

**PPL ELECTRIC UTILITIES CORPORATION**

**Exhibit Regs. § 53.52**

**Exhibit Regs. § 53.53**

**Part I - Summary of Filing**

**Part II - Primary Statements of Rate Base and Operating Income**

**Docket No. R-2025-3057164**

**This book contains responses to each of the pertinent items contained in § 53.52, (Information in Response to the Commission's Regulations), § 53.53, Part I (Summary of Filing), and § 53.53, Part II (Primary Statements of Rate Base and Operating Income) of the Commission's Regulations.**

***Pa. PUC v. PPL Electric Utilities Corp.***

**Docket No. R-2025-3057164**

**Index for Parts I and II of Filing Requirements**

<b>No.</b>	<b>Witness</b>
I-A-1	Various
I-A-2	Various
I-A-3	K. Arnold
I-A-4	B.L. Johnson
I-B-1	B.L. Johnson
I-B-2	B.L. Johnson
I-B-3	B.L. Johnson
II-A-1	B.L. Johnson
II-A-2	B.L. Johnson
II-A-3	B.L. Johnson
II-B-1	B.L. Johnson
II-B-2	B.L. Johnson
II-B-3	S. Leskowsky D. Urban
II-B-4	K. Arnold
II-B-5	J. Burgos
II-B-6	Various
II-C-1	Various
II-C-2	Various
II-D-1	S. Leskowsky D. Urban

<b>No.</b>	<b>Witness</b>
II-D-2	Various
II-D-3	S. Leskowsky
II-D-4	S. Leskowsky
II-D-5	S. Leskowsky
II-D-6	B.L. Johnson
II-D-7	S. Leskowsky D. Urban
II-D-8	C. Garrett
II-D-9	S. Leskowsky D. Urban
II-D-10	S. Leskowsky D. Urban
II-D-11	S. Leskowsky
II-D-12	S. Leskowsky
II-D-13	S. Leskowsky
II-D-14	A. Elmore
II-D-15	A. Elmore
II-D-16	A. Elmore
II-D-17	A. Elmore
II-D-18	A. Elmore
II-D-19	A. Elmore
II-D-20	A. Elmore
II-D-21	A. Elmore
II-D-22	A. Elmore
II-D-23	A. Elmore

No.	Witness
II-D-24	A. Elmore
II-D-25	A. Elmore
II-D-26	Various
II-D-27	B. Rimal
II-E-1	D. Urban
II-E-2	D. Urban

- Q.1. Provide a summary discussion of the rate change request, including specific reasons for each increase or decrease. Also provide a breakdown which identifies the revenue requirement value of the major items generating the requested rate change.
- A.1. See Section A of Exhibit Fully Projected Future 1.

- Q.2. Identify the proposed witnesses for all statements and schedules of revenues, expenses, taxes, property, valuation and the like.
- A.2. See Testimony Book I and Testimony Book II.

Q.3. Provide a single page summary table showing, at present and at proposed rates, together with references to the filing information, the following as claimed for the fully adjusted test year:

Revenues  
Operating Expenses  
Operating Income  
Rate Base  
Rate of Return (produced)

A.3. Attachment I-A-3 provides the requested information.

**PPL ELECTRIC UTILITIES CORPORATION**

**PUC Jurisdictional  
Year Ended June 30, 2027  
(Thousands of Dollars)**

**AT PRESENT RATES**

**AT PROPOSED RATES**

	<b><u>Amount</u></b>	<b><u>Exhibit Fully Projected Future 1 Reference</u></b>	<b><u>Amount</u></b>	<b><u>Exhibit Fully Projected Future 1 Reference</u></b>
Revenue	\$ 1,065,901	Sch. D-1, Col. (6), line 1	\$ 1,422,173	Sch. D-1, Col. (8), line 1
Operating Expenses	<u>808,453</u>	Sch. D-1, Col. (6), line 12	<u>924,162</u>	Sch. D-1, Col. (8), line 12
Operating Income	<u>\$ 257,448</u>	Sch. D-1, Col. (6), line 13	<u>\$ 498,011</u>	Sch. D-1, Col. (8), line 13
Rate Base	<u>\$5,817,887</u>	Sch. C-1, Col. (2), line 12	<u>\$5,817,887</u>	Sch. C-1, Col. (2), line 12
Rate of Return	<u>4.43%</u>	Sch. C-1, Col. (2), line 14	<u>8.56%</u>	Sch. C-1, Col. (2), line 16



- Q.4. Whenever a major generating plant is placed in operating service or removed from operating service the utility shall separately indicate the effect of the plant addition or removal from service upon rate base, revenue, expense, tax, income and revenue requirement as it affects the test year.
- A.4. This filing requirement is not applicable to PPL Electric's current rate filing.

- Q. 1. Provide a corporate history including the dates of original incorporation, subsequent mergers and acquisitions. Indicate all counties, cities and other governmental subdivisions to which service is provided, including service areas outside this Commonwealth, and the total number of customers or billed units in the areas served.
- A. 1. PPL Electric Utilities Corporation ("PPL Electric") was founded in 1920 through consolidation of eight electric companies.<sup>1</sup> It presently serves a 10,000 square mile territory in 29 counties of central-eastern Pennsylvania. This territory contains extensive agricultural and industrial sections, as well as over 800 major communities, including the cities of Allentown, Bethlehem, Harrisburg, Lancaster, Scranton, Wilkes-Barre and Williamsport. PPL Electric serves approximately 1.5 million customers.

The requested corporate history, together with a map of PPL Electric's service territory and a list of all governmental subdivisions in which service is rendered, is provided in Attachment I-B-1.

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<sup>1</sup> These Companies are listed at Page 1 of Attachment I-B-1.

## **HIGHLIGHTS OF CORPORATE HISTORY**

- 1920** Pennsylvania Power & Light Company (PP&L) founded through consolidation of eight electric companies,<sup>1</sup> as a direct subsidiary of Lehigh Power Securities Corporation and an indirect subsidiary of Electric Bond and Share Company.
- 1923** Wilkes-Barre Electric Company merges with PP&L.
- 1925** PP&L acquires ownership of United Electric Company.
- 1929** PP&L acquires ownership of Harrisburg Light & Power Company.
- 1930** PP&L acquires 28 electric and gas companies which serve substantially all of Lancaster County.
- 1938** Conestoga Transmission Company and Lehighon Electric Light & Power Company merge with PP&L.
- 1939** Lehigh Power Securities Corporation is dissolved. PP&L becomes a subsidiary of National Power & Light Company, and remains an indirect subsidiary of Electric Bond and Share Company.
- 1945-1947** PP&L becomes independent as a result of a multi-step process (carried out under the Public Utility Holding Company Act of 1935) during which National Power & Light Company and Electric Bond and Share Company divest themselves of PP&L ownership, and PP&L stock is sold to the public.
- 1948** PP&L acquires Palmerton Lighting Company.
- 1951** PP&L divests itself of all gas properties, in accordance with decision to confine operations to the electric business.<sup>2</sup>
- 1955** Pennsylvania Water & Power Company merges with PP&L. PP&L purchases one-third ownership of Safe Harbor Water Power Corporation.
- 1956** Scranton Electric Company merges with PP&L.
- 1980** Hershey Electric Company merges with PP&L.
- 1985** PP&L divests itself of all steam service provided to the City of Harrisburg.
- 1994** PP&L Resources, Inc. is incorporated as an energy and utility holding company.

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<sup>1</sup> These companies were: Columbia and Montour Electric Company, The Harwood Electric Company, The Lehigh Valley Light & Power Company, Northern Central Gas Company, Northumberland County Gas & Electric Company, Pennsylvania Lighting Company, Pennsylvania Power & Light Company and the Schuylkill Gas & Electric Company.

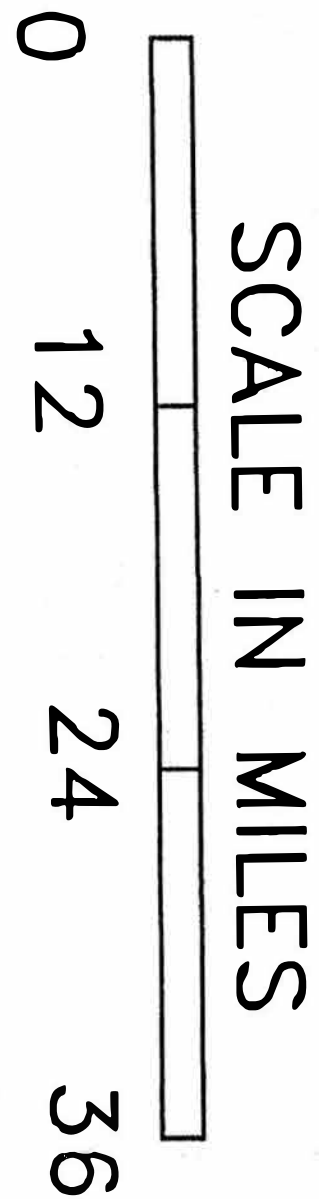
<sup>2</sup> Except some listed steam service provided to the City of Harrisburg.

- 1995** PP&L Resources, Inc. becomes the parent company of PP&L.
- 1997** Name of the operating electric utility changed from Pennsylvania Power & Light Company to PP&L, Inc.
- 1998** PP&L Resources, Inc. acquired Penn Fuel Gas, Inc., which owned two gas utilities, PFG Gas, Inc. and North Penn Gas Company.
- 2000** Name of the operating electric utility changed from PP&L, Inc. to PPL Electric Utilities Corporation ("PPL Electric"), name of utility holding company changed from PP&L Resources, Inc. to PPL Corporation and name of the utility holding company for the two gas utilities changed from Penn Fuel Gas, Inc. to PPL Gas Utilities Corporation.
- 2000** On July 1, PPL Corporation and PPL Electric completed a corporate realignment in order to effectively separate PPL Electric's regulated transmission and distribution operations from its deregulated generation operations.
- 2001** PPL Corporation completed a strategic initiative to confirm the structural separation of PPL Electric from PPL Corporation's and PPL Electric's other affiliated companies. On August 16, PPL Electric filed its Articles of Division, including its Plan of Division, as filed with the Department of State of the Commonwealth of Pennsylvania and divided itself into two corporations, with PPL Electric surviving as one of the resulting corporations and Ninth Street and Hamilton Corporation being formed as a new Pennsylvania corporation.
- 2004** Effective December 31, the two gas utilities, PFG Gas, Inc. and North Penn Gas Company, merged up and into PPL Gas Utilities Corporation.
- 2004** PPL Electric formed a subsidiary special purpose entity, PPL Receivables Corporation ("PPL Receivables"), to which PPL Electric sold up to \$150 million of accounts receivable.
- 2008** On October 1, PPL Corporation sold its natural gas distribution and propane subsidiaries, PPL Gas Utilities Corporation and Penn Fuel Propane, LLC, to UGI Utilities, Inc. After the sale, PPL Gas Utilities Corporation changed its name to UGI Central Penn Gas, Inc.
- 2016** Effective February 29, PPL Receivables merged up and into PPL Electric.
- 2022** Effective January 1, PPL Corporation contributed all of the outstanding shares of common stock of PPL Electric down two levels to its indirect wholly owned subsidiary PPL Energy Holdings, LLC ("PPL Energy Holdings"). This contribution resulted in PPL Electric becoming a direct wholly owned subsidiary of PPL Energy Holdings, which is a direct wholly owned subsidiary of PPL Subsidiary Holdings, LLC, which is a direct wholly owned subsidiary of PPL Corporation.





