will promptly make available to such Interested Party a “workable” Excel file containing that year’s Annual Update. Upon written request, PPL Electric will provide to an Interested Party a description of the basis upon which transmission projects were planned either by PJM or PPL Electric.
- (2) Within two business days of the Annual Update Publication Date, PPL Electric shall also provide notice on the PJM Website of the time, date and location of an Annual Meeting among Interested Parties (“Annual Meeting”). The Annual Meeting shall take place no sooner than thirty (30) days after posting of the notice of the Annual Meeting and no later than sixty (60) days after the Publication Date. This Annual Meeting shall permit PPL Electric to explain and clarify its Annual

Update, and provide Interested Parties an opportunity to seek information and clarifications from PPL Electric about the Annual Update. The Annual Meeting shall also provide Interested Parties an opportunity to seek information and clarification regarding the Annual Transmission Revenue Requirement.

- (3) PPL Electric will, on a best efforts basis, notify each of the parties to Commission Docket No. ER08-1457 each year by electronic mail that the Annual Update has been posted and describe the time and location of the Annual Meeting. Parties to Commission Docket No. ER08-1457 are responsible for providing any change to their contact information to PPL Electric in order to continue to receive such notice. Updated contact information should be sent to Office of General Counsel, PPL Services Corporation, Two North Ninth Street, Allentown, PA 18101, referencing Docket No. ER08-1457.

C. Annual Transmission Revenue Requirement

- (1) It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate for purposes of the Annual Transmission Revenue Requirement will be either taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supporting information. Where the reconciliation is provided through a worksheet included in the filed Formula Rate template, the inputs to the worksheet must meet this transparency standard, and doing so will satisfy this transparency requirement for the amounts that are output from the worksheet and input to the main body of the Formula Rate.

**V. Construction Work in Progress**

A. Accounting

For each transmission project listed on Attachment 7 for which PPL Electric, or one of its operating companies, has received Commission approval or authorization for incentive rate treatment and recovery of 100 percent of Construction Work in Progress (“CWIP”), PPL Electric shall use the following accounting procedures to ensure that it does not recover an Allowance for Funds Used During Construction (“AFUDC”) for such project.

- (1) PPL Electric shall assign each such project a unique Super Project Number (“SPN”) for internal cost tracking purposes.
- (2) PPL Electric shall record actual construction costs to each SPN through expenditure requisitions (“ERs”) that are coded to correspond to the SPN for each such project. Such ERs shall be segregated from ERs from work orders for any other projects of PPL Electric.
- (3) For each such project, PPL Electric shall prepare monthly ER summaries of costs incurred under the associated SPN. These summaries shall show monthly additions to CWIP and plant in service and shall correspond to amounts recorded



in PPL Electric's FERC Form No. 1. PPL Electric shall use these summaries as data inputs into the Annual Update calculated on Attachment 6 of the Formula Rate. PPL Electric shall make such ER summaries available upon request under the review procedures of Section V.

- (4) When any such project, or portion thereof, is placed into service, PPL Electric shall deduct from the total CWIP the accumulated charges for ERs under the SPN for that project, or portion thereof. The purpose of this control process is to ensure that expenditures are not double counted as both CWIP and as additions to plant.
- (5) For non-incentive transmission projects, PPL Electric shall record AFUDC to be applied to CWIP and capitalized when the project is placed into service.

B. Annual Reporting

PPL Electric shall include in the Annual Update submitted to the Commission the following information concerning each such project:

- (1) the actual amount of CWIP recorded for each project;
- (2) any amounts recorded in related Commission accounts or sub-accounts, such as AFUDC and regulatory liability;
- (3) the resulting effect on the CWIP revenue requirement;
- (4) a statement of the current status of each project; and
- (5) the estimated in-service date for each project.

**VI. Annual Update and True-Up Adjustment Review Procedures**

- A. Each Annual Update and True-Up Adjustment shall be subject to the following review procedures, which procedures may also address PPL Electric's posting as provided herein.
- B. The Review Period shall commence upon the Publication Date of the True-Up Adjustment. Interested Parties shall have the right to review the calculations and inputs of the Annual Update and the True-Up Adjustment. The Review Period shall run for two hundred and forty (240) days, but shall be extended by fifteen (15) days upon the receipt by PPL Electric of a written request for extension from one or more Interested Party(ies), whereupon the Review Period shall end no later than two hundred and fifty-five (255) days after the Publication Date, subject, however, to the terms of Section VI.E below.
- C. During the Discovery Period, Interested Parties shall have the right to serve reasonable information and document requests ("Information Requests") on PPL Electric relevant to the Annual Update and True-Up Adjustment. The Discovery Period shall run for two hundred and ten (210) days, but may be extended in accordance with Section V.E below.

- D. The subjects of such Information Requests shall be limited to what is or may be reasonably necessary to determine: (a) that the input data are properly recorded; (b) that PPL Electric has properly applied the Formula Rate and the procedures in these Protocols; (c) the accuracy of data and the consistency with the Formula Rate of the charges shown in the Annual Update and (the True-Up Adjustment); (d) the extent and effect(s) of Material Accounting Changes; (e) the prudence of the costs and expenditures included for recovery in the Annual Update; (f) the prudence of projected expenses included in the projected capital addition expenditures; and (g) the reasonableness of any cost allocation methodologies, including inter-corporate cost allocation methodologies that differ from those utilized in the prior Annual Update.
- E. PPL Electric shall make a good faith effort to respond to Information Requests within fifteen (15) business days of receipt of such Information Requests. Notwithstanding anything to the contrary contained in these Protocols, with respect to any Information Requests received by PPL Electric within the Discovery Period and for which PPL Electric is unable to provide a response within fifteen (15) business days after the end of the Discovery Period, the Review Period shall be extended day for day until PPL Electric's response is provided.

## **VII. Preliminary and Formal Challenges**

### A. Challenges

- (1) Preliminary or Formal Challenges to the Annual Update and True-Up Adjustment posting may challenge one or more of the following:
  - (a) the extent or effect of a Material Accounting Change;
  - (b) whether a True-Up Adjustment includes only properly recorded data in accordance with Section III;
  - (c) whether the Annual Update fails to include data properly recorded in accordance with Section IV;
  - (d) whether the Annual Update satisfies the transparency standard of Section IV.D;
  - (e) the proper application by PPL Electric of the Formula Rate and the procedures in these Protocols;
  - (f) the accuracy of data and the consistency with the Formula Rate of the charges shown in the Annual Update and the True-Up Adjustment;
  - (g) the consistency of the amortization/depreciation rates in the Formula Rate with the most recent depreciation and service life study approved for use by the Commission as the basis for calculating amortization/depreciation rates in the Formula Rate;

- (h) the prudence of PPL Electric's projected costs and expenditures;
- (i) the prudence of the actual costs and expenditures;
- (j) the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; and
- (k) whether, as a consequence of any of the above in this Section VII.A.1, the Formula Rate, as initially accepted by the Commission, has been materially altered.

B. Resolution of Preliminary Challenges or Filing of Formal Challenge

- (1) PPL Electric and Interested Parties raising Preliminary Challenges shall attempt in good faith to resolve all Preliminary Challenges.
- (2) If an Interested Party who has raised a Preliminary Challenge and PPL Electric have not resolved the Preliminary Challenge within twenty-one (21) days after expiration of the Review Period, that Interested Party shall have an additional twenty-one (21) days to make a Formal Challenge with the Commission, which shall be served on PPL Electric by electronic service on the date of such filing; provided, however, if the Commission initiates a proceeding to consider the Annual Update, Interested Parties may raise therein any Formal Challenges without regard to the Review Period or timeframes specified herein.
- (3) Interested Parties shall make a good faith effort to raise all issues in a Preliminary Challenge prior to filing a Formal Challenge; provided, however, that a Preliminary Challenge shall not be a prerequisite for bringing a Formal Challenge.
- (4) Within twenty (20) days of the date of the filing of a Formal Challenge, PPL Electric shall submit its response to the Commission and certify therein that it has served by electronic service that response on any party that has filed a Formal Challenge and on each person upon whom PPL Electric served the Annual Update and True-Up Adjustment.

C. Formal Proceedings

- (1) In any proceeding initiated by the Commission concerning the Annual Update, the True-Up Adjustment or in response to a Formal Challenge, PPL Electric shall bear the burden of proving that it has reasonably applied the terms of the Formula Rate, including the calculation of the True-Up Adjustment and/or reasonably adopted and applied Material Accounting Changes, if any, consistent with the applicable procedures in these Protocols. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.
- (2) Nothing herein shall be deemed to limit in any way the right of PPL Electric, pursuant to Section 205 of the Federal Power Act and the regulations thereunder, or any Interested Party, pursuant to Section 206 of the Federal Power Act and the

regulations thereunder, to file changes to the Formula Rate or any of its stated values. The party filing pursuant to Section 205 or 206 bears the burden under such section as required by law.

#### **VIII. Changes to Annual Informational Filings**

- A. Any changes to the data inputs, including but not limited to revisions to PPL Electric's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual Update or the True-Up Adjustment, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. § 35.19a) for the then current Rate Year shall be made in the event that the Formula Rate is replaced by a stated rate by PPL Electric.
  
- B. To the extent that any party, including but not limited to PPL Electric, its auditors, any wholesale customer, any Interested Party, or the Commission, finds an error in any FERC Form No. 1 data or specific data applied in the Formula Rate, related to the period under review, such error must be corrected in the Formula Rate or Annual Update and shall be reflected in the True-Up Adjustment in the next succeeding True-Up Adjustment. Nothing herein is intended to allow, bar, or otherwise address any error, or the correction thereof, occurring in a period prior to the period under review. Further, nothing herein shall prejudice any party's claims concerning: (i) any error occurring in a period prior to the period under review; (ii) the correction of any prior period errors in the Formula Rate; or (iii) the implementation of any such corrections.

Attachment B

Revisions to PJM OATT  
Attachment H-8G & Attachment H-8H

(Redline Version)

PPL Electric Utilities Corporation Formula Rate -- Appendix A		Notes	FERC Form 1 Page # or Instruction	Enter the Year
<b>Shaded cells are input cells</b>				
<b>Allocators</b>				
<b>Wages &amp; Salary Allocation Factor</b>				
1	Transmission Wages Expense		p354.21.b	-
2	Total Wages Expense		p354.28.b	-
3	Less A&G Wages Expense		p354.27.b	-
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	-
5	<b>Wages &amp; Salary Allocator</b>		(Line 1 / Line 4)	-
<b>Plant Allocation Factors</b>				
6	Electric Plant in Service		p207.104.g	-
7	Accumulated Depreciation (Total Electric Plant)	(Note J)	p219.29.c	-
8	Accumulated Amortization	(Note A)	p200.21.c	-
9	Total Accumulated Depreciation		(Line 7 + 8)	-
10	Net Plant		(Line 6 - Line 9)	-
11	Transmission Gross Plant (excluding Land Held for Future Use)		(Line 25 - Line 24)	-
12	<b>Gross Plant Allocator</b>		(Line 11 / Line 6)	-
13	Transmission Net Plant (excluding Land Held for Future Use)		(Line 33 - Line 24)	-
14	<b>Net Plant Allocator</b>		(Line 13 / Line 10)	-
<b>Plant Calculations</b>				
<b>Plant In Service</b>				
15	Transmission Plant In Service	(Note B)	p207.58.g	-
16	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only	Attachment 6	-
17	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	(Note B)	Attachment 6	-
18	<b>Total Transmission Plant</b>		(Line 15 - Line 16 + Line 17)	-
19	General		p207.99.g	-
20	Intangible		p205.5.g	-
21	Total General and Intangible Plant		(Line 19 + Line 20)	-
22	Wage & Salary Allocator		(Line 5)	-
23	<b>Total General and Intangible Functionalized to Transmission</b>		(Line 21 * Line 22)	-
24	<b>Land Held for Future Use</b>	(Note C) (Note P)	Attachment 5	-
25	<b>Total Plant In Rate Base</b>		(Line 18 + Line 23 + Line 24)	-
<b>Accumulated Depreciation</b>				
26	Transmission Accumulated Depreciation	(Note J)	p219.25.c	-
27	Accumulated General Depreciation	(Note J)	p219.28.c	-
28	Accumulated Amortization		(Line 8)	-
29	Total Accumulated Depreciation		(Line 27 + 28)	-
30	Wage & Salary Allocator		(Line 5)	-
31	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 29 * Line 30)	-
32	<b>Total Accumulated Depreciation</b>		(Sum Lines 26 + 31)	-
33	<b>Total Net Property, Plant &amp; Equipment</b>		(Line 25 - Line 32)	-

**Adjustment To Rate Base**

34	<b>Accumulated Deferred Income Taxes</b> ADIT net of FASB 106 and 109		Attachment 1	-
35	<b>CWIP for Incentive Transmission Projects</b> CWIP Balances for Current Rate Year	(Note H)	Attachment 6	-
36	<b>Prepayments</b> Prepayments	(Note A) (Note O)	Attachment 5	-
37	<b>Materials and Supplies</b> Undistributed Stores Expense	(Note A)	p227.16.c	-
38	Wage & Salary Allocator		(Line 5)	-
39	Total Undistributed Stores Expense Allocated to Transmission		(Line 37 * Line 38)	-
40	Transmission Materials & Supplies		p227.8.c	-
41	<b>Total Materials &amp; Supplies Allocated to Transmission</b>		(Line 39 + Line 40)	-
42	<b>Cash Working Capital</b> Operation & Maintenance Expense		(Line 70)	-
43	1/8th Rule		1/8	12.5%
44	<b>Total Cash Working Capital Allocated to Transmission</b>		(Line 42 * Line 43)	-
45	<b>Total Adjustment to Rate Base</b>		(Lines 34 + 35 + 36 + 41 + 44)	-
46	<b>Rate Base</b>		(Line 33 + Line 45)	-

**Operations & Maintenance Expense**

47	<b>Transmission O&amp;M</b> Transmission O&M		Attachment 5	0
48	Less Account 565		Attachment 5	-
49	Plus Charges billed to Transmission Owner and booked to Account 565	(Note N)	Attachment 5	-
50	<b>Transmission O&amp;M</b>		(Lines 47 - 48 + 49)	-
51	<b>Allocated Administrative &amp; General Expenses</b> Total A&G		323.197b	-
52	Less: Administrative & General Expenses on Securitization Bonds	(Note O)	Attachment 8	-
53	Plus: Fixed PBOP expense	(Note J)	Attachment 5	1,518,585
54	Less: Actual PBOP expense		Attachment 5	-
55	Less Property Insurance Account 924		p323.185.b	-
56	Less Regulatory Commission Exp Account 928	(Note E)	p323.189.b	-
57	Less General Advertising Exp Account 930.1		p323.191.b	-
58	Less EPRI Dues	(Note D)	p352 & 353	-
59	Administrative & General Expenses		Sum (Lines 51 + 53) - Line 52 - Sum (Lines 54 to 58)	1,518,585
60	Wage & Salary Allocator		(Line 5)	-
61	<b>Administrative &amp; General Expenses Allocated to Transmission</b>		(Line 59 * Line 60)	-
62	<b>Directly Assigned A&amp;G</b> Regulatory Commission Exp Account 928	(Note G)	Attachment 5	-
63	General Advertising Exp Account 930.1	(Note K)	Attachment 5	-
64	<b>Subtotal - Accounts 928 and 930.1 - Transmission Related</b>		(Line 62 + Line 63)	-
65	Property Insurance Account 924	(Note G)	Attachment 5	-
66	General Advertising Exp Account 930.1	(Note F)	Attachment 5	-
67	Total Accounts 924 and 930.1 - General		(Line 65 + Line 66)	-
68	Net Plant Allocator		(Line 14)	-
69	<b>A&amp;G Directly Assigned to Transmission</b>		(Line 67 * Line 68)	-
70	<b>Total Transmission O&amp;M</b>		(Lines 50 + 61 + 64 + 69)	-

