

GENERATION SUPPLY CHARGE-1

The Generation Supply Charge-1 (GSC-1) shall be applied to each kilowatt-hour supplied to residential customers who take default service from the Company under Rate Schedules RS and RTS (R), small commercial and industrial customers who take Default Service under Rate Schedules GS-1, GS-3, BL, SA, SM (R), SHS (R), SLE, and SE and standby service for the foregoing rate schedules. Subject to the grandfathering provisions set forth herein, the GSC-1 will not apply to those Rate Schedule GS-3 customers who have a Maximum Registered Peak Load of 100 kW or greater, but the GSC-1 will apply to those Rate Schedule LP-4 customers who have a Maximum Registered Peak Load of less than 100 kW. The GSC-1 shall have the options listed below.

FIXED PRICE OPTION – RESIDENTIAL & SMALL COMMERCIAL/INDUSTRIAL

PURPOSE

The Fixed Price Option provides eligible customers in the Residential and Small Commercial & Industrial Customer Class with default service for those customers who have not selected a retail electric generation supplier (EGS) or the Time of Use Program.

PRICING PROVISIONS

The Fixed Price GSC-1, determined in accordance with the formula set forth below, shall be applied to all kilowatt-hours billed for service provided during the billing period:

$$\text{Fixed Price GSC-1} = \left[\left(\frac{GS_{fp}}{S_{fp}} - \frac{E}{S_{fp}} \right) \right] \times \frac{1}{(1-T)}$$

Where:

GSC-1 = The Generation Supply Charge-1, stated in cents per kilowatt hour, shall be calculated separately for each of the following two Customer Classes: (1) residential, and (2) small commercial and industrial as designated above.

GS_{fp} = The total estimated direct and indirect costs incurred by the Company to acquire generation supply from any source on behalf of participating Default Service customers on the Fixed Price Option in the applicable Customer Class. These costs shall be reduced by any revenue received by the Company from the sale of AECs that otherwise would have expired.

GENERATION SUPPLY CHARGE-1 (CONTINUED)

The computation period shall be the six calendar months over which the Fixed Price GSC-1, as computed, will apply. Projections of the Company's costs to acquire

generation supply, adjusted for losses and including AECs, for the computation quarter shall include all direct and indirect costs of generation supply to be acquired by the Company from any source plus any associated generation supply-related procurement and administration costs. Any costs incurred prior to June 1, 2025, shall be amortized ratably over the 48-month period June 1, 2025, through May 31, 2029, and the 6-month amortization amount shall be included in the computation of the GSC-1.

- E = Experienced net over or undercollection of costs associated with the acquisition of generation supply for participating default service customers in the applicable Customer Class. These costs will be computed as stated in the GSC-1 reconciliation provisions and will include applicable interest. Interest shall be computed monthly from the month the over- or under collection occurs to the month in which the overcollection is refunded or the undercollection is recouped. Interest on recoveries of overcollections and undercollections shall be calculated at the prime rate for commercial borrowing, not to exceed the legal rate of interest in effect on the last day of the month the over- or undercollection occurred.

- S_{fp} = The Company's total retail KWH sales to participating default service customers on the Fixed Price Option in the applicable Customer Class, projected for the computation quarter.

- T = The Pennsylvania gross receipts tax rate (GRT) (exclusive of Part 2 of the State Tax Adjustment Surcharge (STAS) within this tariff) in effect during the billing month, expressed in decimal form.

Minimum bills shall not be reduced by reason of the GSC-1, nor shall GSC-1 charges be a part of the monthly rate schedule minimum. The GSC-1 shall not be subject to any credits or discounts and Part 2 of the STAS shall apply.

The following GSC-1 charges apply for the Fixed Price Option during the period July 1, 2026 through November 30, 2026.

GENERATION SUPPLY CHARGE-1 (CONTINUED)

Customer Class	Small C&I	Residential
Rate Schedule / Charge	GS-1, GS-3 (< 100 kW MRPL), LP-4 (< 100 kW MRPL), and BL \$0.09445/KWH	RS and RTS (R) \$0.09753/KWH

Small C&I – Street Lights										
Rate Schedule/ Charge	SA		SM (R)		SHS (R)		SLE		SE	TS (R)
	Nominal Lumens	Charge	Nominal Lumens	\$/Lamp	Nominal Lumens	\$/Lamp	Nominal Lumens	\$/Fixture	\$/KWH	\$/Watt
HPS 9,500	6.196 \$/Lamp	3,350	4.637	5,800	2.815	3,000	1.354	0.09445	0.06900	
		6,650	7.244	9,500	4.033	2,900	1.775			
		10,500	10.125	16,000	5.931	5,000	1.963			
	1.455 \$/Fixture	20,000	16.038	25,500	10.701	4,750	2.452			
		34,000	27.343	50,000	16.793	8,000	3.129			
		51,000	37.789			12,750	5.836			
						20,000	9.051			

GSC – 1 RECONCILIATION PROVISIONS

For the Fixed Price Option, the Company will file with the Commission thirty (30) days prior to each annual period (June 1 through May 31), a reconciliation of GSC-1 actual billed revenues and actual incurred costs for a twelve-month period ending March 31 of each year, pursuant to 66 Pa. C.S. §1307. The reconciliation shall become effective for service rendered during the 2 six-month computation periods.