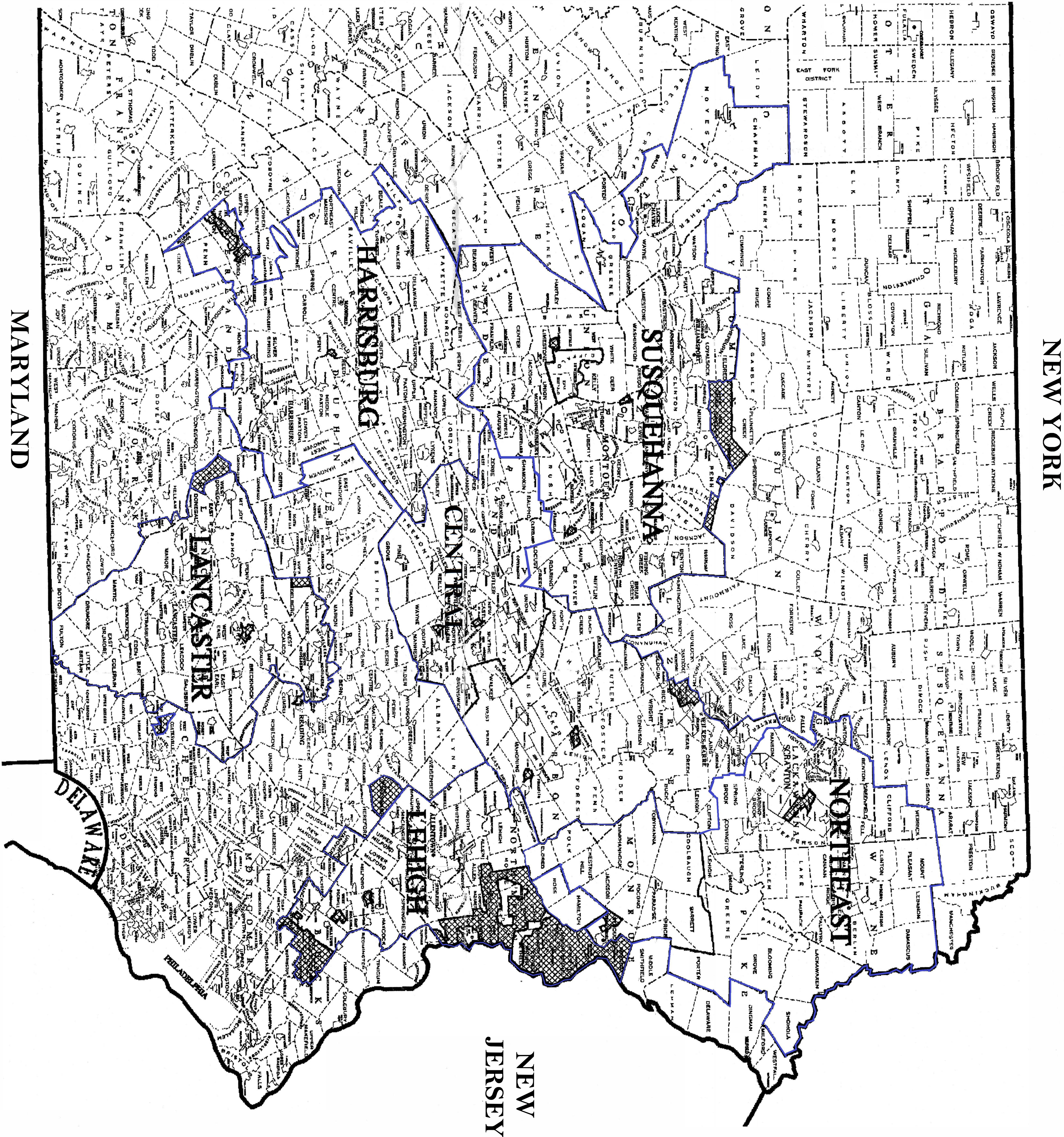
**PPL ELECTRIC UTILITIES  
SERVICE TERRITORY**



AREAS ALSO SERVED  
BY OTHER COMPANIES

DATED SEPTEMBER 1, 2025

BASE MAP SOURCE  
COMMONWEALTH OF PENNSYLVANIA





# PPL Electric Utilities Corporation

## TERRITORY COVERED BY THIS TARIFF

### BERKS COUNTY

(C)

Boroughs of Morgantown, New Morgan, Robesonia, Shillington, Sinking Spring, Wernersville, West Lawn, Womelsdorf, Wyomissing, and Wyomissing Hills.  
Townships of Caernarvon, Cumru, Heidelberg, Lower Heidelberg, South Heidelberg, and Spring.

### BUCKS COUNTY

Boroughs of Richlandtown, Sellersville, Silverdale, Telford, and Turmbauersville.  
Townships of East Rockhill, Haycock, Hilltown, Milford, Richland, Springfield, and West Rockhill.

### CARBON COUNTY

Boroughs of Beaver Meadows, Bowmanstown, East Side, Jim Thorpe, Lansford, Nesquehoning, Palmerton, Parryville, Summit Hill, and Weissport.  
Townships of Banks, East Penn, Franklin, Kidder, Lausanne, Lehigh, Lower Towamensing, Mahoning, Packer, Penn Forest, and Towamensing.

### CHESTER COUNTY

Boroughs of Atglen, Elverson, and Honey Brook.  
Townships of Honey Brook, West Nantmeal, and West Sadsbury.

### CLINTON COUNTY

City of Lock Haven.

Boroughs of Avis, Flemington, Loganton, Mill Hall, Renovo, and South Renovo.

Townships of Allison, Bald Eagle, Castanea, Chapman, Colebrook, Crawford, Dunnstable, Gallagher, Greene, Grugan, Logan, Noyes, Pine Creek, Wayne, and Woodward.

### COLUMBIA COUNTY

Town of Bloomsburg.

Boroughs of Ashland, Benton, Berwick, Briar Creek, Centralia, Millville, Orangeville, and Stillwater.

Townships of Beaver, Benton, Briar Creek, Catawissa, Cleveland, Conyngham, Fishing Creek, Franklin, Greenwood, Hemlock, Jackson, Locust, Madison, Main, Mifflin, Montour, Mount Pleasant, North Centre, Orange, Pine, Roaring Creek, Scott, South Centre, and Sugarloaf.

### CUMBERLAND COUNTY

Boroughs of Camp Hill, Carlisle, Lemoyne, Mechanicsburg, New Cumberland, Newville, Shiremanstown, West Fairview, and Wormleysburg.

Townships of Dickinson, East Pennsboro, Hampden, Lower Allen, Middlesex, Monroe, North Middleton, North Newton, Penn, Silver Spring, South Middleton, South Newton, Upper Allen, and West Pennsboro.

### DAUPHIN COUNTY

City of Harrisburg.

Boroughs of Berrysburg, Dauphin, Elizabethville, Gratz, Halifax, Highspire, Hummelstown, Lykens, Millersburg, Paxtang, Penbrook, Pillow, Steelton, and Williamstown.

Townships of Derry, East Hanover, Halifax, Jackson, Jefferson, Lower Paxton, Lower Swatara, Lykens, Middle Paxton, Mifflin, Reed, Rush, South Hanover, Susquehanna, Swatara, Upper Paxton, Washington, Wayne, West Hanover, Wiconisco, and Williams.

### JUNIATA COUNTY

Boroughs of Mifflin, Mifflintown, Port Royal, and Thompsonstown

Townships of Delaware, Fayette, Fermanagh, Greenwood, Milford, Monroe, Susquehanna, Turbett, and Walker.

### LACKAWANNA COUNTY

Cities of Carbondale and Scranton.

Boroughs of Archbald, Blakely (part), Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Moscow, Old Forge, Olyphant (part), Taylor, Throop, and Vandling.

Townships of Abington, Benton, Carbondale, Clifton, Covington, Elmhurst, Fell, Glenburn, Greenfield, Jefferson, La Plume, Lehigh, Madison, Newton, North Abington, Ransom, Roaring Brook, Scott, South Abington, Spring Brook, and West Abington.

### LANCASTER COUNTY

City of Lancaster.

Boroughs of Adamstown, (part), Akron, Christiana, Columbia, Denver, East Petersburg, Elizabethtown, Ephrata (part), Lititz, Manheim, Marietta, Millersville, Mount Joy, Mountville, New Holland, Quarryville, Strasburg, and Terre Hill.

Townships of Bart, Brecknock, Caernarvon, Clay, Colerain, Conestoga, Conoy, Drumore, Earl, East Cocalico, East Donegal, East Drumore, East Earl, East Hempfield, East Lampeter, Eden, Elizabeth, Ephrata, Fulton, Lancaster, Leacock, Little Britain, Manheim, Manor, Martick, Mount Joy, Paradise, Penn, Pequea, Providence, Rapho, Sadsbury, Salisbury, Strasburg, Upper Leacock, Warwick, West Cocalico, West Donegal, West Earl, West Hempfield, and West Lampeter.

### LEBANON COUNTY

Borough of Richland.

Townships of Heidelberg and Millcreek.

### LEHIGH COUNTY

Cities of Allentown and Bethlehem.

Boroughs of Alburtis, Catasauqua, Coopersburg, Coplay, Emmaus, Fountain Hill, Macungie, and Slatington.

Townships of Hanover, Heidelberg, Lower Macungie, Lower Milford, Lowhill, North Whitehall, Salisbury, South Whitehall, Upper Macungie, Upper Milford, Upper Saucon, Washington, and Whitehall.

### LUZERNE COUNTY

Cities of Hazleton, Pittston, and Wilkes-Barre.

Boroughs of Ashley, Avoca, Bear Creek Village, Conyngham, Dupont, Duryea, Exeter, Freeland, Hughestown, Jeddo, Laffin, Laurel Run, Nescopeck, Nuangola, Penn Lake Park, West Hazleton, West Pittston, White Haven, and Yatesville.

Townships of Bear Creek, Black Creek, Buck, Butler, Dennison, Dorrance, Exeter, Fairview, Foster, Hanover, Hazle, Hollenbach, Jenkins, Nescopeck, Pittston, Plains, Rice, Salem, Slocum, Sugarloaf, Wilkes-Barre, and Wright.

## TERRITORY COVERED BY THIS TARIFF (CONTINUED)

### LYCOMING COUNTY

City of Williamsport.  
Boroughs of Duboistown, Hughesville, Jersey Shore, Montgomery, Montoursville, Muncy, Picture Rocks, Salladasburg, and South Williamsport.  
Townships of Anthony, Armstrong, Bastress, Brady, Clinton, Eldred, Fairfield, Franklin, Hepburn, Jordan, Limestone, Loyalsock, Lycoming, Mifflin, Mill Creek, Moreland, Muncy, Muncy Creek, Nippenose, Old Lycoming, Penn, Piatt, Porter, Shrewbury, Susquehanna, Upper Fairfield, Washington, Watson, Wolf, and Woodward.

### MONROE COUNTY

Boroughs of East Stroudsburg (part), Mount Pocono, and Stroudsburg (part).  
Townships of Barrett, Chestnuthill, Coolbaugh, Eldred, Jackson, Paradise, Pocono, Polk, Price, Smithfield, Stroud, Tobyhanna, and Tunkhannock.

### MONTGOMERY COUNTY

Boroughs of East Greenville, Pennsburg, Red Hill, Souderton, and Telford.  
Townships of Franconia, Hatfield, and Upper Hanover.

### MONTOUR COUNTY

Boroughs of Danville and Washingtonville.  
Townships of Anthony, Cooper, Derry, Liberty, Limestone, Mahoning, Mayberry, Valley and West Hemlock.

### NORTHAMPTON COUNTY

City of Bethlehem.  
Boroughs of Freemansburg, Hellertown, Nazareth (part), North Catasauqua, Northampton, Pen Argyl (part), Stockerton, Tatamy, and Walnutport.  
Townships of Allen, Bethlehem, Bushkill, East Allen, Forks, Hanover, Lehigh, Lower Mount Bethel, Lower Nazareth, Lower Saucon, Moore, Palmer, Plainfield, Upper Nazareth, Washington, and Williams.