Depreciation & Amortization Expense				
<b>Depreciation Expense</b>				
71	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	-
72	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	-
73	Intangible Amortization	(Note A)	p336.1.d&e	-
74	Total		(Line 72 + Line 73)	-
75	Wage & Salary Allocator		(Line 5)	-
76	<b>General Depreciation &amp; Intangible Amortization Allocated to Transmission</b>		(Line 74 * Line 75)	-
77	<b>Total Transmission Depreciation &amp; Amortization</b>		(Lines 71 + 76)	-
Taxes Other than Income Taxes				
78	<b>Taxes Other than Income Taxes</b>		Attachment 2	-
79	<b>Total Taxes Other than Income Taxes</b>		(Line 78)	-
Return \ Capitalization Calculations				
<b>Long Term Interest</b>				
80	Long Term Interest		p117.62.c through 66.c	-
81	Less LTD Interest on Securitization Bonds	(Note O)	Attachment 8	-
82	<b>Long Term Interest</b>		(Line 80 - Line 81)	-
83	<b>Preferred Dividends</b>	enter positive	p118.29.c	-
<b>Common Stock</b>				
84	Proprietary Capital		p112.16.c	-
85	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	-
86	Less Preferred Stock		(Line 94)	-
87	Less Account 216.1		p112.12.c	-
88	<b>Common Stock</b>		(Line 84 - 85 - 86 - 87)	-
<b>Capitalization</b>				
89	Long Term Debt		p112.18.c, 19.c & 21.c	-
90	Less Loss on Reacquired Debt		p111.81.c	-
91	Plus Gain on Reacquired Debt		p113.61.c	-
92	Less LTD on Securitization Bonds	(Note O)	Attachment 8	-
93	<b>Total Long Term Debt</b>		(Line 89 - 90 + 91 - 92)	-
94	Preferred Stock		p112.3.c	-
95	Common Stock		(Line 88)	-
96	<b>Total Capitalization</b>		(Sum Lines 93 to 95)	-
97	Debt %	Total Long Term Debt	(Line 93 / Line 96)	-
98	Preferred %	Preferred Stock	(Line 94 / Line 96)	-
99	Common %	Common Stock	(Line 95 / Line 96)	-
100	Debt Cost	Total Long Term Debt	(Line 82 / Line 93)	-
101	Preferred Cost	Preferred Stock	(Line 83 / Line 94)	-
102	Common Cost	Common Stock	(Note J) Fixed	0.1040
103	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 97 * Line 100)	-
104	Weighted Cost of Preferred	Preferred Stock	(Line 98 * Line 101)	-
105	Weighted Cost of Common	Common Stock	(Line 99 * Line 102)	-
106	<b>Rate of Return on Rate Base ( ROR )</b>		(Sum Lines 103 to 105)	-
107	<b>Investment Return = Rate Base * Rate of Return</b>		(Line 46 * Line 106)	-
Composite Income Taxes				
<b>Income Tax Rates</b>				
108	FIT=Federal Income Tax Rate	(Note I)		-
109	SIT=State Income Tax Rate or Composite			-
110	p	(percent of federal income tax deductible for state purposes)	Per State Tax Code	-
111	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		-
112	T / (1-T)			-
<b>ITC Adjustment</b>				
113	Amortized Investment Tax Credit - Transmission Related		Attachment 5	-
114	<b>ITC Adjust. Allocated to Trans. - Grossed Up</b>	ITC Adjustment x 1 / (1-T)	Line 113 * (1 / (1 - Line 111))	-
<b>Income Tax Adjustments</b>				
114a	<b>Other Income Tax Adjustments</b>	(Note Q, Note R)	Attachment 5	-
114b	<b>Other Income Tax Adjustments - Grossed Up</b>	Other Income Tax Adjustment x 1 / (1-T)	Line 114a * (1 / (1 - Line 111))	-
115	<b>Income Tax Component =</b>	$(T/1-T) * Investment Return * (1-(WCLTD/ROR)) =$	Line 112 * Line 107 * (1- (Line 103 / Line 106))	-
116	<b>Total Income Taxes</b>		(Line 114 + Line 114b + Line 115)	-



**Revenue Requirement**

Summary			
117	Net Property, Plant & Equipment	(Line 33)	-
118	Total Adjustment to Rate Base	(Line 45)	-
119	Rate Base	(Line 46)	-
120	Total Transmission O&M	(Line 70)	-
121	Total Transmission Depreciation & Amortization	(Line 77)	-
122	Taxes Other than Income	(Line 79)	-
123	Investment Return	(Line 107)	-
124	Income Taxes	(Line 116)	-
<b>125</b>	<b>Gross Revenue Requirement</b>	<b>(Sum Lines 120 to 124)</b>	<b>-</b>
<b>Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities</b>			
126	Transmission Plant In Service	(Line 15)	-
127	Excluded Transmission Facilities	(Note M) Attachment 5	-
128	Included Transmission Facilities	(Line 126 - Line 127)	-
129	Inclusion Ratio	(Line 128 / Line 126)	-
130	Gross Revenue Requirement	(Line 125)	-
131	<b>Adjusted Gross Revenue Requirement</b>	(Line 129 * Line 130)	-
<b>Revenue Credits</b>			
132	Revenue Credits	Attachment 3	-
<b>133</b>	<b>Net Revenue Requirement</b>	<b>(Line 131 - Line 132)</b>	<b>-</b>
<b>Net Plant Carrying Charge</b>			
134	Gross Revenue Requirement	(Line 130)	-
135	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	-
136	Net Plant Carrying Charge	(Line 134 / Line 135)	-
137	Net Plant Carrying Charge without Depreciation	(Line 134 - Line 71) / Line 135	-
138	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 134 - Line 71 - Line 107 - Line 116) / Line 135	-
<b>Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE</b>			
139	Gross Revenue Requirement Less Return and Taxes	(Line 130 - Line 123 - Line 124)	-
140	Increased Return and Taxes	Attachment 4	-
141	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 139 + Line 140)	-
142	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	-
143	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 141 / Line 142)	-
144	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 141 - Line 71) / Line 142	-
145	<b>Net Revenue Requirement</b>	(Line 133)	-
146	True-up amount	Attachment 6	-
147	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
148	<b>Net Zonal Revenue Requirement</b>	(Line 145 + 146 + 147)	-
<b>Network Zonal Service Rate</b>			
149	1 CP Peak	(Note L) PJM Data	-
150	Rate (\$/MW-Year)	(Line 148 / 149)	-
<b>151</b>	<b>Network Service Rate (\$/MW/Year)</b>	<b>(Line 150)</b>	<b>-</b>

**Notes**

- A Electric portion only.
- B Line 16, for the Reconciliation, includes New Transmission Plant that actually was placed in service weighted by the number of months it actually was in service. Line 17 includes New Transmission Plant to be placed in service in the current calendar year.
- C Includes Transmission portion only.
- D Includes all EPRI Annual Membership Dues.
- E Includes all Regulatory Commission Expenses.
- F Includes Safety-related advertising included in Account 930.1.
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at page 351.h. Property Insurance excludes prior period adjustment in the first year of the formula's operation and reconciliation for the first year.
- H CWIP can be included only if authorized by the Commission.
- I The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income tax rate, and  $p =$  the percentage of federal income tax deductible for state income taxes.  
The calculation of the Reconciliation revenue requirement according to Step 7 of Attachment 6 ("Estimate and Reconciliation Worksheet") shall reflect the actual tax rates in effect for the Rate Year being reconciled ("Test Year"). When statutory marginal tax rates change during such Test Year, the effective tax rate used in the formula shall be weighted by the number of days each such rate was in effect. For example, a 35% rate in effect for 120 days superseded by a 40% rate in effect for the remainder of the year will be calculated as:  $((.3500 \times 120) + (.4000 \times 245))/365 = .3836$ .
- J Base ROE will be as follows: (i.) 9.90% for the period May 21, 2020 through May 31, 2022; (ii.) 9.95% for the period June 1, 2022 through May 31, 2023; (iii.) 10.00% on June 1, 2023 and thereafter. If PPL Electric transitions from a June 1 to May 31 Rate Year period to a projected rate year based on January 1 to December 31 period and the transition occurs during a year when the Base ROE would change on June 1 PPL Electric will use a blended Base ROE that reflects the number of months each ROE is in effect during the transition year. No change in ROE will be made absent a filing at FERC.  
PBOP expense is fixed until changed as the result of a filing at FERC.  
Depreciation rates shown in Attachment 9 are fixed until changed as the result of a filing at FERC.  
Upon request, PPL Electric Utilities Corporation will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to Form No. 1 amounts.  
As set forth in Attachment 5, added to the depreciation expense will be actual removal costs (net of salvage) amortized over five years.
- K Education and outreach expenses related to transmission (e.g., siting or billing).
- L As provided for in Section 34.1 of the PJM OATT, the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Includes only charges incurred for system integration, such as those under the EHV Agreement, and transmission costs paid to others that benefit transmission customers.
- O Amounts associated with transition bonds issued to securitize the recovery of retail stranded costs are removed from account balances, pursuant to an Order entered by the Pennsylvania Public Utility Commission on May 21, 1999 at Docket No. R-00994637, in accordance with Pennsylvania's Electric Generation Customer Choice and Competition Act.
- P Any gain from the sale of land included in Land Held for Future Use in the Formula Rate received during the Rate Year shall be used to reduce the ATRR in the Rate Year. The Formula Rate shall not include any losses on sales of such land.
- Q Includes amounts associated with the amortization of any deficient or excess deferred income taxes (resulting from changes in income tax laws, income tax rates, and other actions taken by a tax authority), and amounts associated with the tax effect of the AFUDC Equity permanent difference. See Attachment 5 for a detailed breakdown of these amounts.
- R The revisions to PPL Electric's Formula Rate to allow for the flow back of excess ADIT approved by the Commission in *PPL Electric Utilities Corporation*, 167 FERC ¶ 61,083 (2019), were applied effective January 1, 2018, and were included in true-up calculations for the period beginning January 1, 2018.

PPL Electric Utilities Corporation

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Line No.		Transmission Related	Plant Related	Labor Related	Transmission ADIT	
1	ADIT- 282	0	0	0		From Acct. 282 total, below
2	ADIT-283	0	0	0		From Acct. 283 total, below
3	ADIT-190	0	0	0		From Acct. 190 total, below
4	Subtotal	0	0	0		Sum lines 1 through 3
5	Wages & Salary Allocator			0.0000%		
6	Net Plant Allocator		0.0000%			
7	ADIT	0	0	0	0	Sum Cols. D, E, F; Enter as negative Appendix A, line 42.
		row 4	row 5 * row 4	row 5 * row 4		

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

Line No.	A	B	C Gas, Prod, Dist Or Other Related	D Transmission Related	E Plant Related	F Labor Related	G Justification
	Table1: ADIT-190						
	Account 190						
1							
2							
3							
4							
5							
6							
7							
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40							
41							
42							
43							
44							
45							
46	Subtotal - p234	-	-	-	-	-	
47	Less FASB 109 Above if not separately removed	-	-	-	-	-	
48	Less FASB 106 Above if not separately removed	-	-	-	-	-	
49	Total	-	-	-	-	-	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PPL Electric Utilities Corporation  
Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B	C	D	E	F	G
Table 2: ADIT- 282	Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
Line No.	Account 282					
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46	Subtotal - p275					
47	Less FASB 109 Above if not separately removed					
48	Less FASB 106 Above if not separately removed					
49	Total					

**Instructions for Account 282:**

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PPL Electric Utilities Corporation

Table 3: ADIT-283

	A	B	C	D	E	F	G
		Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
Line No.	Account 283						
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46	Subtotal - p277	-	-	-	-	-	
47	Less FASB 109 Above if not separately removed	-	-	-	-	-	
48	Less FASB 106 Above if not separately removed	-	-	-	-	-	
49	Total	-	-	-	-	-	

Instructions for Account 283:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

**Table 4: ADIT Related Regulatory Asset - Account 182.3**

A	B	C	D	E	F	G
	Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification

Line No.	End of Year Sub-Totals					
1	Protected Plant Deficient/(Excess) ADIT	-				
2	Protected Plant Related Deficient/(Excess) NOL ADIT	-				
3	Unprotected Plant Deficient/(Excess) ADIT	-				
4	Total Unamortized Net Deficient/(Excess) Plant ADIT	-	-	-	-	Sum of Lines 1-3
5	AFUDC Equity Incurred Net of Depreciation	-				
6	Unamortized Transmission Monthly Deferred Tax Adjustment Charge	-				
7	Other Flow-Through Activity	-				
8	Plant ADIT Related Regulatory Asset excluding Gross-up	-	-	-	-	Sum of Lines 4-7
9	Gross-up of Line 8	-	-	-	-	
10	<b>Total Plant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	<b>Total equals sum of Lines 8-9 and is found on FERC Form 1 Page 232, Column f</b>
11	Unprotected Nonplant Deficient ADIT excluding Gross-up	-				
12	Gross-up of Line 11	-				
13	<b>Total Unprotected Nonplant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	<b>Total equals sum of Lines 11-12 and is found on FERC Form 1 Page 232, Column f</b>
14	FAS109 Deferred Tax Asset (Account 190)	-				
15	FAS109 Deferred Tax Liability (Account 282)	-				
16	FAS109 Deferred Tax Liability (Account 283)	-				
17	Regulatory Asset Balances and FAS109 ADIT Balances in Tables 1-3 Net to Zero	-	-	-	-	Sum of Lines 10 and 13-16

**Beginning of Year Sub-Totals**

18	Protected Plant Deficient/(Excess) ADIT	-				
19	Protected Plant Related Deficient/(Excess) NOL ADIT	-				
20	Unprotected Plant Deficient/(Excess) ADIT	-				
21	Total Unamortized Net Deficient/(Excess) Plant ADIT	-	-	-	-	Sum of Lines 18-20
22	AFUDC Equity Incurred Net of Depreciation	-				
23	Unamortized Transmission Monthly Deferred Tax Adjustment Charge	-				
24	Other Flow-Through Activity	-				
25	Plant ADIT Related Regulatory Asset excluding Gross-up	-	-	-	-	Sum of Lines 21-24
26	Gross-up of Line 25	-	-	-	-	
27	<b>Total Plant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	<b>Total equals sum of Lines 25-26 and is found on FERC Form 1 Page 232, Column b</b>
28	Unprotected Nonplant Deficient ADIT excluding Gross-up	-				
29	Gross-up of Line 28	-				
30	<b>Total Unprotected Nonplant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	<b>Total equals sum of Lines 28-29 and is found on FERC Form 1 Page 232, Column b</b>
31	FAS109 Deferred Tax Asset (Account 190)	-				
32	FAS109 Deferred Tax Liability (Account 282)	-				
33	FAS109 Deferred Tax Liability (Account 283)	-				
34	Regulatory Asset Balances and FAS109 ADIT Balances in Tables 1-3 Net to Zero	-	-	-	-	Sum of Lines 27 and 30-33