The reconciliation will be calculated separately for each of the two Customer Classes. The reconciliation will include a calculation of any over/under collection that will be reflected in the GSC-1 charges for the subsequent 2 six-month computation periods. The GSC-1 will be reconciled every twelve months, using over/under collection balance for the twelve-month period ending two months prior to each annual period.

Application of the GSC-1 shall be subject to continuous review and audit by the Commission at intervals it shall determine. The Commission shall review the reasonableness and lawfulness of the level of charges produced by the GSC-1 and the costs included therein.

GENERATION SUPPLY CHARGE-1 (CONTINUED)

TIME OF USE PROGRAM PURPOSE

The Time-of-Use (TOU) Program provides for the voluntary participation of eligible existing and new residential and small commercial & industrial customers in a year-round TOU Program. Eligible customers must meet the application provisions of this TOU Program. The objective of this TOU Program is to provide eligible residential and small commercial & industrial customers with an opportunity to pay a rate lower than the fixed price for usage during off-peak periods and a rate higher than the fixed price for usage during on-peak periods.

APPLICATION PROVISIONS

This TOU Program is available to existing and new residential and small commercial/industrial customers who are served, or qualify to be served, under Rate Schedules RS, RTS (R), GS-1, GS-3 (customers with maximum registered peak loads less than 100 KW), LP-4 (customers with maximum registered peak loads less than 100KW), and BL. This includes Volunteer/Non-Profit organizations (Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services) served under Rate Schedules GS-1 and GS-3 but does not include customers in the Company's OnTrack program. Customers taking service under the above-referenced rate schedules, who also participate in the Company's Net Metering for Renewable Customer Generator programs, are eligible for the TOU Program.

PRICING PROVISIONS

The following Generation Supply Charges apply for service under the TOU Program during the period July 1, 2026 through November 30, 2026. On-Peak hours will be set based on schedule below Monday through Friday, excluding weekends and holidays.

Rate Schedules RS and RTS (R)	Winter On-Peak Hours (4:00 PM to 8:00 PM) <u>December 1 to May 31</u>	Summer On-Peak Hours (2:00 PM to 6:00 PM) <u>June 1 to November 30</u>
On-Peak Hours	10.643 cts per kWh	14.216 cts per kWh
Off Peak Hours	8.644 cts per kWh	8.814 cts per kWh
Rate Schedules GS-1, GS-3 (< 100 kW), LP-4 (<100kW), and BL	Winter On-Peak Hours (4:00 PM to 8:00 PM) <u>December 1 to May 31</u>	Summer On-Peak Hours (2:00 PM to 6:00 PM) <u>June 1 to November 30</u>
On-Peak Hours	10.339 cts per kWh	13.633 cts per kWh
Off Peak Hours	8.484 cts per kWh	8.563 cts per kWh

GENERATION SUPPLY CHARGE-1 (CONTINUED)

The TOU GSC-1, determined in accordance with the formula set forth below, shall be applied to all kilowatt-hours billed for default service provided during the billing month:

$$\text{Summer On-Peak TOU GSC-1} = \left[\left[\frac{GS_{\text{OFF}}}{S} \times GS_M + \left[\frac{GS_{\text{IND-E}}}{S} \right] \right] \right] \times \frac{1}{(1-T)}$$

$$\text{Winter On-Peak TOU GSC-1} = \left[\left[\frac{GS_{\text{OFF}}}{S} \times GS_M + \left[\frac{GS_{\text{IND-E}}}{S} \right] \right] \right] \times \frac{1}{(1-T)}$$

GENERATION SUPPLY CHARGE-1 (CONTINUED)

$$\text{Summer Off-Peak TOU GSC-1} = \left[\left[\frac{GS_{GEN}}{S} \times 0.90 + \left[\frac{GS_{IND} - E}{S} \right] \right] \right] \times \frac{1}{(1-T)}$$

$$\text{Winter Off-Peak TOU GSC-1} = \left[\left[\frac{GS_{GEN}}{S} \times 0.90 + \left[\frac{GS_{IND} - E}{S} \right] \right] \right] \times \frac{1}{(1-T)}$$