### NORTHUMBERLAND COUNTY

Cities of Shamokin and Sunbury.  
Boroughs of Herndon, Kulpmont, Marion Heights, McEwensville, Milton, Mount Carmel, Northumberland, Riverside, Snyderstown, and Turbotville.  
Townships of Coal, Delaware, East Cameron, East Chillisquaque, Jackson, Jordon, Lewis, Little Mahanoy, Lower Augusta, Lower Mahanoy, Mount Carmel, Point, Ralpho, Rockefeller, Rush, Shamokin, Turbot, Upper Augusta, Upper Mahanoy, Washington, West Cameron, West Chillisquaque, and Zerbe.

### PERRY COUNTY

Boroughs of New Bloomfield, Landisburg, Liverpool, Marysville, Millerstown, New Buffalo, and Newport.

Townships of Buffalo, Carroll, Centre, Greenwood, Howe, Juniata, Liverpool, Miller, Northeast Madison, Oliver, Penn, Rye, Saville, Southwest Madison, Spring, Tuscarora, Tyrone, Watts, and Wheatfield.

### PIKE COUNTY

Townships of Blooming Grove, Greene, Lackawaxen, Palmyra, Porter, and Shohola.

### SCHUYLKILL COUNTY

City of Pottsville.  
Boroughs of Ashland, Auburn, Coaldale, Cressona, Deer Lake, Frackville, Gilberton, Girardville, Gordon, Landingville, Mahanoy City, McAdoo, Mechanicsville, Middleport, Minersville, Mount Carbon, New Philadelphia, New Ringgold, Orwigsburg, Palo Alto, Pine Grove, Port Carbon, Port Clinton, Ringtown, Shenandoah, Tamaqua, Tower City, and Tremont.  
Townships of Barry, Blythe, Branch, Butler, Cass, Delano, East Brunswick, East Norwegian, East Union, Eldred, Foster, Frailey, Hegins, Hubley, Kline, Mahanoy, New Castle, North Manheim, North Union, Norwegian, Pine Grove, Porter, Reilly, Rush, Ryan, Schuylkill, South Manheim, Tremont, Union, Upper Mahantongo, Walker, Washington, Wayne, West Brunswick, West Mahanoy, and West Penn.

### SNYDER COUNTY

Boroughs of Beavertown, Freeburg, McClure, Middleburg, Selinsgrove, and Shamokin Dam.  
Townships of Adams, Beaver, Centre, Chapman, Franklin, Jackson, Middlecreek, Monroe, Penn, Perry, Spring, Union, Washington, West Beaver, and West Perry.

**TERRITORY COVERED BY THIS TARIFF (CONTINUED)**

**SUSQUEHANNA COUNTY**

Boroughs of Forest City and Union Dale.  
Townships of Clifford and Herrick.

**UNION COUNTY**

Boroughs of Hartleton and New Berlin.  
Townships of Gregg, Hartley, Kelly, Lewis, Limestone,  
Union, West Buffalo and White Deer.

**WAYNE COUNTY**

Boroughs of Bethany, Hawley, Honesdale, Prompton, and  
Waymart.  
Townships of Berlin, Canaan, Cherry Ridge, Clinton,  
Damascus, Dreher, Dyberry, Lake, Lebanon, Lehigh,  
Mount Pleasant, Oregon, Palmyra, Paupack, Salem,  
South Canaan, Sterling, and Texas.

**WYOMING COUNTY**

Borough of Factoryville.  
Townships of Clinton, Nicholson, Overfield, and  
Tunkhannock.

**YORK COUNTY**

Boroughs of East Prospect and Wrightsville.  
Townships of Fairview, Hellam and Lower Windsor.



- Q.2. Provide a description of the property of the utility and an explanation of the system's operation, and supply the following, using available projections if actual data is unavailable:
- a) Schedule of generating capability showing for the test year, and for the two consecutive 12-month periods prior to the test year, net dependable capacity in KW by unit, plant capacity factor by unit, and total fuel consumption by type and cost for each unit, if available, or for each station, and operation and maintenance expenses by station.
  - b) A schedule showing for the test year and for the 12-month period immediately prior to the test year the scheduled and unscheduled outages - in excess of 48 hours - for each station, the equipment or unit involved, the date the outage occurred, duration of the outage, maintenance expenses incurred for each outage, if available, and amounts reimbursable from suppliers or insurance companies.
  - c) A schedule for each unit retired during the test year or subsequent to the end of the test year, which shows the unit's KW capacity, hours of operation during the test year, net output generated, cents/KWH of maintenance and fuel expenses, and date of retirement.
  - d) A schedule showing latest projections of capacity additions and retirements - costs and KW - and reserve capacity at the time of peak for at least 10 years beyond the test year, including the in-service dates - actual or expected - and AFDC cutoff dates - if different from in-service dates - for all new generating units coming on line during or subsequent to the test year, if claimed.
- A.2. This filing requirement is not applicable to PPL Electric's current rate filing.

- Q.3. Provide an overall system map, including and labeling all generating plants, transmission substations - indicate voltage, transmission system lines - indicate voltage, and all interconnection points with other electric utilities, power pools, and other like systems.
- A.3. PPL Electric's overall system map includes Critical Energy Infrastructure Information and is not included.

- Q.1. Provide a schedule showing the test year rate base and rates of return at original cost less accrued depreciation under present rates and under proposed rates. Claims made on this schedule should be cross-referenced to appropriate supporting schedules.
- A.1. Schedule C-1 of Exhibits Future 1 and Fully Projected Future 1 provide the requested information.

- Q.2. If the schedule provided in response to item 1, is based upon a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.
- A.2. Schedule C-1 of Exhibit Historic 1 provides the requested information.

- Q.3. When a utility files a tariff stating a new rate based in whole or in part on the cost of construction, as defined in 66 Pa.C.S. § 1308(f) (relating to voluntary changes in rates), of an electric generating unit, the utility shall identify:
- a) The total cost of the generating unit.
  - b) The following specific costs:
    - (1) The cost and quantity of each category of major equipment, such as switchgear, pumps or diesel generators and the like.
    - (2) The cost and quantity of each category of bulk materials, such as concrete, cable and structural steel and the like.
    - (3) Manual labor.
    - (4) Direct and indirect costs of architect/engineering services.
    - (5) Direct and indirect costs of subcontracts or other contracts involving major components or systems such as turbines, generators, nuclear steam supply systems, major structures and the like.
    - (6) Distributed costs.
  - c) A cost increase of \$5 million or more, including AFUDC, over the original utility estimates provided under 66 Pa.C.S. § 515(a) (relating to construction cost of electric generating units) and its causes.
  - d) Compliance with subsections (a) and (b) will be identical in format and substance as that provided under 52 Pa. Code § 57.103 (relating to estimate of construction costs) for original cost estimates submitted under 66 Pa.C.S. § 515(a).
- A.3. This filing requirement is not applicable to PPL Electric's current rate filing.

- Q.1. If a claim is made for plant held for future use, supply the following:
- a) A description of the plant or land site and its cost and any accumulated depreciation.
  - b) The expected date of use for each item claimed.
  - c) An explanation as to why it is necessary to acquire each item in advance of its date of use.
  - d) The date when each item was acquired.
  - e) The date when each item was placed in plant held for future use.
- A.1. PPL Electric is not making a claim for plant held for future use in this filing.

- Q.2. If a claim is made for construction work in progress, provide a supporting schedule which sets forth separately, revenue-producing and nonrevenue producing amounts, and include, for each category a summary of all work orders, amounts expended at the end of the test year and anticipated in-service dates. Indicate if the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project.
- A.2. PPL Electric is not making a claim for construction work in progress in this filing.

- Q.3. If a claim is made for materials and supplies or fuel inventory provide a supporting schedule for each claim showing the latest actual 13 monthly balances and showing in the case of fuel inventory claims, the type of fuel, and location, as in station, and the quantity and price claimed.
- A.3. The requested information for materials and supplies is provided in Schedule C-5 of Exhibits Historic 1, Future 1 and Fully Projected Future 1. There is no claim being made for fuel inventory.



Q.4. If a claim is made for cash working capital provide a supporting schedule setting forth the method and all detailed data utilized to determine the cash working capital requirement. If not provided in the support data provide a lead-lag study of working capital, completed no more than 6 months prior to the rate increase filing.

A.4. Attachment II-B-4 provides a copy of the working capital lead-lag study. Schedule C-4 of Exhibits Historic 1, Future 1 and Fully Projected Future 1 sets forth the method and detailed data utilized to determine the Company's claimed cash working capital requirements.

**PPL Electric Utilities Corporation**  
**Lag in Days in Payment of Operating Expenses**  
**12 Months Ended June 30, 2025**

	<b><u>Lag in Days</u></b>
<b><u>Payroll</u></b>	
Lag between the midpoint of the 14 day payroll period and pay day (payroll period ends on a Sunday and employees are paid on the following Friday).	12
<b><u>Benefits</u></b>	
Lag between the midpoint of the calendar month when services are provided through PPL Services Corp. and the payment on the 20th of the following month.	35
<b><u>Affiliate Support Costs</u></b>	
Lag between the midpoint of the calendar month when services are provided and the payment on the 20th of the following month.	35
<b><u>Other Operating Expenses</u></b>	
Lag between the receipt of services and materials and payment of invoices based on a review of selected invoices.	67

**PPL Electric Utilities Corporation**  
**Lag in Payment of Payroll & Benefits**  
**12 Months Ended June 30, 2025**

**Payroll**

Number  
of Days

Midpoint of 14 day payroll period

7

Lag between the end of the payroll period and the pay day (payroll period ends on a Sunday and employees are paid on the following Friday)

5

12

**Benefits**

Number  
of Days

Lag between the midpoint of the calendar month when services are provided through PPL Services Corp. and the payment on the 20th of the following month

35

**Affiliate Support Costs**

Number  
of Days

Lag between the midpoint of the calendar month when services are provided and the payment on the 20th of the following month

35

**PPL Electric Utilities Corporation**  
**Lag in Payment of Other Expenses**  
**12 Months Ended June 30, 2025**

<b>Category</b>	<b>Amount</b>	<b>Days Lag</b>	<b>Weighted Amount</b>
Employee Expenses*	\$ 2,942,554	12.00	35,310,654
Materials & Supplies	\$ 1,740,733	36.90	64,228,472
Printing & Office Supplies	\$ 278,372	43.22	12,030,910
Tree Trimming	\$ 46,874,461	158.70	7,438,854,468
Work by Outsiders	\$ 62,280,330	60.44	3,763,944,496
Services	\$ 31,117,354	29.59	920,681,719
Postage	\$ 7,819,773	-4.72	(36,923,621)
Telephone & Leased Wires	\$ 1,516,414	33.82	51,279,629
Rents	\$ 2,709,814	16.56	44,884,633
Advertising	\$ 1,479,861	28.84	42,679,550
Miscellaneous	\$ 34,088,985	17.54	597,861,982
<b>Total</b>	<b><u>\$192,848,650</u></b>		<b><u>\$12,934,832,891</u></b>

Weighted Average Lag = Total Weighted Amount / Total Amount = 67.07

\* The majority of employee expenses are processed on a pay period basis, accordingly, the 12-day payroll lag is deemed to be representative