**Current Year Activity (End of Year Less Beginning of Year Sub-Totals)**

35	Amortization of Protected Plant (Deficient)/Excess ADIT	-				
36	Amortization of Protected Plant Related (Deficient)/Excess NOL ADIT	-				
37	Amortization of Unprotected Plant (Deficient)/Excess ADIT	-				
38	Total Amortization of Net (Deficient)/Excess Plant ADIT	-	-	-	-	Total amortization equals sum of Lines 35-37 and amounts recorded to Accounts 410.1 and 411.1 are reflected on Lines 39 and 40.
39	Total Amortization of Deficient Plant ADIT recorded to Account 410.1					Account 410.1
40	Total Amortization of Excess Plant ADIT recorded to Account 411.1					Account 411.1
41	Impact of Tax Rate Changes on Protected Plant ADIT Balance	-				
42	Impact of Tax Rate Changes on Protected Plant-Related NOL ADIT Balance					
43	Impact of Tax Rate Changes on Unprotected Plant ADIT Balance					
44	Total Impact of Tax Rate Changes on Plant ADIT Balance					Sum of Lines 41-43
45	AFUDC Equity Incurred Net of Depreciation	-				
46	Amortization of Transmission Monthly Deferred Tax Adjustment Charge	-				
47	Other Flow-Through Activity	-				
48	Reclass balance to/from Regulatory Liability (Table 5) when Balance changes directions					
49	Total ADIT activity excluding Gross-up	-	-	-	-	Sum of Lines 38 and 44-48
50	Gross-up of Line 49	-	-	-	-	
51	<b>Change in Plant ADIT Related Regulatory Asset (Account 182.3)</b>	-	-	-	-	<b>Total equals sum of Lines 49-50 and is found on FERC Form 1 Page 232, Columns c + e</b>
52	Amortization of Unprotected Nonplant Deficient ADIT in a Regulatory Asset	-				
53	Total Amortization of Deficient Nonplant ADIT recorded to Account 410.1					Account 410.1
54	Impact of Tax Rate Changes on Unprotected Nonplant ADIT Balance					
55	Gross-up of Lines 52 and 54	-				

56	Change in Unprotected Nonplant ADIT Related Regulatory Asset (Account 182.3)	-	-	-	-	-	Total equals sum of Lines 52 and 54-55 and is found on FERC Form 1 Page 232, Columns c + e
57	Change in FAS109 Deferred Tax Asset (Account 190)	-					
58	Change in FAS109 Deferred Tax Liability (Account 282)	-					
59	Change in FAS109 Deferred Tax Liability (Account 283)	-					
60	Change in Regulatory Asset Balances and FAS109 ADIT Balances in Tables 1-3 net to Zero	-	-	-	-	-	Sum of Lines 51 and 56-59

**Instructions for Account 182:**

1. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount likewise shall not be included. Regulatory assets reflect the excluded ADIT balances that represent amounts to be collected by customers through future rates.
2. Excess and deficient ADIT are computed in any year where the applicable federal, state, or local income tax rates are changed. The detailed ADIT balances in Tables 1-3 in this Attachment that impact rate base are re-measured in Table 6 using the new tax rates and the change in ADIT balance is recorded to a regulatory asset or regulatory liability with an offsetting ADIT FAS109 adjustment. Amortization periods for protected and unprotected ADIT balances will be identified in the Justification field in Column G.
3. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
4. ADIT items related only to Transmission are directly assigned to Column D
5. ADIT items related to Plant and not in Columns C & D are included in Column E
6. ADIT items related to labor and not in Columns C & D are included in Column F

**Table 5: ADIT Related Regulatory Liability - Account 254**

A	B	C	D	E	F	G
	Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification

Line No.	End of Year Sub-Totals					
1	Protected Plant Deficient/(Excess) ADIT	-				
2	Protected Plant Related Deficient/(Excess) NOL ADIT	-				
3	Unprotected Plant Deficient/(Excess) ADIT	-				
4	Total Unamortized Net Deficient/(Excess) Plant ADIT	-	-	-	-	Sum of Lines 1-3
5	AFUDC Equity Incurred Net of Depreciation	-				
6	Unamortized Transmission Monthly Deferred Tax Adjustment Charge	-				
7	Other Flow-Through Activity	-				
8	Plant ADIT Related Regulatory Liability excluding Gross-up	-	-	-	-	Sum of Lines 4-7
9	Gross-up of Line 8	-	-	-	-	
10	<b>Total Plant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	<b>Total equals sum of Lines 8-9 and is found on FERC Form 1 page 278, Column f</b>
11	Unprotected Nonplant Excess ADIT excluding Gross-up	-				
12	Gross-up of Line 11	-				
13	<b>Total Unprotected Nonplant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	<b>Total equals sum of Lines 11-12 and is found on FERC Form 1 page 278, Column f</b>
14	FAS109 Deferred Tax Asset (Account 190)	-	-	-	-	
15	FAS109 Deferred Tax Liability (Account 282)	-	-	-	-	
16	<b>FAS109 Deferred Tax Liability (Account 283)</b>					
17	Regulatory Liability Balances and FAS109 ADIT Balances in Tables 1-3 Net to Zero	-	-	-	-	Sum of Lines 10 and 13-16

**Beginning of Year Sub-Totals**

18	Protected Plant Deficient/(Excess) ADIT	-				
19	Protected Plant Related Deficient/(Excess) NOL ADIT	-				
20	Unprotected Plant Deficient/(Excess) ADIT	-				
21	Total Unamortized Net Deficient/(Excess) Plant ADIT	-	-	-	-	Sum of Lines 18-20
22	AFUDC Equity Incurred Net of Depreciation	-				
23	Unamortized Transmission Monthly Deferred Tax Adjustment Charge	-				
24	Other Flow-Through Activity	-				
25	Plant ADIT Related Regulatory Liability excluding Gross-up	-	-	-	-	Sum of Lines 21-24
26	Gross-up of Line 25	-	-	-	-	
27	<b>Total Plant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	<b>Total equals sum of Lines 25-26 and is found on FERC Form 1 page 278, Column b</b>
28	Unprotected Nonplant Excess ADIT excluding Gross-up	-				
29	Gross-up of Line 28	-				
30	<b>Total Unprotected Nonplant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	<b>Total equals sum of Lines 28-29 and is found on FERC Form 1 page 278, Column b</b>
31	FAS109 Deferred Tax Asset (Account 190)	-	-	-	-	
32	FAS109 Deferred Tax Liability (Account 282)	-	-	-	-	
33	<b>FAS109 Deferred Tax Liability (Account 283)</b>					
34	Regulatory Liability Balances and FAS109 ADIT Balances in Tables 1-3 Net to Zero	-	-	-	-	Sum of Lines 27 and 30-33

**Current Year Activity (End of Year Less Beginning of Year Sub-Totals)**

35	Amortization of Protected Plant (Deficient)/Excess ADIT	-				
36	Amortization of Protected Plant Related (Deficient)/Excess NOL ADIT	-				
37	Amortization of Unprotected Plant (Deficient)/Excess ADIT	-				
38	Total Amortization of Net (Deficient)/Excess Plant ADIT	-	-	-	-	Total amortization equals sum of Lines 35-37 and amounts recorded to Accounts 410.1 and 411.1 are reflected on Lines 39 and 40.
39	<b>Total Amortization of Deficient Plant ADIT recorded to Account 410.1</b>					<b>Account 410.1</b>
40	<b>Total Amortization of Excess Plant ADIT recorded to Account 411.1</b>					<b>Account 411.1</b>
41	<b>Impact of Tax Rate Changes on Protected Plant ADIT Balance</b>	-				
42	<b>Impact of Tax Rate Changes on Protected Plant-Related NOL ADIT Balance</b>					
43	<b>Impact of Tax Rate Changes on Unprotected Plant ADIT Balance</b>					
44	<b>Total Impact of Tax Rate Changes on Plant ADIT Balance</b>					<b>Sum of Lines 41-43</b>
45	AFUDC Equity Incurred Net of Depreciation	-				
46	Amortization of Transmission Monthly Deferred Tax Adjustment Charge	-				
47	Other Flow-Through Activity	-				
48	<b>Reclass balance to/from Regulatory Asset (Table 4) when Balance changes directions</b>					
49	Total ADIT activity excluding Gross-up	-	-	-	-	Sum of Lines 38 and 44-48.
50	Gross-up of Line 49	-	-	-	-	
51	<b>Change in Plant ADIT Related Regulatory Liability (Account 254)</b>	-	-	-	-	<b>Total equals sum of Lines 49-50 and is found on FERC Form 1 Page 278, Columns d + e</b>
52	Amortization of Unprotected Nonplant Excess ADIT in a Regulatory Liability	-	-	-	-	
53	<b>Total Amortization of Excess Nonplant ADIT recorded to Account 411.1</b>					<b>Account 411.1</b>
54	<b>Impact of Tax Rate Changes on Unprotected Nonplant ADIT Balance</b>					
55	Gross-up of Lines 52 and 54					



56	Change in Unprotected Nonplant ADIT Related Regulatory Liability (Account 254)	-	-	-	-	-	Total equals sum of Lines 52 and 54-55 and is found on FERC Form 1 Page 278, Columns d + e
57	Change in FAS109 Deferred Tax Asset (Account 190)	-	-	-	-	-	
58	Change in FAS109 Deferred Tax Liability (Account 282)	-	-	-	-	-	
59	Change in FAS109 Deferred Tax Liability (Account 283)	-	-	-	-	-	
60	Change in Regulatory Liability Balances and FAS109 ADIT Balances in Tables 1-3 net to Zero	-	-	-	-	-	Sum of Lines 51 and 56-59

**Instructions for Account 254:**

1. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. If the item giving rise to the ADIT is not included in the formula, the associated ADIT amount likewise shall not be included. Regulatory liabilities reflect the excluded ADIT balances that represent amounts to be refunded to customers through future rates.
2. Excess and deficient ADIT are computed in any year where the applicable federal, state, or local income tax rates are changed. The detailed ADIT balances in Tables 1-3 in this Attachment that impact rate base are re-measured in Table 6 using the new tax rates and the change in ADIT balance is recorded to a regulatory asset or regulatory liability with an offsetting ADIT FAS109 adjustment. Amortization periods for protected and unprotected ADIT balances will be identified in the Justification field in Column G.
3. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
4. ADIT items related only to Transmission are directly assigned to Column D
5. ADIT items related to Plant and not in Columns C & D are included in Column E
6. ADIT items related to labor and not in Columns C & D are included in Column F

Line No.	A	B	C	D	E	F	G
	Table 6: Computations of Income Tax Rate Changes on Plant and Nonplant Temporary Differences	Total	Gas, Prod, Dist Or Other Related	Transmission Related	Plant Related	Labor Related	Justification
<b>ADIT Net Liabilities on Protected Plant</b>							
<b>Federal Tax Rate Changes</b>							
1	Federal plant-related temporary difference (with ADIT in Account 282) on date of federal enacted tax rate change	-					Relates to book versus tax plant federal depreciation differences due to method and/or life of asset
2	Statutory tax rate enacted - Federal		-	-	-	-	
3	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 1 x Line 2
4	ADIT Balance prior to date of enacted tax rate change - Federal	-					
5	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 3 less Line 4 - <b>Account 282</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
6	Federal plant-related NOL temporary difference (with ADIT in Account 190) on date of federal enacted tax rate change	-					Relates to federal NOLs allocated to protected plant differences.
7	Statutory tax rate enacted - Federal		-	-	-	-	
8	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 6 x Line 7
9	ADIT Balance prior to date of enacted tax rate change - Federal	-					
10	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 8 less Line 9 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
11	<b>Total Impact of Tax Rate Change on Protected Plant ADIT Balance</b>	-	-	-	-	-	<b>Sum of Lines 5 and 10. Offset is to Account 182 or 254 depending on the direction of the total plant-related FAS109 ADIT balance at end of period, which includes impacts for excess and deficient ADIT, plant flow-through items and AFUDC equity.</b>

**ADIT Net Liabilities on Unprotected Plant**

**Federal Tax Rate Changes**

12	Federal plant-related temporary difference (with ADIT in Account 282) on date of federal enacted tax rate change	-					Relates to book versus federal tax plant basis differences. Exclude items reflected on lines 17 and 29.
13	Statutory tax rate enacted - Federal		-	-	-	-	
14	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 12 x Line 13
15	ADIT Balance prior to date of enacted tax rate change - Federal	-					
16	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 14 less Line 15 - <b>Account 282</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
17	Federal plant-related temporary difference (with ADIT in Account 190) on date of federal enacted tax rate change	-					Relates to book versus federal tax plant basis differences with ADIT in Account 190.
18	Statutory tax rate enacted - Federal		-	-	-	-	
19	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 17 x Line 18
20	ADIT Balance prior to date of enacted tax rate change - Federal	-					
21	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 19 less Line 20 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
22	State plant-related temporary difference (with ADIT in Account 282) on date of federal enacted tax rate change	-					Relates to book versus state tax depreciation differences and book versus state tax plant basis differences. Exclude items reflected on line 29
23	Statutory tax rate - State		-	-	-	-	
24	ADIT Balance at statutory tax rate - State	-	-	-	-	-	Line 22 x Line 23
25	Statutory tax rate enacted - Federal		-	-	-	-	
26	ADIT Balance at new enacted statutory tax rate - Fed-Offset	-	-	-	-	-	Subtract (Line 24 x Line 25)
27	ADIT Balance prior to date of enacted tax rate change - Fed-Offset	-					
28	<b>Change in ADIT Balance due to enacted tax rate change - Fed-Offset</b>	-	-	-	-	-	Line 26 less Line 27 - <b>Account 282</b> (Reflects tax impact of federal tax rate changes on state temporary differences)
29	State plant-related temporary difference (with ADIT in Account 190) on date of federal enacted tax rate change	-					Relates to book versus state tax depreciation differences with ADIT in Account 190.
30	Statutory tax rate - State		-	-	-	-	
31	ADIT Balance at statutory tax rate - State	-	-	-	-	-	Line 29 x Line 30
32	Statutory tax rate enacted - Federal		-	-	-	-	
33	ADIT Balance at new enacted statutory tax rate - Fed-Offset	-	-	-	-	-	Subtract (Line 31 x Line 32)
34	ADIT Balance prior to date of enacted tax rate change - Fed-Offset	-					
35	<b>Change in ADIT Balance due to enacted tax rate change - Fed-Offset</b>	-	-	-	-	-	Line 33 less Line 34 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on state temporary differences)

**State Tax Rate Changes**

36	State plant-related temporary difference (with ADIT in Account 282) on date of state enacted tax rate change	-					Relates to book versus state tax depreciation differences and book versus state tax plant basis differences. Exclude items reflected on line 43.
37	Statutory tax rate enacted - State		-	-	-	-	