Where:

- GSC-1 = The Generation Supply Charge-1, stated in cents per kilowatt hour, shall be calculated separately for each of the following two Customer Classes: (1) residential, and (2) small commercial and industrial (taking service at secondary voltage levels) as designated above.
- GS_{GEN} = The total generation component for the respective customer classes' fixed price default service rate.
- GS_{OFF} = The total Off-Peak generation component for the respective customer classes' fixed price default service rate.
- GS_{IND} = The total estimated indirect costs incurred by the Company to acquire generation supply from any source on behalf of participating Default Service customers in the applicable Customer Class.
- E = Experienced net over or undercollection of costs associated with the acquisition of generation supply for participating Default Service customers in the applicable Customer Class. These costs will be computed as stated in the GSC – 1 Reconciliation Provisions and will include applicable interest. Interest shall be computed monthly from the month the over- or undercollection occurs to the month in which the overcollection is refunded or the undercollection is recouped. Interest on recoveries of overcollections and undercollections shall be calculated at the prime rate for commercial borrowing in effect on the last day of the month the over- or undercollection occurred.
- GS_M = Seasonal Multiplier based on historic data.
- S = The Company's total retail KWH sales to participating Default Service customers in the applicable Customer Class, projected for the computation period.
- T = The Pennsylvania GRT rate in effect during the billing month, expressed in decimal form.

GENERATION SUPPLY CHARGE-1 (CONTINUED)

TERMINATING PARTICIPATION

A customer may leave this TOU Program after providing notice to the Company. The customer, if still receiving default service, will return to the standard Fixed Price GSC-1.

GRANDFATHERING

Pursuant to the terms of the Commission-approved Settlement at Docket No. R-2025-3057164, the following customer-generators shall be grandfathered into their existing default service rate for a period of 10 years (i.e., until December 31, 2036), at which time they will become subject to classification pursuant to the terms of PPL Electric's default service rate classifications that are in place on or after January 1, 2037, in the following order:

- (1) generators who submitted to PPL Electric an interconnection application on or before September 30, 2025,¹ which is the date on which PPL Electric filed the instant rate case, and whose generating facilities either (i) receive a Permission to Operate² ("PTO"), or (ii) provide to PPL Electric a completed copy of their Certificate of Completion³ on or before December 31, 2026, which is 15 months from the instant rate case application date; then
- (2) Customer-generators who submitted to PPL Electric an interconnection application on or before September 30, 2025, up to the "Cap" defined below, based sequentially on the date of their signed *original* Notification of Customer Intent ("NOCI"). PPL Electric will utilize the process set forth in Appendix H of the Settlement approved at Docket No. R-2025-3057164 to (1) notify customer-generators who submitted to PPL Electric an interconnection application on or before September 30, 2025 of their eligibility for a capacity allocation under the Cap, and (2) track remaining Cap capacity information and regularly publish such information on its website.

No additional customer-generators shall be grandfathered under this section of the Tariff once the total amount of nameplate AC capacity for Rate GSC-1 customer-generator systems that receive PTO reaches 140 MW-AC ("Cap").

¹ The date of the applicant's submission of an interconnection application to PPL Electric will be determined by when it has received approval for its submitted one-line diagram, it has paid the interconnection application fee, and the Company has concluded that the interconnection application is complete.

² "Permission to Operate" or "PTO" is the letter or other communication from PPL Electric to a customer-generator granting authorization to operate a generating facility. If partial PTO is granted, then the full nameplate of the customer generator application is applied to the 140 MW Cap.

³ A Certificate of Completion, as defined in 52 Pa. Code § 75.22, is a certificate in a form approved by the Commission containing information about the interconnection equipment to be used, its installation and local inspections.

GENERATION SUPPLY CHARGE-1 (CONTINUED)

The Company will provide the parties to the Settlement at Docket No. R-2025-3057164 with written notification on when the remaining Cap capacity information is updated on the Company's website and when the Cap has been met.

For the remainder of the grandfathering period ending December 31, 2036, PPL Electric will not propose, as part of any Commission proceeding, to modify the grandfathered rights for customer-generators set forth in this section of the Tariff.

MRPL EXEMPTION FOR AGRICULTURAL CUSTOMER-GENERATORS

Pursuant to the Commission's Opinion and Order entered June 11, 2026, agricultural customer-generators shall not be subject to the MRPL classification adopted in Paragraphs 98 through 105 of the Joint Petition for Non-Unanimous Settlement of All Issues.