**PPL Electric Utilities**  
**Lag in Payment of Materials - BI 25**  
**12 Months Ended June 30, 2025**

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
WESCO-ANIXTER		6101721-00	7/1/2024	8/7/2024	\$41,366.72	37	\$ 1,530,569
WESCO-ANIXTER		6189157-00	10/1/2024	10/30/2024	\$29,322.00	29	\$ 850,338
SKYDIO		INV-107096	12/31/2024	5/19/2025	\$16,669.98	139	\$ 2,317,127
Give Me Five. A GEIGER Company		SCF 01_06_25	12/26/2024	1/21/2025	\$16,287.03	26	\$ 423,463
POWERCOMM SOLUTIONS, LLC.		3946	11/5/2024	12/4/2024	\$15,650.00	29	\$ 453,850
PEIRCE PHELPS-101		10077931-005	5/19/2025	6/6/2025	\$14,113.90	18	\$ 254,050
BLUETRITON BRAND D/B/A READY REFRESH BY BLUE TRITON		04K6708666190	11/6/2024	12/13/2024	\$6,460.19	37	\$ 239,027
H&H BEVERAGE		470957	4/21/2025	5/20/2025	\$5,547.54	29	\$ 160,879
H&H BEVERAGE		488111	8/22/2024	9/20/2024	\$5,008.54	29	\$ 145,248
SOILBOUND, INC.		INV-2026	1/21/2025	2/20/2025	\$5,000.00	30	\$ 150,000
UNITED REFRIGERATION INC.		12696176-00	5/22/2025	6/3/2025	\$4,263.83	12	\$ 51,166
ALTEC INDUSTRIES, INC		5577-4	12/30/2024	1/9/2025	\$3,810.36	10	\$ 38,104
SUPPLYHOUSE.COM		21837438	2/7/2025	2/24/2025	\$3,459.23	17	\$ 58,807
AMERICAN STEEL CARPORTS		125766	4/28/2025	6/3/2025	\$3,214.45	36	\$ 115,720
QUALITROL COMPANY LLC		50545020	2/1/2025	2/6/2025	\$3,081.53	5	\$ 15,408
JERRYS ENGINE REPAIR STI		502117668500	1/21/2025	1/27/2025	\$2,905.01	6	\$ 17,430
GIH*GLOBALINDUSTRIALEQ		O25868164-1	2/5/2025	2/18/2025	\$2,809.00	13	\$ 36,517
LED LIGHTING SUPPLY		38707	2/24/2025	3/12/2025	\$2,655.10	16	\$ 42,482
JOHNSTONE SUPPLY- LANCAST		P619762	4/28/2025	5/12/2025	\$2,573.73	14	\$ 36,032
WAREHOUSE BATTERY OUTLET		CS37139	2/28/2025	4/11/2025	\$2,489.24	42	\$ 104,548
CINTAS CORP		9304778789	2/20/2025	3/12/2025	\$2,369.34	20	\$ 47,387
CINTAS CORP		24717055073270739743556-2	3/14/2025	5/5/2025	\$2,232.36	52	\$ 116,083
GRAYBAR ELECTRIC COMPANY		387423899	1/11/2025	1/21/2025	\$2,145.36	10	\$ 21,454
CENTRE CONCRETE COMPANY		3179286	5/28/2025	6/19/2025	\$2,097.34	22	\$ 46,141
SHERWOOD TRUCKS		xa103004115	2/26/2025	3/7/2025	\$2,051.09	9	\$ 18,460
					<u>\$197,583</u>		<u>\$7,290,288</u>

Weighted Average Lag (A x B) / A

36.90 days

**PPL Electric Utilities**  
**Lag in Payment of Printing and Office Supplies - BI 26**  
**12 Months Ended June 30, 2025**

Vendor Name	Invoice or Reference Number / Sheet ID	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
NJUNS, Inc.	15170	01/02/25	02/27/25	\$9,324.00	56	\$522,144
KNAUSS & SON	464169654207887	06/17/24	07/26/24	\$5,403.35	39	\$210,731
YETI 1-833-225-9384	884140-000	01/10/25	03/13/25	\$4,590.72	62	\$284,625
ULINE *SHIP SUPPLIES	27137804	10/03/24	11/18/24	\$3,254.02	46	\$149,685
YETI 1-833-225-9384	884140-000	01/10/25	03/13/25	\$3,067.80	62	\$190,204
ULINE *SHIP SUPPLIES	19729398	08/20/24	10/01/24	\$1,536.62	42	\$64,538
AMAZON MARKETPLACE*MO6RC0143	VISA ENDING 5719	04/30/25	05/28/25	\$1,060.00	28	\$29,680
CUMMINS OSM	24943005106188342375818-1	04/16/25	05/06/25	\$890.40	20	\$17,808
SOI*SNAP-ON INDUSTRIAL	ARV//64307268	04/03/25	04/15/25	\$757.76	12	\$9,093
AMAZON MARKETPLACE* Z97T38AR2	112-3113192-5658648	12/18/24	01/02/25	\$644.36	15	\$9,665
CRYSTAL BOTTLE WATER	14918009 020125	02/01/25	02/06/25	\$526.78	5	\$2,634
PAUL B HARDWARE-MECHANIC	70017965-002	01/10/25	01/17/25	\$498.12	7	\$3,487
STAPLES7650356075000001	7650356075	01/24/25	01/31/25	\$455.70	7	\$3,190
STAPLES7649822279000001	7659822279	01/17/25	01/23/25	\$416.33	6	\$2,498
AMAZON MARKETPLACE*ZI4T190A3	C830A3954A6B40AABAD3	03/01/25	03/06/25	\$384.83	5	\$1,924
LANDEX.COM	121031984014	05/15/25	05/27/25	\$350.00	12	\$4,200
STAPLES 7909925945000001	7909925945	02/21/25	03/25/25	\$329.29	32	\$10,537
STAPLES 7659757066000001	7659757006-000001	06/21/25	06/26/25	\$312.06	5	\$1,560
CELLULAR ACCESSORIES FOR	0420-884158-000	02/06/25	02/10/25	\$296.06	4	\$1,184
WAL-MART #3252	SCF 062725	06/22/25	06/30/25	\$286.18	8	\$2,289
AMERICHEM INTERNATIONAL	EC10DBAB885342CEB649	03/03/25	03/18/25	\$260.00	15	\$3,900
AMAZON MARKETPLACE*Z53HI4HR1	2BC21F3254C841218AB1	01/20/25	01/29/25	\$244.60	9	\$2,201
STAPLES 7655459263000001	7665459263	04/17/25	04/22/25	\$225.95	5	\$1,130
AMAZON MARKETPLACE* L07QE8FQ3	2A296650a4c04fc5b226	02/23/25	03/04/25	\$210.94	9	\$1,898
AMERICAN PAPER & SUPPLY	10101301	05/17/25	06/09/25	\$200.87	23	\$4,620
				<u>\$35,527</u>		<u>\$1,535,426</u>

Weighted Average Lag (A x B) / A

43.22 days

**PPL Electric Utilities**  
**Lag in Payment of Tree Trimming - BI 31**  
**12 Months Ended June 30, 2025**

Vendor Name	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
ASPLUNDH TREE EXPERT LLC	HBDT12-24U	06/19/24	02/13/25	\$1,213,392.26	239	\$289,394,054
TREESMITHS, LLC	5867U	12/12/24	02/28/25	\$703,367.54	78	\$54,862,668
ASPLUNDH TREE EXPERT LLC	LHDT07-24UB	04/10/24	10/09/24	\$521,316.58	182	\$94,618,959
PENN LINE TREE SERVICE INC	1-0085804A	12/28/24	03/04/25	\$397,002.29	66	\$26,202,151
ASPLUNDH TREE EXPERT LLC	LCDT10-24U	05/19/24	01/13/25	\$333,071.29	239	\$79,604,038
ASPLUNDH TREE EXPERT LLC	CLTR08-24U	04/28/24	11/04/24	\$258,660.47	190	\$49,145,489
ASPLUNDH TREE EXPERT LLC	LHDT07-24U	03/31/24	09/17/24	\$208,374.47	170	\$35,423,660
ASPLUNDH TREE EXPERT LLC	LHDT04-25U	02/13/25	06/06/25	\$171,692.47	113	\$19,315,403
ASPLUNDH TREE EXPERT LLC	CLDT05-24U	03/10/24	08/05/24	\$160,686.20	148	\$23,781,558
TREESMITHS, LLC	5401	09/24/24	11/27/24	\$138,077.30	64	\$8,767,909
PENN LINE TREE SERVICE INC	SUSQMLEAGEMAR25R	12/17/24	06/06/25	\$127,848.22	171	\$21,798,122
ASPLUNDH TREE EXPERT LLC	LHPL2624R	04/16/24	09/27/24	\$102,742.20	164	\$16,849,721
ASPLUNDH TREE EXPERT LLC	CLPL1125	03/19/25	05/16/25	\$95,742.64	58	\$5,553,073
ASPLUNDH TREE EXPERT LLC	CEPL2624R	08/01/24	09/27/24	\$86,514.03	57	\$4,931,300
ASPLUNDH TREE EXPERT LLC	LHTR2401-25U	07/01/24	04/04/25	\$78,154.86	277	\$21,609,819
ASPLUNDH TREE EXPERT LLC	LCDT07-24U	03/31/24	09/17/24	\$69,632.75	170	\$11,837,568
TREESMITHS, LLC	5581H	10/29/24	01/16/25	\$63,723.41	79	\$5,002,288
ASPLUNDH TREE EXPERT LLC	LCTR05-24U	03/10/24	08/02/24	\$60,171.29	145	\$8,724,837
ASPLUNDH TREE EXPERT LLC	13LCPS25	03/15/25	06/23/25	\$53,292.92	100	\$5,329,292
ASPLUNDH TREE EXPERT LLC	52LHCA24	12/19/24	03/31/25	\$49,540.54	102	\$5,053,135
ASPLUNDH TREE EXPERT LLC	LHPL5224	01/14/25	03/14/25	\$44,985.60	59	\$2,654,150
PENN LINE TREE SERVICE INC	GDSUSQT20241130	07/01/24	04/01/25	\$42,113.39	274	\$11,518,012
PATRIOT TREE SURGEONS, LLC	25-109	12/01/24	03/13/25	\$38,925.00	102	\$3,970,350
ASPLUNDH TREE EXPERT LLC	CLTR2401-25U	07/01/24	03/17/25	\$34,867.44	259	\$9,013,233
ASPLUNDH TREE EXPERT LLC	48LCCA24	11/16/24	02/28/25	\$31,175.96	104	\$3,242,300
ASPLUNDH TREE EXPERT LLC	HBDT05-24T	03/10/24	08/05/24	\$28,933.45	148	\$4,282,151
TREESMITHS, LLC	5240H	09/03/24	10/15/24	\$24,984.99	42	\$1,036,877
ASPLUNDH TREE EXPERT LLC	HBDT08-24T	04/28/24	11/08/24	\$22,474.47	194	\$4,360,047
GeoDigital International Corp.	3261	05/08/24	10/24/24	\$20,000.00	169	\$3,380,000
ASPLUNDH TREE EXPERT LLC	CLDT03-25USPL	07/31/24	05/16/25	\$18,611.84	289	\$5,369,516
ASPLUNDH TREE EXPERT LLC	HBPL5224R	01/22/25	03/21/25	\$17,486.10	58	\$1,014,194
Arbormetrics Solutions LLC	91230	06/12/24	09/06/24	\$15,383.04	86	\$1,322,941
PENN LINE TREE SERVICE INC	2022SUSQ41002212267	02/17/24	07/02/24	\$14,494.65	136	\$1,971,272
Davey Resource Group, Inc.	9000077132	10/23/24	12/20/24	\$13,422.45	58	\$778,502
Davey Resource Group, Inc.	9000046093	05/06/24	07/03/24	\$12,749.68	58	\$739,481
Arbormetrics Solutions LLC	97191	03/12/25	05/30/25	\$12,468.48	79	\$985,010
TREESMITHS, LLC	5228U	08/06/24	10/18/24	\$12,000.00	73	\$870,000
Arbormetrics Solutions LLC	91722A	07/13/24	10/04/24	\$11,537.28	83	\$951,826
Arbormetrics Solutions LLC	95594	12/11/24	03/14/25	\$10,993.03	93	\$1,022,352
Arbormetrics Solutions LLC	93223	09/11/24	11/27/24	\$10,751.12	77	\$827,836
ACRT Inc.	058652	12/01/24	01/29/25	\$10,450.80	59	\$616,597