38	ADIT Balance at new enacted statutory tax rate - State	-	-	-	-	-	Line 36 x Line 37
39	ADIT Balance prior to date of enacted tax rate change - State	-					
40	<b>Change in ADIT Balance due to enacted tax rate change - State</b>	-	-	-	-	-	Line 38 less Line 39 - <b>Account 282</b> (Reflects tax impact of <u>state</u> tax rate changes on <u>state</u> temporary differences)
41	Statutory tax rate - Federal	-	-	-	-	-	
42	<b>Change in ADIT balance due to enacted state tax rate change - Fed-Offset</b>	-	-	-	-	-	Subtract (Line 40 x Line 41) - <b>Account 282</b> (Reflects fed-offset of <u>state</u> tax rate changes on <u>state</u> temporary differences)
43	State plant temporary difference (with ADIT in Account 190) on date of state enacted tax rate change	-					Relates to book versus state tax plant basis differences with ADIT in Account 190.
44	Statutory tax rate enacted - State	-	-	-	-	-	
45	ADIT Balance at new enacted statutory tax rate - State	-	-	-	-	-	Line 43 x Line 44
46	ADIT Balance prior to date of enacted tax rate change - State	-					
47	<b>Change in ADIT Balance due to enacted tax rate change - State</b>	-	-	-	-	-	Line 45 less Line 46 - <b>Account 190</b> (Reflects tax impact of <u>state</u> tax rate changes on <u>state</u> temporary differences)
48	Statutory tax rate - Federal	-	-	-	-	-	
49	<b>Change in ADIT balance due to enacted state tax rate change - Fed-Offset</b>	-	-	-	-	-	Subtract (Line 47 x Line 48) - <b>Account 190</b> (Reflects fed-offset of <u>state</u> tax rate changes on <u>state</u> temporary differences)

50	<b>Total Impact of Tax Rate Change on Unprotected Plant ADIT Balance</b>	-	-	-	-	-	<b>Sum of Lines 16, 21, 28, 35, 40, 42, 47 and 49. Offset is to Account 182 or 254 depending on the direction of the total plant-related FAS109 ADIT balance at end of period, which includes impacts for excess and deficient ADIT, plant flow-through items and AFUDC equity.</b>
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51	<b>Total Impact of Tax Rate Change on Plant ADIT Balance</b>	-	-	-	-	-	<b>Sum of Lines 11 and 50. Offset is to Account 182 or 254 depending on the direction of the total plant-related FAS109 ADIT balance at end of period, which includes impacts for excess and deficient ADIT, plant flow-through items and AFUDC equity.</b>
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**ADIT Liabilities on Unprotected Nonplant Assets**

**Federal Tax Rate Changes**

52	Federal nonplant temporary difference on date of federal enacted tax rate change	-					Reflect as negative amounts
53	Statutory tax rate enacted - Federal	-	-	-	-	-	
54	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 52 x Line 53
55	ADIT Balance prior to date of enacted tax rate change - Federal	-					
56	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 54 less Line 55 - <b>Account 283</b> (Reflects tax impact of <u>federal</u> tax rate changes on <u>federal</u> temporary differences)
57	State nonplant temporary difference on date of federal enacted tax rate change	-					Reflect as negative amounts
58	Statutory tax rate - State	-	-	-	-	-	
59	ADIT Balance at statutory tax rate - State	-	-	-	-	-	Line 57 x Line 58
60	Statutory tax rate enacted - Federal	-	-	-	-	-	
61	ADIT Balance at new enacted statutory tax rate - Fed-Offset	-	-	-	-	-	Subtract (Line 59 x Line 60)
62	ADIT Balance prior to date of enacted tax rate change - Fed-Offset	-					
63	<b>Change in ADIT Balance due to enacted tax rate change - Fed-Offset</b>	-	-	-	-	-	Line 61 less Line 62 - <b>Account 283</b> (Reflects tax impact of <u>federal</u> tax rate changes on <u>state</u> temporary differences)

**State Tax Rate Changes**

64	State nonplant temporary difference on date of state enacted tax rate change	-					Reflect as negative amounts
65	Statutory tax rate enacted - State	-	-	-	-	-	
66	ADIT Balance at new enacted statutory tax rate - State	-	-	-	-	-	Line 64 x Line 65
67	ADIT Balance prior to date of enacted tax rate change - State	-					
68	<b>Change in ADIT Balance due to enacted tax rate change - State</b>	-	-	-	-	-	Line 66 less Line 67 - <b>Account 283</b> (Reflects tax impact of <u>state</u> tax rate changes on <u>state</u> temporary differences)
69	Statutory tax rate - Federal	-	-	-	-	-	
70	<b>Change in ADIT balance due to enacted state tax rate change - Fed-Offset</b>	-	-	-	-	-	Subtract (Line 68 x Line 69) - <b>Account 283</b> (Reflects fed-offset of <u>state</u> tax rate changes on <u>state</u> temporary differences)

71	<b>Total Impact of Tax Rate Change on ADIT Balance of Unprotected Nonplant Assets</b>	-	-	-	-	-	<b>Sum of Lines 56, 63, 68 and 70. FAS109 adjustment recorded to Account 283 with an offset to Account 182 or 254 depending on the direction of the total nonplant FAS109 ADIT balance at end of period.</b>
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**ADIT Assets on Unprotected Nonplant Liabilities**

**Federal Tax Rate Changes**

72	Federal nonplant temporary difference on date of federal enacted tax rate change	-					Reflect as positive amounts
73	Statutory tax rate enacted - Federal		-	-	-	-	
74	ADIT Balance at new enacted statutory tax rate - Federal	-	-	-	-	-	Line 72 x Line 73
75	ADIT Balance prior to date of enacted tax rate change - Federal	-					
76	<b>Change in ADIT Balance due to enacted tax rate change - Federal</b>	-	-	-	-	-	Line 74 less Line 75 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on federal temporary differences)
77	State nonplant temporary difference on date of federal enacted tax rate change	-					Reflect as positive amounts
78	Statutory tax rate - State		-	-	-	-	
79	ADIT Balance at statutory tax rate - State	-	-	-	-	-	Line 77 x Line 78
80	Statutory tax rate enacted - Federal		-	-	-	-	
81	ADIT Balance at new enacted statutory tax rate - Fed-Offset	-	-	-	-	-	Subtract (Line 79 x Line 80)
82	ADIT Balance prior to date of enacted tax rate change - Fed-Offset						
83	<b>Change in ADIT Balance due to enacted tax rate change - Fed-Offset</b>	-	-	-	-	-	Line 81 less Line 82 - <b>Account 190</b> (Reflects tax impact of federal tax rate changes on state temporary differences)

**State Tax Rate Changes**

84	State nonplant temporary difference on date of state enacted tax rate change	-					Reflect as positive amounts
85	Statutory tax rate enacted - State		-	-	-	-	
86	ADIT Balance at new enacted statutory tax rate - State	-	-	-	-	-	Line 84 x Line 85
87	ADIT Balance prior to date of enacted tax rate change - State	-					
88	<b>Change in ADIT Balance due to enacted tax rate change - State</b>	-	-	-	-	-	Line 86 less Line 87 - <b>Account 190</b> (Reflects tax impact of state tax rate changes on state temporary differences)
89	Statutory tax rate - Federal		-	-	-	-	
90	<b>Change in ADIT balance due to enacted state tax rate change - Fed-Offset</b>	-	-	-	-	-	Subtract (Line 88 x Line 89) - <b>Account 190</b> (Reflects fed-offset of state tax rate changes on state temporary differences)

91	<b>Total Impact of Tax Rate Change on ADIT Balance of Unprotected Nonplant Liabilities</b>	-	-	-	-	-	Sum of Lines 76, 83, 88 and 90. FAS109 adjustment recorded to Account 190 with an offset to Account 182 or 254 depending on the direction of the total nonplant FAS109 ADIT balance at end of period.
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**Instructions for Income Tax Rate Changes:**

1. Tax rate changes are calculated on 3 categories of temporary differences (plant, nonplant assets and nonplant liabilities) and by function (Distribution/Other, Transmission, Plant and Labor).
2. Tax rate changes on plant ADIT are further categorized by protected and unprotected plant, federal and state tax rate calculations, and ADIT FERC Accounts. The accounting of the tax rate change impact will be recorded to Account 182 or Account 254 depending on the direction of the offsetting ADIT FAS109 balance that reflects the difference between ADIT for ratemaking and ADIT for GAAP reporting at the end of the period.
3. Tax rate changes on ADIT related to nonplant assets are further categorized by federal and state tax rate calculations. The accounting of the tax rate change impact is recorded to Account 182 or Account 254 depending on whether the tax rate increased or decreased.
4. Tax rate changes on ADIT related to nonplant liabilities are further categorized by federal and state tax rate calculations. The accounting of the tax rate change impact is recorded to Account 182 or Account 254 depending if the tax rate increased or decreased.
5. The protected and unprotected plant amounts in the plant and labor columns (i.e., columns E and F) reflect cumulative balances of current and prior year annual activity allocated to Transmission at each year's respective allocation factors.
6. The unprotected nonplant asset and liability amounts in the plant and labor columns (i.e., columns E and F) reflect the current year's balance allocated to Transmission at the current year's respective allocation factors.

PPL Electric Utilities Corporation  
Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
<b>Plant Related</b>		<b>Net Plant Allocator</b>	
1	-		
2	-		
3	-		
4	-		
5	-		
6	-		
7	-		
8 <b>Total Plant Related</b>	-		-
<b>Labor Related</b>		<b>Wages &amp; Salary Allocator</b>	
9	-		
10	-		
11	-		
12	-		
13	-		
14 <b>Total Labor Related</b>	-		-
<b>Other Included</b>		<b>Net Plant Allocator</b>	
15	-		
16	-		
17	-		
18	-		
19 <b>Total Other Included</b>	-		-
20 <b>Total Included (Lines 8 + 14 + 19)</b>	-		-
<b>Currently Excluded</b>			
21	-		
22	-		
23	-		
24	-		
25	-		
26	-		
27	-		
28 <b>Subtotal, Excluded</b>	-		
29 <b>Total, Included and Excluded (Line 20 + Line 28)</b>	-		
30 <b>Total Other Taxes from p114.14.c less Tax on Securitization Bonds</b>	-		
31 <b>Difference (Line 29 - Line 30)</b>	-		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant, including transmission plant, will be allocated based on the Net Plant Allocator. If the taxes are 100% recovered at retail, they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail, they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes, except as provided for in A, B and C above, which are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service, will be allocated based on the Net Plant Allocator; provided, however, that overheads shall be treated, as described in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

PPL Electric Utilities Corporation

Attachment 3 - Revenue Credit Worksheet

<b>Account 454 - Rent from Electric Property</b>		
1	Rent from Electric Property - Transmission Related	-
<b>Account 456 - Other Electric Revenues (Note 1)</b>		
2	Transmission for Others (Note 3)	-
3	Schedule 12 Revenues (Note 3)	-
4	Schedule 1A	-
5	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (Note 3)	-
6	Point-to-Point Service revenues for which the load is not included in the divisor received by Transmission Owner (e.g. Schedule 8)	-
7	Professional Services provided to others	-
8	Facilities Charges including Interconnection Agreements (Note 2)	-
9	Gross Revenue Credits	(Sum Lines 1-10)
10	Amount offset from Note 3 below	-
11	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula, will be included as a revenue credit or included in the peak on line 150 of Appendix A.	-
12	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.	-
13	Note 3: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support, e.g., revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited directly by PJM to zonal customers.	-

**PPL Electric Utilities Corporation**  
**Attachment 4 - Calculation of 100 Basis Point Increase in ROE**

A	Return and Taxes with 100 Basis Point increase in ROE				
B	100 Basis Point increase in ROE and Income Taxes			Line 29 + Line 39 from below	-
	100 Basis Point increase in ROE				1.00%
<b>Return Calculation</b>					
1	<b>Rate Base</b>			<b>Appendix A Line or Source Reference</b>	
	<b>Long Term Interest</b>			(Attachment A Line 46)	-
2	Long Term Interest			(Attachment A Line 80)	-
3	Less LTD Interest on Securitization Bonds			Attachment 8	-
4	Long Term Interest			(Line 2 - Line 3)	-
5	<b>Preferred Dividends</b>	enter positive		p118.29.c	-
	<b>Common Stock</b>				
6	Proprietary Capital			p112.16.c	-
7	Less Accumulated Other Comprehensive Income Account 219			p112.15.c	-
8	Less Preferred Stock			(Attachment A Line 86)	-
9	Less Account 216.1			p112.12.c	-
10	Common Stock			(Line 6 - 7 - 8 - 9)	-
	<b>Capitalization</b>				
11	Long Term Debt			p112.18.c, 19.c & 21.c	-
12	Less Loss on Reacquired Debt			p111.81.c	-
13	Plus Gain on Reacquired Debt			p113.61.c	-
14	Less LTD on Securitization Bonds			Attachment 8	-
15	Total Long Term Debt			(Line 11 - 12 + 13 - 14)	-
16	Preferred Stock			p112.3.c	-
17	Common Stock			(Line 10)	-
18	Total Capitalization			(Sum Lines 15 to 17)	-
19	Debt %	Total Long Term Debt		(Line 15 / Line 18)	-
20	Preferred %	Preferred Stock		(Line 16 / Line 18)	-
21	Common %	Common Stock		(Line 17 / Line 18)	-
22	Debt Cost	Total Long Term Debt		(Line 4 / Line 15)	-
23	Preferred Cost	Preferred Stock		(Line 5 / Line 16)	-
24	Common Cost	Common Stock		Fixed	0.1260
25	Weighted Cost of Debt	Total Long Term Debt (WCLTD)		(Line 19 * Line 22)	-
26	Weighted Cost of Preferred	Preferred Stock		(Line 20 * Line 23)	-
27	Weighted Cost of Common	Common Stock		(Line 21 * Line 24)	-
28	<b>Rate of Return on Rate Base ( ROR )</b>			(Sum Lines 25 to 27)	-
29	<b>Investment Return = Rate Base * Rate of Return</b>			<b>(Line 1 * Line 28)</b>	-
<b>Composite Income Taxes</b>					
	<b>Income Tax Rates</b>				
30	FIT=Federal Income Tax Rate				-
31	SIT=State Income Tax Rate or Composite				-
32	p = percent of federal income tax deductible for state purposes			Per State Tax Code	-
33	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$			-
34	CIT = T / (1-T)				-
35	1 / (1-T)				-
	<b>ITC Adjustment</b>				
36	Amortized Investment Tax Credit			Attachment 5	-
37	<b>ITC Adjust. Allocated to Trans. - Grossed Up</b>			(Line 36 * (1 / (1 - Line 33)))	-
	<b>Income Tax Adjustments</b>				
37a	<b>Other Income Tax Adjustments</b>			Attachment 5	-
37b	<b>Other Income Tax Adjustments - Grossed Up</b>	Other Income Tax Adjustment x 1 / (1-T)		Line 114a * (1 / (1 - Line 111))	-
38	<b>Income Tax Component =</b>	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$			-
39	<b>Total Income Taxes</b>				-