Weighted Average Lag (A x B) / A

\$5,341,813

\$847,731,691

158.70 days

**PPL Electric Utilities**  
**Lag in Payment of Work By Outsiders - BI 32**  
**12 Months Ended June 30, 2025**

Vendor Name	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted
MICHEL'S POWER	11245861	07/26/24	09/23/24	\$128,447.43	59	\$7,578,398
HAUGLAND ENERGY GROUP LLC	21341-001	08/05/24	10/21/24	\$122,189.72	77	\$9,408,608
BROADRIDGE CUSTOMER COMMUNICATIONS EAST, LLC	00503452	12/01/24	01/14/25	\$112,972.89	44	\$4,970,807
TRC ENGINEERS, INC.	1711.	10/18/24	12/16/24	\$103,539.35	59	\$6,108,822
BROADRIDGE CUSTOMER COMMUNICATIONS EAST, LLC	00511076A	02/11/25	03/31/25	\$92,917.79	48	\$4,460,054
HAUGLAND ENERGY GROUP LLC	21557-001	05/06/25	05/27/25	\$86,920.45	21	\$1,825,329
HANSEN SOLUTIONS LLC	PIUS04000657	11/14/24	12/27/24	\$84,346.50	43	\$3,626,900
HANSEN SOLUTIONS LLC	PIUS04000587	08/15/24	09/27/24	\$81,525.60	43	\$3,505,601
HANSEN SOLUTIONS LLC	PIUS04000542	06/17/24	07/31/24	\$78,280.80	44	\$3,444,355
INFRASOURCE INC.	INV5002254847PT9	01/13/25	03/13/25	\$75,203.16	59	\$4,436,986
GREENCASTLE ASSOCIATES CONSULTING, LLC	A003AC2407	08/06/24	09/19/24	\$73,735.00	44	\$3,244,340
HAUGLAND ENERGY GROUP LLC	21507-003	03/14/25	04/24/25	\$70,387.76	40	\$2,833,107
USIC LOCATING SERVICES LLC	668042	06/21/24	09/06/24	\$67,466.22	77	\$5,194,899
DIEFENDERFER ELECTRICAL	50553	06/17/24	01/21/25	\$62,998.20	218	\$13,733,608
SOLARWINDS	64849	12/18/24	02/14/25	\$60,783.36	58	\$3,525,435
TRC ENGINEERS, INC.	1743	10/31/24	12/27/24	\$57,541.99	57	\$3,279,893
TRC ENGINEERS, INC.	1603	09/09/24	11/07/24	\$55,284.10	59	\$3,261,762
USIC LOCATING SERVICES LLC	680558	08/18/24	11/01/24	\$53,410.67	75	\$4,005,800
LEWIS ENVIRONMENTAL INC	63796	09/12/24	11/08/24	\$51,995.00	57	\$2,963,715
USIC LOCATING SERVICES LLC	701743	01/25/25	04/10/25	\$49,672.69	75	\$3,725,452
USIC LOCATING SERVICES LLC	710744	01/25/25	04/10/25	\$48,637.90	75	\$3,647,843
REED'S SUNOCO	25686	02/21/25	04/21/25	\$47,538.00	59	\$2,804,742
INFRASOURCE INC.	PPL STORM 12.3.24R	02/10/25	02/27/25	\$44,601.39	17	\$758,224
HVA Inc.	250001PPL-17	04/29/25	06/27/25	\$43,000.00	59	\$2,537,000
AMERICAN ELECTRICAL TESTING CO LLC A WHOLLY OWNED SUBSIDIARY OF ASPLUNDH TREE EXPERT LLC	86319	10/01/24	11/27/24	\$41,175.56	57	\$2,347,007
USIC LOCATING SERVICES LLC	674289	07/19/24	10/04/24	\$40,246.83	77	\$3,078,882
USIC LOCATING SERVICES LLC	680559	08/18/24	11/01/24	\$38,900.67	75	\$2,917,550
CELEBRITY FACILITY SOLUTIONS, LLC	52104	09/01/24	10/30/24	\$37,708.61	59	\$2,224,808
CELEBRITY FACILITY SOLUTIONS, LLC	52016	07/01/24	10/09/24	\$37,021.46	100	\$3,702,146
AMERICAN ELECTRICAL TESTING CO LLC A WHOLLY OWNED SUBSIDIARY OF ASPLUNDH TREE EXPERT LLC	85402	06/05/24	08/02/24	\$36,474.36	58	\$2,115,513
ASPLUNDH TREE EXPERT LLC	LCSBDS24	08/27/24	11/26/24	\$35,957.24	91	\$3,272,109
WORK RIGHT NW	4380	07/31/24	08/29/24	\$35,602.38	29	\$1,032,469
EVERHART & HOOVER POWER LINE	DEC1124-03	10/13/24	02/07/25	\$34,717.59	117	\$4,061,958
HVA, INC.	240002PPL-018	05/21/24	07/19/24	\$33,540.00	59	\$1,978,860
COMMISSION ON ECONOMIC OPPORTUNITY	#2024-08	09/03/24	10/02/24	\$32,737.92	29	\$949,400
HVA, INC.	240002PPL-031	08/05/24	10/03/24	\$31,820.00	59	\$1,877,380
SUMMER FRIDAY	10839	10/18/24	11/15/24	\$31,500.00	28	\$882,000
JOHNSON CONTROLS FORMERLY KNOWN AS TYCO INTEGRATED SECURITY	102510011710	10/06/24	12/04/24	\$30,646.67	59	\$1,808,154
USIC LOCATING SERVICES LLC	699139	11/16/24	01/30/25	\$29,272.63	75	\$2,180,811
STV CONSTRUCTION, INC.	90032316	11/01/24	11/27/24	\$28,805.64	26	\$748,947
HVA, INC.	250001PPL-07	02/17/25	04/17/25	\$27,520.00	59	\$1,623,680
SCHUYLKILL COMMUNITY ACTION	11-2024 OT	12/02/24	12/31/24	\$26,772.96	29	\$776,416
ASPLUNDH TREE EXPERT LLC	CESBDS24	08/27/24	10/25/24	\$26,185.00	59	\$1,544,915
EVERHART & HOOVER POWER LINE	NOV2724-04	09/20/24	01/24/25	\$25,595.56	126	\$3,212,243
USIC LOCATING SERVICES LLC	704921	12/27/24	03/21/25	\$24,993.44	84	\$2,086,952
DAVEY RESOURCE GROUP, INC.	9000048802A	11/19/24	01/17/25	\$24,592.44	59	\$1,450,954
WASTE MANAGEMENT NATIONAL SERVICES, INC.	0018889-4930-0	12/04/24	01/17/25	\$23,940.75	44	\$1,053,393
SODEXO, INC. & AFFILIATES	1002717578	03/07/25	04/17/25	\$23,103.38	41	\$947,239
DUGGAN & MARCON, INC.	INV. 21716196	12/06/24	02/03/25	\$22,278.50	59	\$1,314,432
PENNSYLVANIA ONE CALL SYSTEM, INC.	099513	03/31/25	05/06/25	\$21,820.63	36	\$785,543
HVA, INC.	250001PPL-15	04/16/25	06/13/25	\$21,500.00	58	\$1,247,000
ELECTRIC POWER ENGINEERS, INC.	29447	10/22/24	12/10/24	\$20,928.31	49	\$1,025,487
SUPPRESSION SYSTEMS INC	514582	10/31/24	12/27/24	\$20,617.00	57	\$1,175,169
				<u>\$2,619,372</u>		<u>\$158,303,095</u>

Weighted Average Lag (A x B) / A

60.44 days



**PPL Electric Utilities**  
**Lag in Payment of Services - BI 33**  
**12 Months Ended June 30, 2025**

Vendor Name	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
Energy Analyzer	000118426	04/01/25	04/30/25	\$2,278,750.00	29	\$66,083,750
CLEAResult Consulting Inc.	114278	01/06/25	02/04/25	\$1,898,467.75	29	\$55,055,565
CLEAResult Consulting Inc.	103697	06/07/24	07/05/24	\$1,205,744.16	28	\$33,760,836
CLEAResult Consulting Inc.	115693	02/04/25	03/05/25	\$1,040,127.94	29	\$30,163,710
CLEAResult Consulting Inc.	119030	04/04/25	05/02/25	\$990,870.88	28	\$27,744,385
CMC Energy Services, Inc.	3701112024	12/17/24	01/15/25	\$619,248.03	29	\$17,958,193
CLEAResult Consulting Inc.	104835	07/03/24	08/01/24	\$323,459.10	29	\$9,380,314
CLEAResult Consulting Inc.	000115797	02/10/25	03/11/25	\$224,709.86	29	\$6,516,586
CLEAResult Consulting Inc.	000111193	11/11/24	12/18/24	\$195,962.25	37	\$7,250,603
CLEAResult Consulting Inc.	000111194	11/11/24	12/10/24	\$151,720.95	29	\$4,399,908
The Cadmus Group	INV-330341	01/15/25	03/14/25	\$117,324.10	58	\$6,804,798
CLEAResult Consulting Inc.	000116121	03/01/25	03/28/25	\$66,444.30	27	\$1,793,996
CGI Technologies and Solutions Inc	US002161010	09/03/24	11/01/24	\$49,041.00	59	\$2,893,419
UNIVERSE TECHNICAL TRANSLATION INC-PPL - HOUSTON TX	740895	10/07/24	10/24/24	\$43,964.00	17	\$747,388
THE NATIONAL THEATRE FOR CHILDREN (NTC)	2977	10/30/24	11/06/24	\$36,720.00	7	\$257,040
BELLOMY RESEARCH/SURVEY PTNRS	2406-32	06/27/24	08/23/24	\$27,927.00	57	\$1,591,839
CGI Technologies and Solutions Inc	US002167966	12/04/24	01/31/25	\$26,524.50	58	\$1,538,421
The Cadmus Group	INV-330255	01/15/25	03/14/25	\$23,443.20	58	\$1,359,706
CLEAResult Consulting Inc.	000103409	06/07/24	07/05/24	\$19,000.00	28	\$532,000
CLEAResult Consulting Inc.	000108012	09/12/24	10/11/24	\$15,517.00	29	\$449,993
Pinnacle Group	205-20250227	03/12/25	04/14/25	\$12,693.15	33	\$418,874
DEBT NEXT	45830	10/01/24	11/27/24	\$8,500.00	57	\$484,500
PINNACLE TECHNICAL RESOURCES INC	213-20240829	09/16/24	10/23/24	\$7,083.69	37	\$262,097
SSM Group	0281576	04/08/25	06/06/25	\$5,943.00	59	\$350,637
EXPERIAN	446481	10/27/24	12/24/24	\$101.80	58	\$5,904
EXPERIAN	6000049033	03/30/25	05/28/25	\$6.34	59	\$374
				<u>\$9,389,294</u>		<u>\$277,804,835</u>

Weighted Average Lag (A x B) / A

29.59 days

**PPL Electric Utilities**  
**Lag in Payment of Postage - BI 34**  
**12 Months Ended June 30, 2025**

Vendor Name	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
Broadridge Customer Communications	RECUR-EEMAIL24Q4	10/9/2024	10/3/2024	\$650,000.00	(6)	(\$3,900,000)
Broadridge Customer Communications	RECUR-EEMAIL24Q4	11/9/2024	11/1/2024	\$650,000.00	(8)	(\$5,200,000)
Broadridge Customer Communications	RECUR-EEMAIL24Q4	12/9/2024	12/2/2024	\$650,000.00	(7)	(\$4,550,000)
DST OUTPUT	Q42024ADDITIONALPOSTAG	12/24/2024	12/19/2024	\$600,000.00	(5)	(\$3,000,000)
Broadridge Customer Communications	RECUR-EEMAIL2324B	7/11/2024	7/3/2024	\$552,000.00	(8)	(\$4,416,000)
Broadridge Customer Communications	RECUR-EEMAIL2324B	8/11/2024	8/2/2024	\$552,000.00	(9)	(\$4,968,000)
DST OUTPUT	SEPTEMBER2024POSTAGE	9/11/2024	9/11/2024	\$552,000.00	0	\$0
Broadridge Customer Communications	RECUR-EEMAIL25	1/11/2025	1/30/2025	\$600,000.00	19	\$11,400,000
Broadridge Customer Communications	RECUR-EEMAIL25	2/11/2025	2/4/2025	\$600,000.00	(7)	(\$4,200,000)
Broadridge Customer Communications	RECUR-EEMAIL25	3/11/2025	3/4/2025	\$600,000.00	(7)	(\$4,200,000)
Broadridge Customer Communications	RECUR-EEMAIL25	4/11/2025	4/4/2025	\$600,000.00	(7)	(\$4,200,000)
Broadridge Customer Communications	RECUR-EEMAIL25	5/11/2025	5/2/2025	\$600,000.00	(9)	(\$5,400,000)
Broadridge Customer Communications	RECUR-EEMAIL25	6/11/2025	6/4/2025	\$600,000.00	(7)	(\$4,200,000)
US Postal Service	UNITED05302025	6/6/2025	5/29/2025	\$7,500.00	(8)	(\$60,000)
				<u>\$ 7,813,500</u>		<u>\$ (36,894,000)</u>

Weighted Average Lag (A x B) / A

-4.72 days

**PPL Electric Utilities**  
**Lag in Payment of Phones & Wires - BI 35**  
**12 Months Ended June 30, 2025**

Vendor Name	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
AT&T Mobility-CC	QBH102024	11/4/2024	12/2/2024	\$98,123.46	28	\$2,747,457
AT&T Mobility-CC	QBH082024	9/4/2024	10/15/2024	\$92,553.60	41	\$3,794,698
AT&T Mobility-CC	QBH032025	4/4/2025	5/9/2025	\$85,368.23	35	\$2,987,888
VERIZON WIRELESS	9977075358	10/23/2024	12/6/2024	\$9,688.70	44	\$426,303
VERIZON WIRELESS	9969856250	7/23/2024	9/6/2024	\$9,437.84	45	\$424,703
CAPITAL REGION WATER	13050005-0_022525	2/25/2025	3/13/2025	\$4,814.49	16	\$77,032
CAN DO INC	HIP-12,13_103124	10/31/2024	1/14/2025	\$3,854.15	75	\$289,061
CAN DO INC	HIP-12,13_022825	2/25/2025	3/17/2025	\$3,589.91	20	\$71,798
CAPITAL REGION WATER	13050005-0_082524	8/25/2024	9/10/2024	\$3,553.34	16	\$56,853
CAPITAL REGION WATER	13050005-0_012525	1/25/2025	2/18/2025	\$3,494.67	24	\$83,872
CAN DO INC	HIP-12,13_083124	8/31/2024	1/10/2025	\$3,303.65	132	\$436,082
LOWER ALLEN TOWNSHIP	ACCT6000250-04THQ2024	10/1/2024	10/17/2024	\$2,527.00	16	\$40,432
WYOMING VALLEY SANITARY AUTHORITY	2402277790-0_123124	12/31/2024	1/7/2025	\$2,067.36	7	\$14,472
LEHIGH COUNTY AUTHORITY	38709_121524	12/15/2024	12/31/2024	\$1,784.80	16	\$28,557
CAPITAL REGION WATER	13054004-0_072524	7/25/2024	8/12/2024	\$1,242.97	18	\$22,373
CAPITAL REGION WATER	13054004-0_122724	12/27/2025	1/23/2025	\$1,242.97	(338)	(\$420,124)
CAPITAL REGION WATER	13054004-0_042525	4/25/2025	5/21/2025	\$1,242.97	26	\$32,317
PENNSYLVANIA AMERICAN WATER	1024-210035249417_101524	10/15/2024	10/24/2024	\$1,036.24	9	\$9,326
				<u>\$328,926.35</u>		<u>\$11,123,100.04</u>

Weighted Average Lag (A x B) / A

33.82 days

**PPL Electric Utilities**  
**Lag in Payment of Rents - BI 36**  
**12 Months Ended June 30, 2025**

Vendor Name	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
DDCAP Allentown, LLC	RENT-MARCH2025	3/11/2025	3/14/2025	\$226,758.00	3	\$680,274
RAILROAD MANAGEMENT COMPANY IV LLC	RMC062724	7/1/2024	8/6/2024	\$58,563.16	36	\$2,108,274
Delaware Lachawaxen & Stourbridge Railroad	DLS2251079.1	11/1/2024	2/10/2025	\$8,200.00	101	\$828,200
Cleveland Brothers Equipment Co., Inc.	A6526506	4/11/2025	5/9/2025	\$4,944.00	28	\$138,432
PA DEPT OF ENVIRONMENTAL PROTECTION	1803080766	7/1/2024	8/5/2024	\$4,500.00	35	\$157,500
Cleveland Brothers Equipment Co., Inc.	A7120002	4/11/2025	5/9/2025	\$4,035.60	28	\$112,997
STRAWBERRY SQUARE ASSOCIATES	RECUR-HARRISBURGRENT25	12/22/2024	12/20/2024	\$3,912.50	(2)	(\$7,825)
STRAWBERRY SQUARE ASSOCIATES	RECUR-HARRISBURGRENT23	9/18/2024	9/17/2024	\$3,833.33	(1)	(\$3,833)
SWB - ADMAR	Rental	2/3/2025	3/12/2025	\$3,393.70	37	\$125,567
HERC RENTALS	Equipment Rentals	1/10/2025	1/22/2025	\$3,107.24	12	\$37,287
UNITED RENTALS-PPL - Lancaster, PA	234802515-006	10/12/2024	11/8/2024	\$2,734.26	27	\$73,825
Cleveland Brothers Equipment Co., Inc.	A7424301	4/25/2025	5/23/2025	\$2,592.00	28	\$72,576
HERC RENTALS INC	34757205-001	7/12/2024	9/9/2024	\$2,468.02	59	\$145,613
UNITED RENTALS-PPL - Lancaster, PA	240290119-003	1/4/2025	1/31/2025	\$2,208.30	27	\$59,624
Commonwealth of Pennsylvania DCNR	1803033427	3/2/2024	3/31/2025	\$2,084.00	394	\$821,096
UNITED RENTALS-PPL - Lancaster, PA	241415548-004	2/23/2025	3/24/2025	\$1,925.76	29	\$55,847
Cleveland Brothers Equipment Co., Inc.	A6548302	10/23/2024	11/21/2024	\$1,748.00	29	\$50,692
HERC RENTALS INC	34650559-001	6/10/2024	8/8/2024	\$1,601.78	59	\$94,505
PA DEPT OF ENVIRONMENTAL PROTECTION	1803203771	5/1/2025	5/30/2025	\$1,500.00	29	\$43,500
HERC RENTALS	Lawnton Sub AB Overhaul	6/20/2025	6/30/2025	\$1,382.51	10	\$13,825
UNITED RENTALS-PPL - Lancaster, PA	228960161-006	6/8/2024	7/24/2024	\$1,377.00	46	\$63,342
UNITED RENTALS-PPL - Lancaster, PA	228905181-008	8/3/2024	8/30/2024	\$1,377.00	27	\$37,179
HERC RENTALS	13095133 manlift	3/25/2025	5/5/2025	\$1,269.67	41	\$52,056
LEISURE ACRES FARM LP	RECUR-LEISUREACRE2425	11/26/2024	11/26/2024	\$1,116.16	0	\$0
LEISURE ACRES FARM LP	RECUR-LEISUREACRE2023A	7/20/2024	7/19/2024	\$1,083.65	(1)	(\$1,084)

<u>\$</u>	<u>347,716</u>	<u>\$</u>	<u>5,759,469</u>
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Weighted Average Lag (A x B) / A

16.56 days

**PPL Electric Utilities**  
**Lag in Payment of Advertising Expenses - BI 37**  
**12 Months Ended June 30, 2025**

<b>Vendor Name</b>	<b>Invoice Number</b>	<b>Mid-point of Service Date</b>	<b>Payment Date</b>	<b>(A) Amount</b>	<b>(B) Days Lag</b>	<b>(A) x (B) Weighted Amount</b>
ICF RESOURCES LLC	2024-380512	10/08/24	11/06/24	\$212,374.53	29	\$6,158,861
ICF RESOURCES LLC	2024-464519	12/03/24	12/31/24	\$193,420.73	28	\$5,415,780
ICF RESOURCES LLC	2025-056481	03/12/25	04/10/25	\$185,491.82	29	\$5,379,263
ICF RESOURCES LLC	2025-006407	01/06/25	02/04/25	\$156,298.63	29	\$4,532,660
ICF RESOURCES LLC	2024-418527	11/13/24	12/12/24	\$146,293.12	29	\$4,242,500
Meta Platforms, Inc.	December Digital Ads Pt 5	12/29/24	03/24/25	\$900.00	85	\$76,500
Meta Platforms, Inc.	Q1 DIGITAL ADS	02/16/25	03/17/25	\$422.76	29	\$12,260
				<u>\$ 895,202</u>		<u>\$ 25,817,825</u>

Weighted Average Lag (A x B) / A

28.84 days

**PPL Electric Utilities**  
**Lag in Payment of Miscellaneous Expenses - BI 49**  
**12 Months Ended June 30, 2025**

<b>Vendor Name</b>	<b>Invoice / Reference Number</b>	<b>Mid-point of Service Date</b>	<b>Payment Date</b>	<b>(A) Amount</b>	<b>(B) Days Lag</b>	<b>(A) x (B) Weighted Amount</b>
CLEAResult Consulting Inc.	000114892	01/15/25	01/29/25	\$1,397,742.75	14	\$19,568,399
CLEAResult Consulting Inc.	000105705	07/22/24	08/05/24	\$1,297,769.35	14	\$18,168,771
CLEAResult Consulting Inc.	000113477	12/16/24	01/03/25	\$1,232,862.04	18	\$22,191,517
CLEAResult Consulting Inc.	000110144	10/16/24	10/30/24	\$1,099,082.16	14	\$15,387,150
CLEAResult Consulting Inc.	000112531	12/04/24	01/03/25	\$1,098,672.66	30	\$32,960,180
CLEAResult Consulting Inc.	000120412	05/05/25	05/19/25	\$431,056.47	14	\$6,034,791
Slusser Law Firm, Rebecca and Arthur Adams	ADAMS	03/06/25	03/18/25	\$150,000.00	12	\$1,800,000
CLEAResult Consulting Inc.	000104362	06/26/24	07/10/24	\$91,019.89	14	\$1,274,278
CLEAResult Consulting Inc.	000110542	10/25/24	11/13/24	\$69,887.50	19	\$1,327,863
CLEAResult Consulting Inc.	000117747	04/01/25	04/17/25	\$49,293.87	16	\$788,702
CLEAResult Consulting Inc.	000110624	11/01/24	11/26/24	\$40,849.06	25	\$1,021,227
CLEAResult Consulting Inc.	000104629	07/01/24	08/13/24	\$28,130.94	43	\$1,209,630
CLEAResult Consulting Inc.	000104255	07/01/24	07/15/24	\$19,120.35	14	\$267,685
CLEAResult Consulting Inc.	000119893	04/23/25	05/15/25	\$13,125.00	22	\$288,750
CLEAResult Consulting Inc.	000122668	06/11/25	06/25/25	\$10,649.93	14	\$149,099
CLEAResult Consulting Inc.	000114940	01/16/25	02/10/25	\$8,500.00	25	\$212,500
Reading Blue Mountain & Northern Railroad Co	Railroad Payment Fees	02/12/25	02/26/25	\$6,400.00	14	\$89,600
David Ng	19950-13049	12/20/24	06/16/25	\$5,000.00	178	\$890,000

\$7,049,162

\$123,630,140

Weighted Average Lag (A x B) / A

17.54 days

- Q.5. If a claim is made for compensating bank balances, provide the following information:
- a) Name and address of each bank.
  - b) Types of accounts with each bank—checking, savings, escrow, other services, and the like.
  - c) Average daily balance in each account.
  - d) Amount and percentage requirements for compensating bank balance at each bank.
  - e) Average daily compensating bank balance at each bank.
  - f) Documents from each bank explaining compensating bank balance requirements.
  - g) Interest earned on each type of account.
  - h) A calculation showing the average daily float for each bank.
- A.5. PPL Electric has no requirements for compensating bank balances with its banks and has not made a claim for this item.