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related	Non-transmission Related	Details
113	Amortized Investment Tax Credit		Company Records	-	-	-	- Enter Negative

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related Major Items	Transmission Related Minor Items	Non-transmission Related	Details
24	Land Held for Future Use	(Note C) p.214.d - p214.6.d &	Company Records	-	-	-	-	Removal of land held for future use (if any) that is included in CWIP balance
		(Note P) Company Records		-	-	-	-	Gains from the sale of Land Held for Future Use Balance for Appendix A

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Prior Period Adjustment	Adjusted Total	Details
Allocated Administrative & General Expenses							
53	Fixed PBOP expense		FERC Authorized	1,518,585			Current year actual PBOP expense Annual Premium associated with storm insurance excluding recoveries related to prior periods. (See FM 1 note to page 320 line 185)
54	Actual PBOP expense		Company Records	-			
65	Property Insurance Account 924		p323.185.b	-			

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related	Non-transmission Related	Details
62	Directly Assigned A&G			-	-	-	
	Regulatory Commission Exp Account 928	(Note G) p350-151h					

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Safety Related	Non-safety Related	Details
66	Directly Assigned A&G			-	-	-	
	General Advertising Exp Account 930.1	(Note F) p323.191.b					

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
Income Tax Rates									
109	SIT=State Income Tax Rate or Composite	(Note I)		PA					

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Education & Outreach	Other	Details
63	Directly Assigned A&G			-	-	-	
	General Advertising Exp Account 930.1	(Note K) p323.191.b					

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
127	Excluded Transmission Facilities	(Note M)		Enter \$	General Description of the Facilities
	Instructions:			-	None
1	Remove all investment below 69 kV or generator step-up transformers included in transmission plant in service that are not a result of the RTEP process.				
2	If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher, as well as below 69 kV, the following formula will be used:			Or	
		Example		Enter \$	
A	Total investment in substation	1,000,000			
B	Identifiable investment in Transmission (provide workpapers)	500,000			
C	Identifiable investment in Distribution (provide workpapers)	400,000			
D	Amount to be excluded (A x (C / (B + C)))	444,444			

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Prepayments on Securitization Bonds Adjustment	POLR and Retail Related Adjustment	Prepayments	W&S Allocator	Functionalized to TX	Description of the Prepayments
36	Prepayments	(Note A) (Note O)	Form 1 -- p111.57.c	-	-	-	-	-	-	Less amounts related to POLR, Retail Issues and Bond Securitization.

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Adjustments	Transmission Related	Details
47	Transmission O&M		p.321.112.b	-	-	-	Adjustment for Ancillary Services p321.88b and p321.92b.
48	Less Account 565		p.321.96.b	-	-	-	None

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Amount	Description & PJM Documentation
Net Revenue Requirement					
147	Facility Credits under Section 30.9 of the PJM OATT			-	None

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				1 CP Peak	Description & PJM Documentation
Network Zonal Service Rate					
149	1 CP Peak	(Note L)	PJM Data	-	

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Year 1	Year 2	Year 3	Year 4	Year 5	Total	5 - Year Amortization
Transmission Depreciation Expense Including Amortization of Limited Term Plant, Transmission Plant Cost of Removal Net of Salvage					Enter the Year	Enter the Year	Enter the Year	Enter the Year	Enter the Year		
71		(Note J)	Company Records	-	-	-	-	-	-	-	-
	Total Transmission Depreciation Expense Including Amortization of Limited Term	(Note J)	Company Records	-	-	-	-	-	-	-	-
General Depreciation Expense Including Amortization of Limited Term Plant General Plant Cost of Removal, Net of Salvage					Enter the Year	Enter the Year	Enter the Year	Enter the Year	Enter the Year		
72		(Note J)	Company Records	-	-	-	-	-	-	-	-
	Total General Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Company Records	-	-	-	-	-	-	-	-

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Details
Amortized Deficient / (Excess) Deferred Taxes					
		(Note Q)	Attachment 1	-	Table 4 Lines 38 and 52 Columns D, E and F
		(Note Q)	Attachment 1	-	Table 5 Lines 38 and 52 Columns D, E and F
		(Note Q)	Company Records	-	
114a	Total Other Income Tax Adjustments			-	





May	Year 1	-	0.0000%	7.5	-	-
Jun	Year 1	-	0.0000%	6.5	-	-
Jul	Year 1	-	0.0000%	5.5	-	-
Aug	Year 1	-	0.0000%	4.5	-	-
Sep	Year 1	-	0.0000%	3.5	-	-
Oct	Year 1	-	0.0000%	2.5	-	-
Nov	Year 1	-	0.0000%	1.5	-	-
Dec	Year 1	-	0.0000%	0.5	-	-
Total		-			-	-

Jan-Dec	Year 2	-	0.0000%	12	-	-
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		Balance	Interest rate from above	Amortization over Rate Year	Balance
Jan	Year 3	-	0.0000%	-	-
Feb	Year 3	-	0.0000%	-	-
Mar	Year 3	-	0.0000%	-	-
Apr	Year 3	-	0.0000%	-	-
May	Year 3	-	0.0000%	-	-
Jun	Year 3	-	0.0000%	-	-
Jul	Year 3	-	0.0000%	-	-
Aug	Year 3	-	0.0000%	-	-
Sep	Year 3	-	0.0000%	-	-
Oct	Year 3	-	0.0000%	-	-
Nov	Year 3	-	0.0000%	-	-
Dec	Year 3	-	0.0000%	-	-
Total with interest		-		-	-
True-up Adjustment with interest		-		-	-

**Weighted Plant in Service**

Prior Year Forecast	(A) Monthly Additions Other Plant In Service	(B) Weighting	(C) Other Plant In Service Amount (A x B)	(D) Other Plant In Service (H/ 12)	(E) Total
	CWIP Balance Dec (prior yr.)	12	-	-	-
Jan	-	11.5	-	-	-
Feb	-	10.5	-	-	-
Mar	-	9.5	-	-	-
Apr	-	8.5	-	-	-
May	-	7.5	-	-	-
Jun	-	6.5	-	-	-
Jul	-	5.5	-	-	-
Aug	-	4.5	-	-	-
Sep	-	3.5	-	-	-
Oct	-	2.5	-	-	-
Nov	-	1.5	-	-	-
Dec	-	0.5	-	-	-
Total	-	-	-	-	-
New Transmission Plant Additions and CWIP (weighted by months in service)			Input to Line 17 of Appendix A Input to Line 35 of Appendix A		-

Prior Year Actual	(A) Monthly Additions Other Plant In Service	(B) Weighting	(C) Other Plant In Service Amount (A x B)	(D) Other Plant In Service (H/ 12)	(E) Total
	CWIP Balance Dec (prior yr.)	12	-	-	-
Jan	-	11.5	-	-	-
Feb	-	10.5	-	-	-
Mar	-	9.5	-	-	-
Apr	-	8.5	-	-	-
May	-	7.5	-	-	-
Jun	-	6.5	-	-	-
Jul	-	5.5	-	-	-
Aug	-	4.5	-	-	-
Sep	-	3.5	-	-	-
Oct	-	2.5	-	-	-
Nov	-	1.5	-	-	-
Dec	-	0.5	-	-	-
Total	-	-	-	-	-
New Transmission Plant Additions and CWIP (weighted by months in service)			Input to Line 17 of Appendix A Input to Line 35 of Appendix A Month In Service or Month for CWIP		-

Current Year Forecast	(A) Monthly Additions Other Plant In Service	(B) Weighting	(C) Other Plant In Service Amount (A x B)	(D) Other Plant In Service (H/ 12)	(E) Total
	CWIP Balance Dec (prior yr.)	12	-	-	-
Jan	-	11.5	-	-	-
Feb	-	10.5	-	-	-
Mar	-	9.5	-	-	-
Apr	-	8.5	-	-	-
May	-	7.5	-	-	-
Jun	-	6.5	-	-	-
Jul	-	5.5	-	-	-
Aug	-	4.5	-	-	-
Sep	-	3.5	-	-	-

Oct		2.5			
Nov		1.5			
Dec		0.5			
Total					
<u>New Transmission Plant Additions and CWIP (weighted by months in service)</u>					
			<u>Input to Line 17 of Appendix A</u>		
			<u>Input to Line 35 of Appendix A</u>		
			<u>Month In Service or Month for CWIP</u>		





Attachment 7 – Transmission Enhancement Charge Worksheet

1	New Plant Carrying Charge			
2	<b>Fixed Charge Rate (FCR) if not a CIAC</b>			
		Formula Line		
3	A	137	Net Plant Carrying Charge without Depreciation	-
4	B	144	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	-
5	C		Line B less Line A	-
6	<b>FCR if a CIAC</b>			
7	D	138	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	-

8 **The FCR resulting from Formula in a given year is used for that year only.**  
 9 **Therefore actual revenues collected in a year do not change based on cost data for subsequent years**

10	Details										
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	-	-	-	-	-	-	-	-	-
12	Useful life of the project	Life	-	-	-	-	-	-	-	-	-
13	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	CIAC (Yes or No)	-	-	-	-	-	-	-	-	-
14	Input the allowed increase in ROE	Increased ROE (Basis Points)	-	-	-	-	-	-	-	-	-
15	From line 3 above if "No" on line 13 and from line 7 above if "Yes" on line 13	11.68% ROE	-	-	-	-	-	-	-	-	-
16	Line 14 plus (line 5 times line 15)/100	FCR for This Project	-	-	-	-	-	-	-	-	-
17	Project subaccount of Plant in Service Account 101 or 106 if not yet classified	Investment	-	-	-	-	-	-	-	-	-
18	Line 17 divided by line 12	Annual Depreciation Exp	-	-	-	-	-	-	-	-	-
19	Month in which project is placed in service (e.g. Jan=1)	Month In Service or Month for CWIP	-	-	-	-	-	-	-	-	-

20	Invest Yr	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit	
21	W 11.68 % ROE 2008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	W Increased ROE 2008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	W 11.68 % ROE 2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	W Increased ROE 2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	W 11.68 % ROE 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	W Increased ROE 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	W 11.68 % ROE 2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	W Increased ROE 2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	W 11.68 % ROE 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	W Increased ROE 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	W 11.68 % ROE 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	W Increased ROE 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	W 11.68 % ROE 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	W Increased ROE 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	W 11.68 % ROE 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	W Increased ROE 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	W 11.68 % ROE 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	W Increased ROE 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	W 11.68 % ROE 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	W Increased ROE 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	W 11.68 % ROE 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	W Increased ROE 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	W 11.68 % ROE 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	W Increased ROE 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	W 11.68 % ROE 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	W Increased ROE 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	W 11.68 % ROE 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	W Increased ROE 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	W 11.68 % ROE 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	W Increased ROE 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	W 11.68 % ROE 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	W Increased ROE 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	W 11.68 % ROE 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	W Increased ROE 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	W 11.68 % ROE 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	W Increased ROE 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	W 11.68 % ROE 2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	W Increased ROE 2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	W 11.68 % ROE 2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	W Increased ROE 2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
62	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....

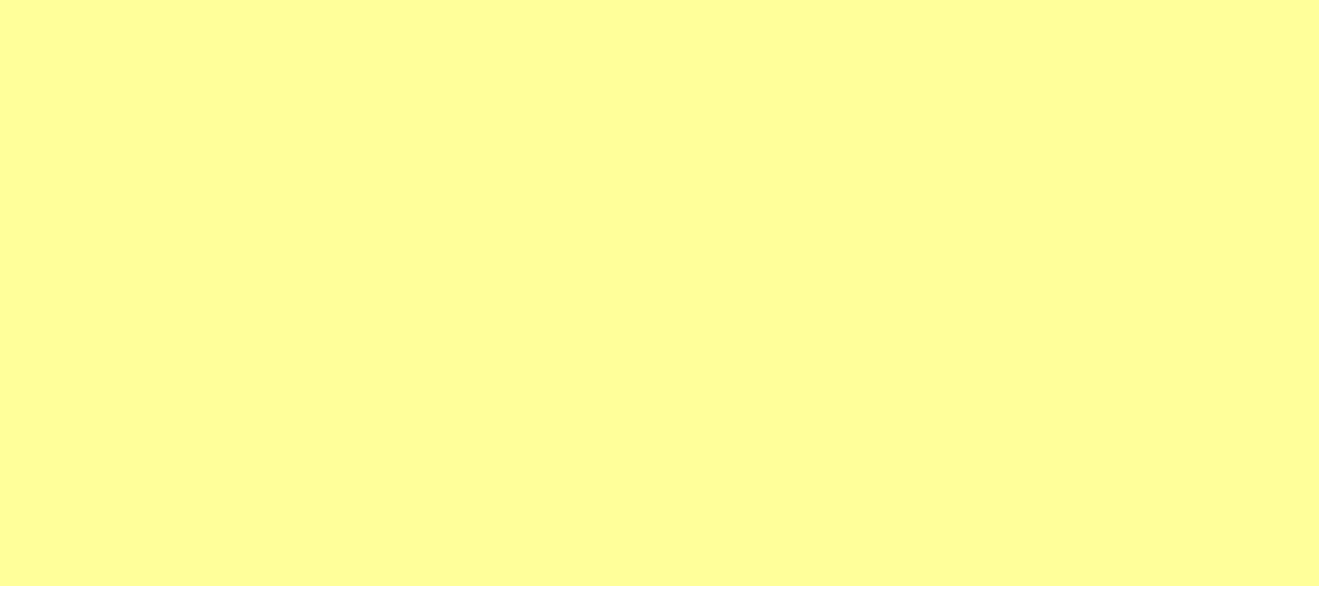
On the formulas used in the Columns for lines 22+ are as follows  
 For Plant in service: (first year means first year the project is placed in service)  
 "Beginning" is the investment on line 17 for the first year and is the "Ending" for the prior year after the first year  
 "Depreciation" is the annual depreciation in line 18 divided by twelve times the difference of thirteen minus line 19 in the first year and line 18 thereafter if "no" on line 13. "Depreciation" is "0" (zero) if "Yes" on line 13  
 "Ending" is "Beginning" less "Depreciation"  
 Revenue is "Ending" times line 16 for the current year times the quotient line 19 divided by 13 plus "Depreciation" for the first year and "Ending" times line 16 plus "Depreciation" thereafter

**For CWIP:**  
 Beginning is the line 17 for that year  
 Depreciation is not used  
 Ending is the same as Beginning  
 Revenue is Ending times line 16 for the current year

PPL Electric Utilities Corporation  
Attachment 8 - Company Exhibit - Securitization Worksheet

Line #

	Prepayments		
36	Less Prepayments on Securitization Bonds	-	(See FM 1, note to page 110, line 57)
	Administrative and General Expenses		
52	Less Administrative and General Expenses on Securitization Bonds	-	(See FM 1, note to page 114, line 4)
	Taxes Other Than Income		
78	Less Taxes Other Than Income on Securitization Bonds	-	(See FM 1, note to page 114, line 14)
	Long Term Interest		
81	Less LTD Interest on Securitization Bonds	-	(See FM 1, note to page 114, lines 62 + 63)
	Capitalization		
92	Less LTD on Securitization Bonds	-	(See FM 1, note to page 112, line 18)
	Calculation of the above Securitization Adjustments		