- Q.6. Explain in detail by statement or exhibit the appropriateness of additional claims or the use of a method not previously mentioned, in the claimed rate base.
- A.6. An explanation of PPL Electric's claim for any additional rate base items is set forth in Section C of Exhibits Future 1 and Fully Projected Future 1.



- Q.1. Prepare a Statement of Income including:
- a) The book, or budgeted, statement for the test year.
  - b) Adjustments to annualize and normalize under present rates, including an elimination of the effects on income of the energy cost rate and state tax adjustment surcharge.
  - c) The income statement under present rates after adjustment.
  - d) The adjustment for the revenue requested.
  - e) The income statement under requested rates after adjustment.

Each adjustment, including those relating to adjustment clauses, shall contain an explanation in sufficient clarifying detail to allow a reasonably informed person to understand the method and rationale of the adjustment.

- A.1. The information requested in items a. through e. is set forth in Section D of Exhibits Future 1 and Fully Projected Future 1.

- Q.2. If the schedule provided in item 1 is based upon budgeted data for a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.
- A.2. The information requested is set forth in Section D of Exhibit Historic 1.

- Q.1. Provide a schedule showing all revenues and expenses for the test year and for the 12-month period immediately prior to the test year, together with an explanation for major variances between test year revenues and expenses and those for the previous 12-month period. Revenues and expenses shall be summarized by the major account categories listed below. If budgeted data for a future test year is not readily available by these categories, an analysis of the data for the 12-month period immediately prior to the future test year or for the most recent available calendar year may serve as the basis for ratably allocating the budgeted data into the account categories.
- A.1. Attachment II-D-1a provides the requested schedule of revenues and expenses by account categories. Attachment II-D-1b provides explanations for major variances.

**PPL ELECTRIC UTILITIES CORPORATION**  
**Operating Statements**  
**For the Twelve Months Ended June 30,**  
***(Thousands of Dollars)***

	<u><b>2026</b></u>	<u><b>2025</b></u>	<u><b>Difference</b></u>
<b><u>OPERATING REVENUES</u></b>			
400			
Electric Revenue:			
Residential	\$ 1,871,862	\$ 1,735,092	\$ 136,770
Commercial	439,052	445,074	(6,022)
Industrial	88,720	54,793	33,927
Public Authorities	26,786	21,148	5,638
Railroads	0	0	0
Sales for Resale	1,547	1,686	(139)
Total Sales Revenue	<u>2,427,967</u>	<u>2,257,793</u>	<u>170,174</u>
Other Electric Revenue:			
Forfeited Discounts	14,860	14,976	(116)
Miscellaneous Service Revenue	970	1,056	(86)
Rent from Electric Property	46,738	59,480	(12,742)
Unbilled Revenues - Net	509	17,567	(17,058)
Other Electric Revenue	<u>911,546</u>	<u>883,062</u>	<u>28,484</u>
Total Other Electric Revenue	<u>974,623</u>	<u>976,141</u>	<u>(1,518)</u>
Total Operating Revenue	3,402,590	3,233,934	168,656
<b><u>OPERATING EXPENSE</u></b>			
401 - 402			
Operation and Maintenance Expense			
Power Production Expenses:			
Power Purchases	840,322	736,917	103,404
Ancillary Expenses	1,674	1,465	209
Other	306	232	74
Transmission Expenses	335,699	302,964	32,735
Energy Storage		290	(290)
Regional Market Expenses	0	245	(245)
Distribution Expenses	151,393	235,201	(83,808)
Customer Accounts Expenses	79,926	91,161	(11,235)
Customer Service & Informational Expenses	144,668	109,407	35,261
Sales Expenses	0	1,852	(1,852)
Administrative and General Expenses	<u>139,713</u>	<u>184,107</u>	<u>(44,394)</u>
Total Operation & Maint. Expense	<u>1,693,699</u>	<u>1,663,841</u>	<u>29,858</u>
403 - 405			
Depreciation Expense and Amortization of Electric Plant Acquisition Adjustments	426,017	415,992	10,025
407			
Regulatory Debits (Credits), net	7,565	2,094	5,471
408.1			
Taxes Other Than Income Taxes	161,814	148,875	12,939
411.6/411.7			
(Gains)/Losses From Disposition of Utility Plant	0	0	0
Total Operating Expenses Prior to Federal & State Income Taxes	<u>2,289,095</u>	<u>2,230,802</u>	<u>58,293</u>
Operating Income Prior to Federal & State Income Taxes	\$ 1,113,495	1,003,132	110,363

**PPL ELECTRIC UTILITIES CORPORATION**  
**Operating Statements**  
**For the Twelve Months Ended June 30,**  
***(Thousands of Dollars)***

		<u>2026</u>	<u>2025</u>	<u>Difference</u>
<b><u>FEDERAL AND STATE INCOME TAXES</u></b>				
409.1	Federal Income Taxes	\$ 61,394	\$ 45,828	\$ 15,566
	State Income Taxes	16,727	11,718	5,009
410.1 & 411.1	Deferred Federal Income Taxes - Net	91,170	88,795	2,375
	Deferred State Income Taxes - Net	33,341	36,569	(3,228)
	Investment Tax Credit Adjustments			
	Deferrals	-	-	-
411.4	Amortization - Credit	(31)	60	(91)
	Total Federal & State Income Taxes	<u>202,601</u>	<u>182,970</u>	<u>19,631</u>
	Operating Income After Federal & State Income Taxes	910,894	820,162	90,732
<b><u>OTHER INCOME AND DEDUCTIONS</u></b>				
Other Income				
415	Merchandising Income	-	-	-
416,417	Merchandising Expense	-	-	-
418.0	Non-Utility Operating Income (Loss)	-	(24)	24
418.1	Equity in Earnings of Subsidiary Companies	-	12,467	(12,467)
419.0	Interest & Dividend Income	11,293	8,114	3,179
419.1	Allowance for Other Funds Used During Construction	28,890	27,747	1,143
421.1	Gain on Disposition of Property	-	-	-
421	Other Misc. Non-Operating Income	12,316	-	12,316
	Total Other Income	<u>52,499</u>	<u>48,304</u>	<u>4,195</u>
Other Income Deductions				
421.2	Loss on Disposition of Property	-	1,960	(1,960)
426	Miscellaneous	2,648	5,667	(3,019)
	Total Other Income Deductions	<u>2,648</u>	<u>7,627</u>	<u>(4,979)</u>
Taxes Applicable to Other Income Deductions				
408.2	Taxes Other Than Income Taxes	-	201	(201)
409.2	Federal Income Tax	4,570	2,203	2,367
	State Income Tax	1,847	(1,976)	3,823
410.2 & 411.2	Deferred Federal Income Taxes - Net	-	(1,005)	1,005
	Deferred State Income Taxes - Net	-	(340)	340
	Total Taxes Applicable to Other Income Deduction	<u>6,417</u>	<u>(917)</u>	<u>7,334</u>
	Income Before Interest Charges	\$ 954,328	861,756	92,572

**PPL ELECTRIC UTILITIES CORPORATION**  
**Operating Statements**  
**For the Twelve Months Ended June 30,**  
***(Thousands of Dollars)***

		<u><b>2026</b></u>	<u><b>2025</b></u>	<u><b>Difference</b></u>
<b><u>INTEREST CHARGES</u></b>				
427	Interest on Long-term Debt	\$ 277,721	\$ 245,969	\$ 31,752
428	Amortization of Debt Discount & Expense	3,811	3,481	330
428.1	Amortization of Loss on Reacquired Debt	539	539	-
429	Amortization of Premium on Debt-Credit		-	-
430	Interest on Debt to Associated Companies		-	-
431	Other Interest Expense	2,772	4,224	(1,452)
432	Allowance for Borrowed Funds Used During Construction	(13,270)	(11,302)	(13,270)
	Net Interest Charges	<u>271,573</u>	<u>242,911</u>	<u>28,662</u>
	Net Income	<u>\$ 682,755</u>	<u>\$ 618,845</u>	<u>\$ 63,910</u>

**PPL ELECTRIC UTILITIES CORPORATION**  
**Operating Statements**  
**For the Twelve Months Ended June 30,**  
***(Thousands of Dollars)***

	<u>2027</u>	<u>2026</u>	<u>Difference</u>
<b><u>OPERATING REVENUES</u></b>			
400			
Electric Revenue:			
Residential	\$ 1,875,996	\$ 1,871,862	\$ 4,134
Commercial	436,445	439,052	(2,607)
Industrial	83,718	88,720	(5,002)
Public Authorities	27,020	26,786	234
Railroads	0	0	0
Sales for Resale	1,543	1,547	(4)
Total Sales Revenue	<u>2,424,723</u>	<u>2,427,967</u>	<u>(3,245)</u>
Other Electric Revenue:			
Forfeited Discounts	15,306	14,860	446
Miscellaneous Service Revenue	970	970	0
Rent from Electric Property	43,745	46,738	(2,992)
Unbilled Revenues - Net	631	509	122
Other Electric Revenue	<u>978,511</u>	<u>911,546</u>	<u>66,964</u>
Total Other Electric Revenue	<u>1,039,163</u>	<u>974,623</u>	<u>64,540</u>
Total Operating Revenue	3,463,885	3,402,590	61,295
<b><u>OPERATING EXPENSE</u></b>			
401 - 402			
Operation and Maintenance Expense			
Power Production Expenses:			
Power Purchases	844,328	840,322	4,006
Ancillary Expenses	1,682	1,674	8
Other	323	306	17
Transmission Expenses	335,381	335,699	(318)
Energy Storage			0
Regional Market Expenses	0	0	0
Distribution Expenses	207,592	151,393	56,199
Customer Accounts Expenses	86,338	79,926	6,413
Customer Service & Informational Expenses	132,910	144,668	(11,758)
Sales Expenses	0	0	0
Administrative and General Expenses	<u>169,750</u>	<u>139,713</u>	<u>30,037</u>
Total Operation & Maint. Expense	<u>1,778,304</u>	<u>1,693,699</u>	<u>84,604</u>
403 - 405			
Depreciation Expense and Amortization of Electric Plant Acquisition Adjustments	468,275	426,017	42,258
407			
Regulatory Debits (Credits), net	11,007	7,565	3,442
408.1			
Taxes Other Than Income Taxes	162,324	161,814	510
411.6/411.7			
(Gains)/Losses From Disposition of Utility Plant	0	0	0
Total Operating Expenses Prior to Federal & State Income Taxes	<u>2,419,910</u>	<u>2,289,095</u>	<u>130,814</u>
Operating Income Prior to Federal & State Income Taxes	\$ 1,043,975	\$ 1,113,495	(69,519)

**PPL ELECTRIC UTILITIES CORPORATION**  
**Operating Statements**  
**For the Twelve Months Ended June 30,**  
***(Thousands of Dollars)***