**PPL Electric Utilities Corporation  
Attachment 9 - Depreciation Rates**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Number	Plant Type	Estimated Life	Mortality Curve	Current Age	Remaining Life	Applied Depreciation Rate	Gross Depreciable Plant \$	Accumulated Depreciation \$	Depreciable Balance \$	Depreciation Expense \$
<b>Transmission</b>										
350.4	Land Rights	80	S4							
352	Structures and Improvements	65	R3							
353	Station Equipment	46	R1.5							
354	Towers and Fixtures	75	R3							
354.2	Towers and Fixtures - Clearing Land and Rights of Way	80	R4							
355	Poles and Fixtures	53	R0.5							
355.2	Poles and Fixtures - Clearing Land and Rights of Way	80	R4							
356	Overhead Conductors and Devices	65	R2.5							
357	Underground Conduit	55	S4							
358	Underground Conductors and Devices	45	S3							
359	Roads and Trails	80	R4							
<b>General</b>										
389.4	Land Rights	75	R4							
390.2	Structures and Improvements - Buildings	52	S0.5							
390.21	Structures and Improvements - Leaseholds	10	SQ							
390.4	Structures and Improvements - Air Conditioning	30	S1							
391.1	Office Furniture and Equipment - RF Mesh Computer Equip.	5	SQ							
391.2	Office Furniture and Equipment - Furniture	20	SQ							
391.4	Office Furniture and Equipment - Equipment	15	SQ							
391.6	Office Furniture and Equipment - Computers	5	SQ							
392.1	Transportation Equipment - Automobiles	9	S3							
392.2	Transportation Equipment - Light Duty Trucks	9	R1							
392.3	Transportation Equipment - Heavy Duty Trucks	13	S3							
392.4	Transportation Equipment - Trailers	23	L2							
392.5	Transportation Equipment - Large Tankers/Tractors	15	L4							
392.6	Transportation Equipment - Large Crane Trucks	13	S3							
393	Stores Equipment	25	SQ							
394	Tools and Work Equipment - L&S Line Crews	20	SQ							
394.2	Tools and Work Equipment - Tools	20	SQ							
394.4	Tools and Work Equipment - Construction Dept	20	SQ							
394.6	Tools and Work Equipment - Other	20	SQ							
394.8	Tools and Work Equipment - Garage Equipment	20	SQ							
395	Laboratory Equipment	20	SQ							
396	Power Operated Equipment	16	R1							
397	Communication Equipment	15	SQ							
398	Miscellaneous Equipment	20	SQ							
<b>Intangible</b>										
303.2	Miscellaneous Intangible Plant - Software	5	SQ							
303.5	Smart Meter Software	5	SQ							
303.6	Smart Meter Software - RF Mesh	5	SQ							

- Notes:
- Columns (A), (B), (C), and (D) are fixed and cannot be changed absent Commission approval or acceptance.
  - Column (E) is based on the Estimated Life in Column (C) less the Remaining Life in Column (F) for those accounts for which using a Mortality Curve is identified.
  - Column (F) is the average remaining life of the assets in the account based on their vintage.
  - Column (G) is the depreciation rate from the Mortality Curve specified based on data in Columns (C) and (D).
  - Columns (H) and (I) are the depreciable gross plant investment and accumulated depreciation in the account or subaccount.
  - Column (J) is the depreciable net plant in the account or subaccount.
  - Column (K) is Column (G) multiplied by Column (J) for those accounts that have an identified Mortality Curve.
  - Each year, PPL Electric will provide a copy of the annual report submitted to the PA PUC that shows the calculation of the depreciation rates and expenses derived from Columns (C) and (D).
  - Every 5 years, PPL Electric will file with the Commission a depreciation study supporting its existing Estimated Life and Mortality Curve for each account or subaccount.
  - Column (K) for Accounts Nos. 303.2, 303.5, and 303.6 are calculated using individual asset depreciation and, therefore, are not derived values.
  - Column (K) for Account No. 392.3 is net of capitalized depreciation expense. See the applicable note in FERC Form No. 1.
  - For those General Plant accounts that do not have Mortality Curves as indicated by "SQ" in Column (D), additional detail is provided in Attachment 9 - Supplemental General Plant Depreciation Details.



**PPL Electric Utilities Corporation  
Attachment 9 - Supplemental  
General Plant Depreciation Details**

(A) Number	(B) Plant Type	(C) Estimated Life	(G) Applied Depreciation Rate	(H) Gross Depreciable Plant \$	(I) Accumulated Depreciation \$	(J) Depreciable Balance \$	(K) Depreciation Expense \$
<b>General</b>							
390.21	Structures and Improvements - Leaseholds - Net Method	10					
391.1	Office Furniture and Equipment - RF Mesh Computer Equip - Gross Method	5					
391.2	Office Furniture and Equipment - Furniture - Gross Method	20					
391.2	Office Furniture and Equipment - Furniture - Net Method	20					
391.4	Office Furniture and Equipment - Equipment - Gross Method	15					
391.4	Office Furniture and Equipment - Equipment - Net Method	15					
391.6	Office Furniture and Equipment - Computers - Gross Method	5					
393	Stores Equipment - Gross Method	25					
393	Stores Equipment - Net Method	25					
394	Tools and Work Equipment - L&S Line Crews - Gross Method	20					
394	Tools and Work Equipment - L&S Line Crews - Net Method	20					
394.2	Tools and Work Equipment - Tools - Gross Method	20					
394.2	Tools and Work Equipment - Tools - Net Method	20					
394.4	Tools and Work Equipment - Construction Dept - Gross Method	20					
394.4	Tools and Work Equipment - Construction Dept - Net Method	20					
394.6	Tools and Work Equipment - Other - Gross Method	20					
394.6	Tools and Work Equipment - Other - Method	20					
394.8	Tools and Work Equipment - Garage Equipment - Gross Method	20					
394.8	Tools and Work Equipment - Garage Equipment - Net Method	20					
395	Laboratory Equipment - Gross Method	20					
395	Laboratory Equipment - Net Method	20					
397	Communication Equipment - Gross Method	15					
397	Communication Equipment - Net Method	15					
398	Miscellaneous Equipment - Gross Method	20					
398	Miscellaneous Equipment - Net Method	20					

Notes:

- This schedule shows additional detail for those General Plant accounts that do not have a Mortality Curve. The calculation of Depreciation Expense by the Gross Plant Method (i.e., Column (G) multiplied by Column (H)) and the Net Plant Method (i.e., Column (G) multiplied by Column (J)) is shown separately for the assets in each account subject to each such method. Assets purchased new are depreciated using the Gross Plant Method. Assets purchased used are depreciated using the Net Plant Method (i.e., over their remaining economic life).

**ATTACHMENT H-8H**  
**FORMULA RATE IMPLEMENTATION PROTOCOLS**

**Section 1:**

**I. Definitions**

- A. “Annual Transmission Revenue Requirement” or “ATRR” means the net revenue requirement calculated in accordance with PPL Electric’s Formula Rate, and which shall be posted on the PJM Website on or before ~~October 31, 2022, May 15, 2009~~ and on or before each October 31<sup>st</sup> May 15<sup>th</sup> thereafter,<sup>1</sup> and shall be applicable for services for the period commencing ~~January June~~-1 of the next calendar such-year through and including December May 31 of the next calendar year.
- B. “Annual Update” means the informational filing submitted by PPL Electric on or before October 31 May 15, 2009, and each May 15<sup>th</sup> thereafter, pursuant to Section IVH of these Protocols.
- C. “Discovery Period” means the period, commencing as of the day immediately following the ~~Annual Update True-Up Adjustment~~ Publication Date, for serving Information Requests pursuant to Section V of these Protocols.
- ~~D. “First Rate Year” means the period of November 1, 2008 through May 31, 2009, which corresponds to the period for which charges are assessed under the Formula Rate as set forth in PPL Electric’s original formula rate template filed on August 28, 2008 with the Federal Energy Regulatory Commission (“Commission”) in Docket No. ER08-1457-000.~~
- ~~E.D.~~ F.D. “Formal Challenge” means a filing made by an Interested Party to the Commission in accordance with the terms of Section VII of these Protocols, and which shall include the information required under 18 C.F.R. § 385.206(b)(1), (2), (3), (4) and (7).
- ~~F.E.~~ F.E. “Formula Rate” means the cost of service template and associated attachments shown in Attachment H-8G.
- ~~G.F.~~ G.F. “Interested Party” means a party that is or may become a customer taking transmission service under this Formula Rate, any state utility commission or state consumer advocacy agency of a state in which customers that are allocated costs of the PPL Electric transmission facilities are located, any party to Commission Docket ER08-1457, or any entity having standing under Section 206 of the Federal Power Act.
- ~~H.G.~~ H.G. “Material Accounting Change” means any (i) change in PPL Electric’s accounting policies and practices (as such changes are defined by the Statement of Financial

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<sup>1</sup> In the transition from a June 1 to May 31 Rate Year to a calendar year Rate Year based on the January 1 to December 31 period, the Annual Update will occur on or before October 31, 2022 for rates to be effective January 1, 2023 through December 31, 2023. If the effective date of the transition from a June 1 to May 31 Rate Year to a calendar year Rate Year based on the January 1 to December 31 period does not occur by October 31, 2022, the Annual Update establishing the first calendar year rate year will be delayed by the same amount of time the effective date is delayed beyond October 31, 2022.

Accounting Standards No. 154 issued by the Financial Accounting Standards Board or its successor), or (ii) change in PPL Electric’s inter-corporate cost allocation policies or practices from those policies and/or practices in effect for the Rate Year upon which the immediately preceding Annual Update was based, which change causes a result under the Formula Rate different than the result under the Formula Rate as calculated without such change.

I.H. “Preliminary Challenge” means a written notice delivered to PPL Electric during the Review Period which specifies an Interested Party’s challenge to the Annual Update or True-Up Adjustment pursuant to Section VI of these Protocols.

J.I. “Protocols” means these Formula Rate Implementation Protocols.

K.J. “Publication Date” means, with respect to the filing and posting of each Annual Update, October 31st~~May 15th~~ of each year and with respect to the filing and posting of each True-Up Adjustment, June 1st of each year; provided, however, that if such date should fall on a weekend or a holiday recognized by the Commission, then the posting or filing shall be due on the next business day and the “Publication Date” shall correspond to the actual posting or filing date.

L.K. “Rate Year” means the twelve consecutive month period of January~~June~~-1 through December~~May~~ 31 that corresponds to the year for which charges are assessed under the Formula Rate.

M.L. “Review Period” means the period, commencing as of the day immediately following the Annual Update~~True-Up~~ Publication Date, for reviewing these informational filings for any given year pursuant to Section V of these Protocols.

N.M. “True-Up Adjustment” means informational filing submitted by PPL Electric on or before June 1-of every year, pursuant to Section III of these Protocols that will calculate the difference between (i) the ATRR for a Rate Year calculated pursuant to steps 1, 2, 3, and 9 of Attachment 6 of the Formula Rate and (ii) the ATRR for the same Rate Year calculated pursuant to steps 6 through 8 of Attachment 6 of the Formula Rate, which difference, together with interest, calculated in accordance with the terms of Section III.~~BE-1~~, shall be added to, or subtracted from, as the case may be, the ATRR used to set the rate that will be in effect for the next succeeding Rate Year.

## **II. Formula Rate**

A. Formula Rate inputs for (i) rate of return on common equity;<sup>2</sup> and (ii) “Post-Employment Benefits other than Pensions” pursuant to Statement of Financial Accounting Standards No. 106, Employers’ Accounting for Post-Retirement Benefits other than Pensions

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<sup>2</sup> If the transition from a June 1 to May 31 Rate Year to a calendar year Rate Year based on the January 1 to December 31 period occurs during a year in which the Base ROE would change on June 1<sup>st</sup> pursuant to the approved settlement agreement in Docket No. EL20-48-000, PPL Electric will use a blended (i.e., weighted average) Base ROE that reflects the number of months each ROE set forth in Section 1.1 of the settlement agreement is in effect during the transition year.

(“PBOP”) charges shall be stated values to be used in the Formula Rate until changed pursuant to a Federal Power Act Section 205 or 206 proceeding. PPL Electric may make a limited Section 205 filing to change its rate of return on common equity, change its PBOP accruals, or to change the amortization/depreciation rate computations set forth in the Formula Rate. The sole issue for examination in any such limited Section 205 filing shall be whether such proposed changes are just and reasonable, and shall not include other aspects of the Formula Rate. These protocols shall not prohibit an Interested Party protesting any such limited Section 205 filing from arguing that the proposed changes will render other aspects of the Formula Rate unjust and unreasonable. If the Commission accepts such argument, the only remedy shall be the rejection of the limited Section 205 filing or of the proposed changes, and such rejection shall not result in any change to any aspect of the Formula Rate. Changes in depreciation rates to track a state commission order shall become effective on the same date as the state commission order becomes effective, but no earlier than the effective date of a limited Section 205 filing to incorporate such changes in the Formula Rate.

- B. Any modification to the Formula Rate shall be made through a Federal Power Act Section 205 or Section 206 filing, and not through any Annual Update, a Preliminary Challenge, a Formal Challenge or a True-Up Adjustment.
- C. The Formula Rate is not intended to preempt, negate, or be a substitute for any obligations of PPL Electric under any applicable state law.
- D. PPL Electric shall file and seek Commission approval to use a new depreciation and service life study at the time it files any such study with the Pennsylvania Public Utility Commission, provided, however, no depreciation and service life study may be used by PPL Electric to determine the amortization/depreciation expense in the Formula Rate for more than five years without completing, filing and obtaining Commission approval of a new depreciation and service life study.

### **III. True-Up Adjustment**

- A. PPL Electric will calculate the amount of under- or over-collection of its actual Net Revenue Requirement during the preceding Rate Year (“True-Up Adjustment”) on June 1st of each year.<sup>3</sup> The True-Up Adjustment shall be the sum of the True-Up Adjustment Over/Under Recovery and the Interest on the True-Up Adjustment Over/Under Recovery as determined in Section III(C):
- B. PPL Electric’s projected Net Revenue Requirement collected during the previous Rate Year<sup>4</sup> will be compared to PPL Electric’s actual Net Revenue Requirement for the previous Rate Year

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<sup>3</sup> In order to transition to a calendar year rate year that is effective January 1, 2023, the October 31, 2022 annual update will consist of a truncated true-up. The rate in effect for the months of June through December 2022 included a pro-rata share of the 2021 true-up or seven months of the 2021 true-up amount. The rates effective January 1, 2023 will include the remaining portion, or five months, of the 2021 true-up amount. The June 1, 2023 True-Up Adjustment will true-up the 2022 calendar year ATRR received to 2022 calendar year revenue requirement based on 2022 actual costs.

<sup>4</sup> If the initial use of the calendar year rate year covers only part of a calendar year, the initial projected annual ATRR will be divided by 12 to calculate the monthly projected cost of service to be collected each month it

calculated in accordance with PPL Electric's Formula Rate and based upon (i) PPL Electric's FERC Form No. 1 for that same Rate Year, (ii) any FERC orders specifically applicable to PPL Electric's calculation of its annual revenue requirement, (iii) the books and records of PPL Electric (which shall be maintained consistent with the FERC Uniform System of Accounts ("USofA")), (iv) FERC accounting policies and practices applicable to the calculation of annual revenue requirements under formula rates, and (v) any aspects of the PJM Tariff Governing Documents that apply to the calculation of annual revenue requirements under individual transmission owner formula rates,<sup>5</sup> to determine any over- or under-recovery ("True-Up Adjustment Over/Under Recovery").

C. PPL Electric shall submit its True Up Adjustment as an informational filing to the Commission and shall post the same on the website of PJM Interconnection, L.L.C. ("PJM"), [www.pjm.com](http://www.pjm.com), or any successor thereto ("PJM Website").

D. Interest on any True-up shall be based on the interest rate equal to the interest rate determined by 18 C.F.R. § 35.19a. Interest rates will be used to calculate the time value of money for the period that the True-up exists. The interest rate to be applied to the True-up will be determined using the average rate for the twenty (20) months preceding September 1 of the current year.

#### **III-IV. Annual Update and Annual Meeting**

##### **A. First Rate Year**

~~The parties hereto agree that, for the First Rate Year, the Annual Transmission Revenue Requirement, as set forth in PPL Electric's original formula rate template filed on August 28, 2008 with the Commission in Docket No. ER08-1457-000, will be divided by the number of months the rate is in effect to calculate the projected cost of service to be collected each month of the First Rate Year. The first True-Up Adjustment under these Protocols will be calculated in May 2009 and shall be the difference between the Annual Transmission Revenue Requirement set forth in the original filing and the Annual Transmission Revenue Requirement for the First Rate Year, calculated based upon the Annual Update filed/posted on or before May 15, 2009.~~

##### **B-A. Annual Update**

~~(1) PPL Electric shall submit its Annual Update as an informational filing to the Commission and shall post the same on the PJM website of PJM Interconnection, L.L.C. ("PJM"), [www.pjm.com](http://www.pjm.com), or any successor thereto ("PJM Website"). The Annual Update shall calculate PPL Electric's Annual Transmission Revenue Requirement for the next Rate Year in accordance with the terms of the Formula Rate and these Protocols, as well as a True-Up Adjustment.~~

is effective that first year. Similarly, the actual ATRR will be divided by 12 to calculate the actual monthly cost of service to be collected during those same months of that year. Similar calculations of projected ATRR and actual ATRR will be made for the months prior to the effective date of this Formula Rate using the previous formula rate and protocols in effect during those months. The actual ATRR computed under each of the two formula rate periods that initial Rate Year will be added together to obtain the total actual ATRR. The first True-Up Adjustment will compare this total actual ATRR to the ATRR collected under the two formulas for that initial Rate Year.

<sup>5</sup> PJM Tariff Governing Documents include the PJM Tariff, Bylaws, Criteria, and Membership Agreements.

- (2) The Annual Transmission Revenue Requirement shall be based on PPL Electric’s books and records which reflect data properly recorded in:
  - (a) PPL Electric’s FERC Form No. 1 (to the extent the Formula Rate specifies FERC Form No. 1 data as the input sources); and
  - (b) The Commission’s Uniform System of Accounts, as each exists as of the last day of the preceding calendar year.
  
- (3) The Annual Update shall:
  - (a) provide supporting documentation for data not otherwise available in FERC Form No. 1 that are used in the Formula Rate;
  - (b) provide notice of Material Accounting Changes, which may incorporate by reference applicable disclosure statements filed with the Securities and Exchange Commission;
  - (c) be subject to challenge and review only in accordance with the procedures set forth in this Attachment; and
  - (d) provide sufficient information, including all workpapers necessary to explain any changes made since the last Annual Update, to enable any Interested Party to replicate the calculation of the Formula Rate results from FERC Form No. 1 and other applicable accounting inputs and to compare the calculation to that of prior Rate Years, and further to include, as applicable:
    - (i) identification of any changes in the formula references in the FERC Form No. 1;
    - (ii) identification of all adjustments made to the FERC Form No. 1 data in determining formula inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in FERC Form No. 1 footnotes;
    - (iii) a description and quantification of the inputs to the Annual Transmission Revenue Requirement that materially changed since the immediately preceding Annual Update, and a detailed explanation of the primary reason(s) for such changes; and
    - (iv) the most recent annual report filed with the Pennsylvania Public Utility Commission that shows the annual amortization/depreciation rates derived from the applicable depreciation and service life study approved for use by the Commission as the basis for calculating such rates.

C.B. Annual Meeting and Formula Rate Data

- (1) Within five calendar days of the Annual Update Publication Date, PPL Electric will send a “workable” Excel file containing data for the Formula Rate populated with inputs for the Annual Transmission Revenue Requirement for the next Rate

Year to the attention of the Chief Counsel of the Pennsylvania Public Utility Commission, and to 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. Upon written request for a particular Rate Year's Annual Update by any Interested Party, PPL Electric will promptly make available to such Interested Party a "workable" Excel file containing that year's Annual Update. Upon written request, PPL Electric will provide to an Interested Party a description of the basis upon which transmission projects were planned either by PJM or PPL Electric.

- (2) Within two business days of the Annual Update Publication Date, PPL Electric shall also provide notice on the PJM Website of the time, date and location of an Annual Meeting among Interested Parties ("Annual Meeting"). The Annual Meeting shall take place no sooner than thirty (30) days after posting of the notice of the Annual Meeting and no later than sixty (60) days after the Publication Date. This Annual Meeting shall permit PPL Electric to explain and clarify its Annual Update, and provide Interested Parties an opportunity to seek information and clarifications from PPL Electric about the Annual Update. The Annual Meeting shall also provide Interested Parties an opportunity to seek information and clarification regarding the Annual Transmission Revenue Requirement, ~~including the True-Up Adjustment, input data and cost detail.~~
- (3) PPL Electric will, on a best efforts basis, notify each of the parties to Commission Docket No. ER08-1457 each year by electronic mail that the Annual Update has been posted and describe the time and location of the Annual Meeting. Parties to Commission Docket No. ER08-1457 are responsible for providing any change to their contact information to PPL Electric in order to continue to receive such notice. Updated contact information should be sent to Office of General Counsel, PPL Services Corporation, Two North Ninth Street, Allentown, PA 18101, referencing Docket No. ER08-1457.

#### D.C. Annual Transmission Revenue Requirement

- (1) It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate for purposes of the Annual Transmission Revenue Requirement will be either taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supporting information. Where the reconciliation is provided through a worksheet included in the filed Formula Rate template, the inputs to the worksheet must meet this transparency standard, and doing so will satisfy this transparency requirement for the amounts that are output from the worksheet and input to the main body of the Formula Rate.

#### ~~E. Implementation of True-Up Adjustment~~

- ~~(1) Interest on any True-Up Adjustment shall be based on the Commission's interest rate on refunds (18 C.F.R. §35.19a). The interest payable shall be calculated as follows:~~

~~To calculate the monthly interest rate used in the True-Up Adjustment, PPL Electric will use the Commission's published First Quarter interest rate as applied to the month of March, i.e., the published First Quarter interest rate divided by 365 and multiplied by the number of days in March (31 days). Under PPL Electric's Formula Rate, the annual reconciliation amount is assumed to be incurred evenly over the prior Rate Year (June 1 through May 31). Thus, the reconciliation amount is divided by 12 and the monthly interest rate is applied for the appropriate number of months until the effective date of the revised rate (June 1). A constant monthly payment is then calculated that will recover the total amount of interest accrued over a 12-month period with interest at the monthly interest rate. The sum of these 12 monthly payments is then added to (or subtracted from) the Annual Transmission Revenue Requirement recovered in the Rate Year beginning on June 1.~~

#### **IV.V. Construction Work in Progress**

##### **A. Accounting**

For each transmission project listed on Attachment 7 for which PPL Electric, or one of its operating companies, has received Commission approval or authorization for incentive rate treatment and recovery of 100 percent of Construction Work in Progress ("CWIP"), PPL Electric shall use the following accounting procedures to ensure that it does not recover an Allowance for Funds Used During Construction ("AFUDC") for such project.

- (1) PPL Electric shall assign each such project a unique Super Project Number ("SPN") for internal cost tracking purposes.
- (2) PPL Electric shall record actual construction costs to each SPN through expenditure requisitions ("ERs") that are coded to correspond to the SPN for each such project. Such ERs shall be segregated from ERs from work orders for any other projects of PPL Electric.
- (3) For each such project, PPL Electric shall prepare monthly ER summaries of costs incurred under the associated SPN. These summaries shall show monthly additions to CWIP and plant in service and shall correspond to amounts recorded in PPL Electric's FERC Form No. 1. PPL Electric shall use these summaries as data inputs into the Annual Update calculated on Attachment 6 of the Formula Rate. PPL Electric shall make such ER summaries available upon request under the review procedures of Section V.
- (4) When any such project, or portion thereof, is placed into service, PPL Electric shall deduct from the total CWIP the accumulated charges for ERs under the SPN for that project, or portion thereof. The purpose of this control process is to ensure that expenditures are not double counted as both CWIP and as additions to plant.



- (5) For non-incentive transmission projects, PPL Electric shall record AFUDC to be applied to CWIP and capitalized when the project is placed into service.

B. Annual Reporting

PPL Electric shall include in the Annual Update submitted to the Commission the following information concerning each such project:

- (1) the actual amount of CWIP recorded for each project;
- (2) any amounts recorded in related Commission accounts or sub-accounts, such as AFUDC and regulatory liability;
- (3) the resulting effect on the CWIP revenue requirement;
- (4) a statement of the current status of each project; and
- (5) the estimated in-service date for each project.

**V.VI. Annual Update and True-Up Adjustment Review Procedures**

- A. Each Annual Update and True-Up Adjustment shall be subject to the following review procedures, which procedures may also address PPL Electric's posting as provided herein.
- B. The Review Period shall commence upon the Publication Date of the Annual Update and True-Up Adjustment. Interested Parties shall have the right to review the calculations and inputs of the Annual Update and, including the True-Up Adjustment. The Review Period shall run for two one-hundred and eighty-fourty (180240) days, but shall be extended by fifteen (15) days upon the receipt by PPL Electric of a written request for extension from one or more Interested Party(ies), whereupon the Review Period shall end no later than two one-hundred and ninetyfifty-five (195255) days after the Publication Date, subject, however, to the terms of Section VI.E below.
- C. During the Discovery Period, Interested Parties shall have the right to serve reasonable information and document requests ("Information Requests") on PPL Electric relevant to the Annual Update and, including the True-Up Adjustment. The Discovery Period shall run for two one-hundred and fifty-ten (150210) days, but may be extended in accordance with Section V.E below.
- D. The subjects of such Information Requests shall be limited to what is or may be reasonably necessary to determine: (a) that the input data are properly recorded; (b) that PPL Electric has properly applied the Formula Rate and the procedures in these Protocols; (c) the accuracy of data and the consistency with the Formula Rate of the charges shown in the Annual Update and (including the True-Up Adjustment); (d) the extent and effect(s) of Material Accounting Changes; (e) the prudence of the costs and expenditures included for recovery in the Annual Update; (f) the prudence of projected expenses included in the projected capital addition expenditures; and (g) the

reasonableness of any cost allocation methodologies, including inter-corporate cost allocation methodologies that differ from those utilized in the prior Annual Update.

- E. PPL Electric shall make a good faith effort to respond to Information Requests within fifteen (15) business days of receipt of such Information Requests. Notwithstanding anything to the contrary contained in these Protocols, with respect to any Information Requests received by PPL Electric within the Discovery Period and for which PPL Electric is unable to provide a response within fifteen (15) business days after the end of the Discovery Period, the Review Period shall be extended day for day until PPL Electric's response is provided.

## **VI.VII. Preliminary and Formal Challenges**

### A. Challenges

- (1) Preliminary or Formal Challenges to the Annual Update and True-Up Adjustment posting may challenge one or more of the following:
- (a) the extent or effect of a Material Accounting Change;
  - (b) whether a True-Up Adjustment includes only properly recorded data in accordance with Section III;
  - (c) whether the Annual Update fails to include data properly recorded in accordance with Section IVH;
  - (d) whether the Annual Update satisfies the transparency standard of Section IVH.D;
  - (e) the proper application by PPL Electric of the Formula Rate and the procedures in these Protocols;
  - (f) the accuracy of data and the consistency with the Formula Rate of the charges shown in the Annual Update and (including—the True-Up Adjustment);
  - (g) the consistency of the amortization/depreciation rates in the Formula Rate with the most recent depreciation and service life study approved for use by the Commission as the basis for calculating amortization/depreciation rates in the Formula Rate;
  - (h) the prudence of PPL Electric's projected costs and expenditures;
  - (i) the prudence of the actual costs and expenditures;
  - (j) the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; and

- (k) whether, as a consequence of any of the above in this Section VII.A.1, the Formula Rate, as initially accepted by the Commission, has been materially altered.

B. Resolution of Preliminary Challenges or Filing of Formal Challenge

- (1) PPL Electric and Interested Parties raising Preliminary Challenges shall attempt in good faith to resolve all Preliminary Challenges.
- (2) If an Interested Party who has raised a Preliminary Challenge and PPL Electric have not resolved the Preliminary Challenge within twenty-one (21) days after expiration of the Review Period, that Interested Party shall have an additional twenty-one (21) days to make a Formal Challenge with the Commission, which shall be served on PPL Electric by electronic service on the date of such filing; provided, however, if the Commission initiates a proceeding to consider the Annual Update, Interested Parties may raise therein any Formal Challenges without regard to the Review Period or timeframes specified herein.
- (3) Interested Parties shall make a good faith effort to raise all issues in a Preliminary Challenge prior to filing a Formal Challenge; provided, however, that a Preliminary Challenge shall not be a prerequisite for bringing a Formal Challenge.
- (4) Within twenty (20) days of the date of the filing of a Formal Challenge, PPL Electric shall submit its response to the Commission and certify therein that it has served by electronic service that response on any party that has filed a Formal Challenge and on each person upon whom PPL Electric served the Annual Update and True-Up Adjustment.

C. Formal Proceedings

- (1) In any proceeding initiated by the Commission concerning the Annual Update, the True-Up Adjustment or in response to a Formal Challenge, PPL Electric shall bear the burden of proving that it has reasonably applied the terms of the Formula Rate, including the calculation of the True-Up Adjustment and/or reasonably adopted and applied Material Accounting Changes, if any, consistent with the applicable procedures in these Protocols. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.
- (2) Nothing herein shall be deemed to limit in any way the right of PPL Electric, pursuant to Section 205 of the Federal Power Act and the regulations thereunder, or any Interested Party, pursuant to Section 206 of the Federal Power Act and the regulations thereunder, to file changes to the Formula Rate or any of its stated values. The party filing pursuant to Section 205 or 206 bears the burden under such section as required by law.

**VII.VIII. Changes to Annual Informational Filings**

- A. Any changes to the data inputs, including but not limited to revisions to PPL Electric's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual

Update or the True-Up Adjustment, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges produced by the Formula Rate (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges. However, actual refunds or surcharges (with interest determined in accordance with 18 C.F.R. § 35.19a) for the then current Rate Year shall be made in the event that the Formula Rate is replaced by a stated rate by PPL Electric.

- B. To the extent that any party, including but not limited to PPL Electric, its auditors, any wholesale customer, any Interested Party, or the Commission, finds an error in any FERC Form No. 1 data or specific data applied in the Formula Rate, related to the period under review, such error must be corrected in the Formula Rate or Annual Update and shall be reflected in the True-Up Adjustment ~~in made as part of~~ the next succeeding True-Up Adjustment~~Annual Update~~. Nothing herein is intended to allow, bar, or otherwise address any error, or the correction thereof, occurring in a period prior to the period under review. Further, nothing herein shall prejudice any party's claims concerning: (i) any error occurring in a period prior to the period under review; (ii) the correction of any prior period errors in the Formula Rate; or (iii) the implementation of any such corrections.

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**PPL ELECTRIC UTILITIES CORP. ) Docket No. ER22-2719-000**

**DIRECT TESTIMONY AND EXHIBITS  
OF  
SCOTT R. KOCH  
ON BEHALF OF  
PPL ELECTRIC UTILITIES CORPORATION  
EXHIBIT NO. PPL-00001**

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**PPL ELECTRIC UTILITIES CORP. )      Docket No. ER22-\_\_\_\_**

**DIRECT TESTIMONY OF SCOTT R. KOCH**

1    **I.    INTRODUCTION AND QUALIFICATIONS**

2    **Q.    Please state your name and business address.**

3    A.    Scott R. Koch and my business address is 827 Hausman Road, Allentown,  
4        Pennsylvania, 18104.

5    **Q.    By whom are you employed and in what capacity?**

6    A.    I am employed by PPL Corporation as a Rates and Revenue Manager. The PPL  
7        Electric Utilities Corporation (“PPL Electric”) is an indirect wholly-owned  
8        subsidiary of PPL Corporation. Part of my job responsibility for PPL includes the  
9        rates and revenues for PPL Electric.

10   **Q.    Please provide a brief description of your education and professional  
11        experience.**

12   A.    I hold a B.S.B.A. with an emphasis in Accounting from Shippensburg University  
13        of Pennsylvania.

1 **Q. What are your duties as Rates and Revenue Manager?**

2 A. I am responsible for PPL Electric’s compliance with the regulatory requirements  
3 of the Pennsylvania Public Utility Commission (“PUC”) and the Federal Energy  
4 Regulatory Commission (“FERC” or the “Commission”). As part of this function,  
5 I am responsible for the preparation and analysis of rate-related information for  
6 budgets, forecasts, variances. I review and provide technical oversight and  
7 guidance of cost allocation and revenue requirement studies related to  
8 transmission rates. I am also responsible for the assembly and analysis of inputs to  
9 PPL Electric’s transmission formula rate and for the preparation of the  
10 Informational Filing of the Formula Rate Annual Update provided to the  
11 Commission.

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of my testimony is to briefly describe the background of PPL  
14 Electric’s current formula rate template and implementation protocols, and the  
15 settlement agreement in Docket No. EL20-48-000 and subsequent agreed  
16 modifications thereto. In addition, I detail the specific changes proposed here,  
17 which are all designed to transition PPL Electric’s formula rate to a calendar year  
18 rate year from a mid-year rate year and separate the timing of the true-up process  
19 from the annual update process. After I describe these changes, I explain why  
20 they are reasonable and should be approved.

1 **II. BACKGROUND**

2 **Q. Can you describe PPL Electric?**

3 A. Yes. PPL Electric is a public utility subject to the jurisdiction of this Commission  
4 organized under the laws of the Commonwealth of Pennsylvania. PPL Electric  
5 owns and operates transmission and distribution facilities in eastern and central  
6 Pennsylvania and is a founding member of PJM. PPL Electric operates and  
7 maintains its transmission facilities under the direction of PJM and transmission  
8 service over PPL Electric's transmission facilities is provided by PJM under the  
9 PJM Open Access Transmission Tariff ("OATT").

10 **Q. Can you describe PPL Electric's current formula rate template and**  
11 **protocols?**

12 A. Yes. PPL Electric's transmission formula rate template is set forth in Attachment  
13 H-8G and its formula rate implementation protocols are provided in Attachment  
14 H-8H to the PJM OATT. The formula rate template generally relies on the FERC  
15 Form No. 1 data filed for the previous year, plus new transmission plant to be  
16 placed into service in the current calendar year, weighted based on the number of  
17 months the plant is expected to be in service. The annual rate update process and  
18 true-up reconciliation of the past year's rates occurs at the same time on May 15th  
19 of each year, which is implemented in a mid-year rate year, or June 1 to May 31.

20 For example, in April 2022, PPL Electric calculated the true-up between  
21 the rates collected in calendar year 2021 and the actual costs and revenues



1 pursuant to filed FERC Form No. 1 data, all based on the approved formula rate  
2 template. PPL Electric applied that true-up amount to the projected annual  
3 transmission revenue requirement to be in effect from June 1, 2022 until May 31,  
4 2023. The projected annual transmission revenue requirement was determined by  
5 using the actual costs and revenues filed in the 2021 calendar year FERC Form  
6 No. 1 data, plus new transmission plant projected to be placed into service in  
7 2022, weighted based on the number of months in 2022 the plant was expected to  
8 be in service during the year. The projected annual transmission revenue  
9 requirement plus or minus the true-up amount determines the annual transmission  
10 revenue requirement for the relevant rate year.

11 **Q. Can you describe the settlement agreement that was reached in Docket No.**  
12 **EL20-48-000 and how it relates to this filing?**

13 A. Sure. PP&L Industrial Customer Alliance filed a complaint against PPL Electric,  
14 alleging that PPL Electric's base return on equity was unjust and unreasonable.  
15 The Commission set the Complaint for hearing and settlement judge procedures,  
16 and a settlement was ultimately reached. As part of that settlement, PPL Electric  
17 agreed "to modify the Rate Year used to populate the Formula Rate Template  
18 from the current June 1 to May 31 Rate Year period to reflect a projected Rate  
19 Year based on the calendar year of January 1 to December 31 ("Projected Rate

1 Year”).”<sup>1</sup> PPL Electric is making that filing now to move from a mid-year to a  
2 calendar year rate year.

3 **III. DETAILS OF THE PROPOSED CHANGES TO THE FORMULA RATE**  
4 **TEMPLATE AND IMPLEMENTATION PROTOCOLS**

5 **Q. Please describe the proposed changes to the formula rate template and**  
6 **protocols that PPL Electric is proposing.**

7 A. PPL Electric is proposing changes to its formula rate template and protocols to  
8 effectuate two principal purposes: 1) to change from a mid-year to a calendar year  
9 rate year; and 2) to separate the timing of the true-up process from the annual rate  
10 update process. The changes are as follows:

11 ○ Attachment H-8G Formula Rate Template, Attachment 6 (Estimate and  
12 Reconciliation Worksheet)

13 ■ Change the timing of the beginning of the annual update process  
14 from April each year to September, the posting of the results of the  
15 annual update process from May to October, and the effective date  
16 of the rates from June to January.

17 ■ Add new tables to capture interest rate calculations and capital  
18 additions and construction work in progress when approved.

19 Changes also include removing old projects that are no longer  
20 included in the calculation.

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<sup>1</sup> Settlement Agreement and Offer of Settlement, Docket No. EL20-48-000 at § 2.2.1 (filed Aug. 20, 2021).

1           ○ Attachment H-8H Formula Rate Implementation Protocols

- 2                   ▪ Changes to define the Annual Transmission Revenue Requirement,  
3                   as being posted on or before October 31<sup>st</sup> of each year, as opposed to  
4                   May 15<sup>th</sup> of each year, define the Annual Update as occurring on or  
5                   before October 31<sup>st</sup> of each year, and similarly, define the Rate Year  
6                   as the twelve consecutive months from January through December  
7                   of each year.
- 8                   ▪ Strike references throughout the protocols to the “First Rate Year”  
9                   because they are now unnecessary.
- 10                  ▪ Make clear that the True-Up Adjustment will still occur on or before  
11                  June 1st of each year. This includes adding a separate section for the  
12                  True-Up Adjustment process (Section III) to delineate the true-up  
13                  timing from the Annual Update timing. The substantive provisions  
14                  on how the true-up is calculated and the interest component of the  
15                  true-up are unchanged.
- 16                  ▪ Additions of several footnotes to explicitly state how the transition  
17                  from a mid-year to a calendar year rate year will occur. For  
18                  example, proposed footnote 1 provides that the Annual Update that  
19                  will occur on or before October 31, 2022 will update the rates to be  
20                  effective in the first calendar year rate year, i.e., January 1, 2023 to  
21                  December 31, 2023. As described in footnote 3, PPL Electric will

1 continue to bill customers from June 1, 2022 until December 31,  
2 2022 based on the current formula rate. This will include a truncated  
3 True-up that reflects a pro-rated share of 7 months of the True-Up  
4 for 2021. The remaining 5 months of the 2021 True Up will be  
5 included with the Annual Update submitted in October 2022. The  
6 2022 True Up will be determined and posted to the PJM website and  
7 submitted to the Commission as an informational filing in May 2023  
8 consistent with the revised Protocols.

- 9 ■ In addition, several footnotes delineate how the transition and true-  
10 up process will work in the event the effective date of these  
11 proposed changes are suspended or delayed.
- 12 ■ The changes also make clear that a blended base return on equity  
13 will be utilized in the annual update and true-up transition process in  
14 accordance with the settlement agreement in Docket No. EL20-48-  
15 000. Specifically, this means the true-up that will take place in May  
16 2023 for the 2022 calendar year will include a weighted average of  
17 the base return on equity of 9.90% for the months of January 1, 2022  
18 to May 31, 2022, and 9.95% for the months of June 1, 2022 to  
19 December 31, 2022. In addition, the annual update process in  
20 October 2022 for the projected calendar year 2023 rates, and the  
21 subsequent true-up of those rates in June 2024, will utilize a base

1 return on equity of 9.95% for the months of January 1, 2023 to May  
2 31, 2023, and a base return on equity of 10.00% for the months of  
3 June 1, 2023 to December 31, 2023. Exhibit PPL-0002 provides a  
4 diagram of the timing of the transition process from a mid-year to a  
5 calendar year rate year.

- 6 ■ Make clear in the Review Procedures in Section VI, that the review  
7 of the True-Up and Annual Update will have the same customer  
8 review procedures. The proposed changes clarify that the Review  
9 Period will run from the filing of the True Up and continue for 240  
10 days and include a Discovery Period of 210 Days during which  
11 customers will have an opportunity to submit data requests on the  
12 Annual Update and the True-Up.

13 A redline of Attachments H-8G and H-8H to the PJM OATT detailing these  
14 proposed changes is included in this filing.

15 **Q. Why are the proposed changes to reflect a calendar year rate year and to**  
16 **separate the true-up process from the annual update process reasonable?**

17 A. A calendar year rate year aligns with PPL Electric's accounting and fiscal year.  
18 Aligning the accounting, fiscal, and rate year will synchronize PPL Electric's  
19 internal processes and procedures. It will also align the 1-CP peak with the rate  
20 period reducing the risk for the customer and the utility.

1 **Q. What is the rate impact of these changes?**

2 A. There should not be any rate impacts from these proposed changes. Rather, the  
3 proposed changes only adjust which 12-months are utilized as the rate year and the  
4 timing of the annual update and true-up process. The only difference for  
5 ratepayers is the transition to a calendar year rate year and when their rates will be  
6 updated. Specifically, in order to transition to a calendar year rate year, the  
7 updated rate will go into effect on January 1, 2023, as opposed to June 1, 2023.  
8 To the extent there is a rate increase or decrease, this rate change will go into  
9 effect sooner than it otherwise would have for just this initial transition annual  
10 update. Of course, the protocols require the inclusion of interest in the true-up  
11 determination, under the same calculation provided in PPL Electric's current  
12 formula rate implementation protocols.

13 **Q. Does this conclude your testimony?**

14 A. Yes.

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**PPL Electric Utilities Corp.**

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**Docket No. ER22-**  
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**DECLARATION OF SCOTT R. KOCH**

I, Scott R. Koch, state that the information contained in the Direct Testimony is true and correct to the best of my knowledge and if asked the questions that appear in the text of this Direct Testimony, I would give the answers that are also set forth therein, and I adopt this Direct Testimony as my sworn testimony in this proceeding

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 22 day of August, 2022.



\_\_\_\_\_  
Scott R. Koch

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**PPL Electric Utilities Corp.**

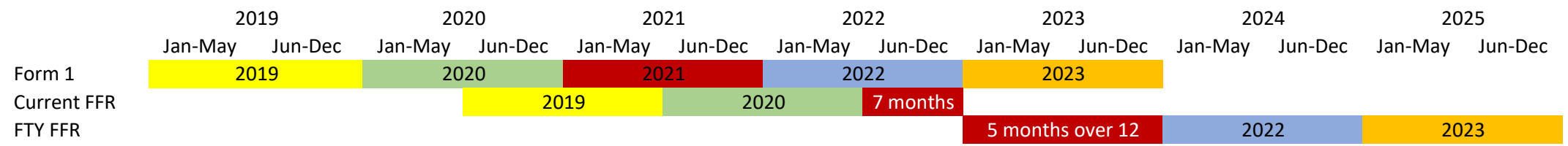
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**Docket No. ER22-2719-000**

**Exhibit PPL-0002**

**True Up Timeline**





Current FFR Collect 7/12 of 2021 True-up collected Jun-Dec 2022  
 FTY FFR Projected 2023 values with 5/12 of 2021 True-up over 12 months

**PPL**  
**Transitioning from Current June to May Formula Rate to Projected, Calendar Year Formula Rate**

**Transition Period:**

Transition from June – May Rate Year to January – December Rate Year (January 1, 2023, effective date)

	<b>Date/Period</b>	<b>Billing, Forecast, True-up Information</b>
1	June 1, 2022 – December 31, 2022 [in place]	Bill Rate based on 2021 actual RR with 2022 forecast (“current” RR and Rate methodology). This rate includes 2022 forecast and 2021 true-up (12 months). The 2021 true-up (12 months) will be billed seven months June 1, 2022 – December 31, 2022, and the remainder included with the January 2023 RR.
2	October 2022	Determine January 1, 2023 – December 31, 2023, forecasted rate using new template. Include remainder of 2021 true-up (5 months).
3	January 1, 2023– December 31, 2023	Bill rate using filing from October 2022, updated for 2022 1 CP demand.
4	May 2023	Determine the true-up for 2022. Include this amount in January 1, 2024 – December 31, 2024, billed rate, with interest.
5	October 2023	Determine January 1, 2024 – December 31, 2024, forecasted rate using new template.
6	January 1, 2024 – December 31, 2024	Bill Rate using filing from October 2023, updated for 2023 1 CP demand.
7	May 2024	Determine the true-up for 2023. Include this amount in January 1, 2025 – December 31, 2025, billed rate, with interest.
8	October 2024	Determine January 1, 2025 – December 31, 2025, forecasted rate using new template.
9	January 1, 2025 – December 31, 2025	Bill Rate using filing from October 2024, updated for 2024 1 CP demand.