		<u><b>2027</b></u>	<u><b>2026</b></u>	<u><b>Difference</b></u>
<b><u>FEDERAL AND STATE INCOME TAXES</u></b>				
409.1	Federal Income Taxes	\$ 23,698	\$ 61,394	\$ (37,696)
	State Income Taxes	223	16,727	(16,504)
410.1 & 411.1				
	Deferred Federal Income Taxes - Net	109,938	91,170	18,768
	Deferred State Income Taxes - Net	36,227	33,341	2,886
	Investment Tax Credit Adjustments			
	Deferrals		-	-
411.4	Amortization - Credit	(31)	(31)	-
	Total Federal & State Income Taxes	<u>170,055</u>	<u>202,601</u>	<u>(32,546)</u>
	Operating Income After Federal & State Income Taxes	873,920	910,894	(36,973)
<b><u>OTHER INCOME AND DEDUCTIONS</u></b>				
Other Income				
415	Merchandising Income	-	-	-
416,417	Merchandising Expense	-	-	-
418.0	Non-Utility Operating Income (Loss)	-	-	-
418.1	Equity in Earnings of Subsidiary Companies	-	-	-
419.0	Interest & Dividend Income	15,411	11,293	4,118
419.1	Allowance for Other Funds Used During Construction	33,548	28,890	4,658
421.1	Gain on Disposition of Property	-	-	-
421	Other Misc. Non-Operating Income	5,420	12,316	(6,896)
	Total Other Income	<u>54,379</u>	<u>52,499</u>	<u>1,880</u>
Other Income Deductions				
421.2	Loss on Disposition of Property	-	-	-
426	Miscellaneous	2,625	2,648	(23)
	Total Other Income Deductions	<u>2,625</u>	<u>2,648</u>	<u>(23)</u>
Taxes Applicable to Other Income Deductions				
408.2	Taxes Other Than Income Taxes	-	-	-
409.2	Federal Income Tax	4,053	4,570	(517)
	State Income Tax	1,529	1,847	(318)
410.2 & 411.2				
	Deferred Federal Income Taxes - Net	-	-	-
	Deferred State Income Taxes - Net	-	-	-
	Total Taxes Applicable to Other Income Deduction	<u>5,582</u>	<u>6,417</u>	<u>(835)</u>
	Income Before Interest Charges	\$ 920,092	\$ 954,328	(34,236)



**PPL ELECTRIC UTILITIES CORPORATION**  
**Operating Statements**  
**For the Twelve Months Ended June 30,**  
***(Thousands of Dollars)***

		<u><b>2027</b></u>	<u><b>2026</b></u>	<u><b>Difference</b></u>
<b><u>INTEREST CHARGES</u></b>				
427	Interest on Long-term Debt	\$ 312,043	\$ 277,721	\$ 34,322
428	Amortization of Debt Discount & Expense	4,185	3,811	374
428.1	Amortization of Loss on Reacquired Debt	465	539	(74)
429	Amortization of Premium on Debt-Credit			-
430	Interest on Debt to Associated Companies			-
431	Other Interest Expense	-	2,772	(2,772)
432	Allowance for Borrowed Funds Used During Construction	(13,444)	(13,270)	(174)
	Net Interest Charges	<u>303,249</u>	<u>271,573</u>	<u>31,676</u>
	Net Income	<u><u>\$ 616,843</u></u>	<u><u>\$ 682,755</u></u>	<u><u>\$ (65,912)</u></u>

**PPL ELECTRIC UTILITIES CORPORATION**  
**Operating Statements**  
**For the 12 Months Ended June 30, 2025 and 2026**

Attachment II-D-1b  
Page 1 of 2

Significant increases or decreases (in thousands of dollars) are attributed to the following:

**Account 400 - Operating Revenues - \$168,656**

Electric Revenue - \$170,174 - Increase is primarily due to increased GSC rates. Additionally, DSIC and ACR rates increased, which were partially offset by lower TSC rates.

Other Electric Revenue - (\$1,518) - Decrease primarily due to lower unbilled revenue, lower rent for electric property, and lower over/under adjustments related to cost recovery clauses and riders, offset by higher Transmission Owner revenue.

**Accounts 401 & 402 - Operating and Maintenance Expenses - \$29,858**

Power Purchases - \$103,405 - Increase is primarily due to higher energy and capacity costs from acquisition contracts for POLR customers not using alternate suppliers.

Transmission Expenses - \$32,735 - Increase is primarily due to higher NITS charges for POLR customers.

Distribution Expenses - (\$83,808) - Decrease is primarily due to higher storm and vegetation management costs in HTY. In HTY, a one-time reclass of DER management program increased expense. FTY assumes expense efficiencies forecasted.

Customer Accounts Expenses - (\$11,235) - Decrease is primarily due to lower expenses related to cut season costs and uncollectibles.

Customer Service & Informational Expenses - \$35,261 - Increase is primarily due to higher USR expenses forecasted.

Administrative and General Expenses - (\$44,394) - Decrease is primarily due to IT efficiencies assumed in FTY and expenses moved to regulatory asset during year end 2025 and reductions from pension costs included in HTY not included in FTY or FPFTY and O&M efficiencies. These were offset by increases associated with hardware and software IT upgrades.

Account 407 - Regulatory Debits (Credits), net - \$5,471 - Increase primarily due to amortization of storms.

Account 408.1 - Taxes Other Than Income Taxes - \$12,939 - Increase is primarily due to higher gross receipts tax primarily resulting from a higher revenue base.

Account 409.1 - Federal Income Taxes - \$15,566 - Increase is due primarily to the following items:

Higher Pre-Tax Book Income	82,329
Lower Book/Tax Timing Differences	(65,021)
Higher PA State Income Tax Expense Deduction	(2,052)
State Income Tax Adjustment for Prior Year	(1,188)
Higher Federal Taxable Income	14,068
Higher Federal Tax Expense @ 21%	2,955
Lower Federal Tax Credits	5,693
Annualized Effective Tax Rate Adjustment (APB28)	(303)
Lower Accrual for Potential Deficiency	(311)
Prior Period Tax Return Adjustments in historic period	7,532
Total Federal Income Tax Expense / (Benefit)	<u>15,566</u>

Account 409.1 - State Income Taxes - \$5,009 - Increase is due primarily to the following items:

Higher Pre-Tax Book Income	82,329
Lower Book/Tax Timing Differences	(65,021)
Lower State Bonus Depreciation Deduction	16,348
Higher PA Taxable Income	33,656
Higher PA State Income Tax Expense	2,052
Prior Period Tax Return Adjustments in historic period	2,957
Total PA State Income Tax Expense / (Benefit)	<u>5,009</u>

Account 410.1 & 411.1 - Deferred Income Taxes - Federal - Net - \$2,375 - Increase is due primarily to the following items:

Change in book/tax timing differences	\$ 8,582
Estimated PA State Income Tax Rate Change Adjustments	(278)
Deficient Federal NOL Deferred Taxes	6
Prior Year Adjustments	(5,935)
	<u>\$ 2,375</u>

Account 410.1 & 411.1 - Deferred Income Taxes - State - Net - (\$3,228) - Decrease is due primarily to the following items:

Change in book/tax timing differences	\$ (1,310)
Estimated PA State Income Tax Rate Change Adjustments	1,325
Prior Year Adjustments	(3,243)
	<u>\$ (3,228)</u>

Account 419.0 Interest and Dividend Income - \$3,179 -

Increase primarily due to interest income from affiliate.

Account 419.1 Allowance for Borrowed Funds used During Construction - \$1,143 -

Increase primarily due to large transmission projects being constructed and being placed in service in outer years.

Account 427 - Interest on Long-term Debt - \$31,752 - Increase is primarily due to proposed debt issuances.

**PPL ELECTRIC UTILITIES CORPORATION**  
**Operating Statements**  
**For the 12 Months Ended June 30, 2026 and 2027**

Significant increases or decreases (in thousands of dollars) are attributed to the following:

**Account 400 - Operating Revenues - \$61,295**

Electric Revenue - (\$3,245) - Decrease is primarily due to lower forecasted prices of certain rider mechanisms.

Other Electric Revenue - \$64,540 - Increase primarily due to the Transmission Owner Revenue increases based on the FERC formula rates.

**Accounts 401 & 402 - Operating and Maintenance Expenses - \$84,604**

Power Purchases - \$4,006 - Increase is primarily due to an increase in projected load resulting in higher energy costs for POLR customers not using alternate suppliers.

Distribution Expenses - \$56,199 - Increase is primarily due to higher vegetation spend and increase in inspection costs.

Customer Accounts Expenses - \$6,413 - Increase is primarily due to the addition of resources and a slightly higher uncollectible forecast.

Customer Service & Informational Expenses - (\$11,758) - Decrease is primarily due to lower USR expenses forecasted.

Administrative and General Expenses - \$30,037 - Increase is primarily due to increases associated with IT upgrades.

**Account 407 - Regulatory Debits (Credits), net - \$3,442** - Increase primarily due to amortization of storms.

**Account 409.1 - Federal Income Taxes - (\$37,696)** - Decrease is due primarily to the following items:

Lower Pre-Tax Book Income	(105,010)
Lower Book/Tax Timing Differences	(90,998)
Higher PA State Income Tax Expense Deduction	16,504
Lower Federal Taxable Income	(179,504)
Lower Federal Tax Expense @ 21%	(37,696)
Total Federal Income Tax Expense / (Benefit)	<u>(37,696)</u>

**Account 409.1 - State Income Taxes - (\$16,504)** - Decrease is due primarily to the following items:

Lower Pre-Tax Book Income	(105,010)
Lower Book/Tax Timing Differences	(90,998)
Lower State Bonus Depreciation Deduction	(17,426)
Lower PA Taxable Income	(213,434)
Lower PA State Income Tax Expense	(16,504)
Total PA State Income Tax Expense / (Benefit)	<u>(16,504)</u>

**Account 410.1 & 411.1 - Deferred Income Taxes - Federal - Net - \$18,768** - Increase is due primarily to the following items:

Change in book/tax timing differences	\$ 18,774
Deficient Federal NOL Deferred Taxes	(6)
	<u>\$ 18,768</u>

**Account 410.1 & 411.1 - Deferred Income Taxes - State - Net - \$2,886** - Increase is due primarily to the following items:

Change in book/tax timing differences	\$ 2,886
	<u>\$ 2,886</u>

**Account 419.0 Interest and Dividend Income - \$4,118** -

Increase primarily due to interest income from affiliate.

**Account 419.1 Allowance for Borrowed Funds used During Construction - \$4,658** -

Increase primarily due to large Transmission projects being constructed and being placed in service in outer years.

**Account 427 - Interest on Long-term Debt - \$34,322** - Increase is primarily due to a proposed debt issuances.

- Q.2. Provide a summary of test year adjustments which sets forth the effect of the adjustment upon the following: operating revenues, operating expenses, taxes other than income taxes, operating income before income taxes, State income tax, Federal income tax and income available for return. In addition, test year adjustments shall be presented on the basis of the major account categories set out at II-D-1.
- A.2. Schedule D-2 of Exhibits Future 1 and Fully Projected Future 1 provides a summary, by major account categories, of test year adjustments claimed by PPL Electric.

Q.3. List and explain all nonrecurring or extraordinary expenses incurred in the test year and all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years, for example, nonyearly maintenance programs, and the like.

A.3 Test year expenses that are non-recurring, extraordinary or do not occur yearly, but over an extended period of years, are explained and adjusted in Section D of Exhibits Future 1 and Fully Projected Future 1.

The following items have been identified as one-time or non-recurring items that occurred during the Historic Test Year:

- DER projects impairment – Dr. \$21 million to various FERC account 58X accounts.
- Office relocation and related costs – Dr. \$2 million to FERC account 421.
- Strategic corporate initiatives – Dr. \$1 million to FERC account 426 and an additional \$1 million to other various O&M accounts.
- AFUDC Catch up – Cr. \$1.756 million to FERC account 419; Cr. \$73 thousand to FERC Account 432.
- Stores adjustment – Cr. \$645 thousand to FERC account 923.

These items are reflected in the amounts on Exhibit Historic D-1 column 1. They are not expected to recur.

- Q.4. As a separate item, list extraordinary property losses related to property previously included in cost of service when the gain or loss on this property has occurred or is likely to occur in the future test year. The proposed ratemaking treatment of extraordinary gains and losses must also be disclosed. Sufficient supporting data must be provided.
- A.4. PPL Electric does not expect to incur any extraordinary gains or losses in the Future Test Year or Fully Projected Future Test Year which are related to property previously included in its allowed cost of providing service.

Q.5. Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued and amounts written off in each of the last 3 calendar years.

A.5. The provision for uncollectible accounts for any year is determined by reviewing the projected annual revenue, current reserve balance, current receivable status, receivable trends, write-off trends and the projected impact of future collection initiatives on the quality of receivables.

Attachment II-D-5 presents the accumulated provision for uncollectible accounts and the amounts written off for the years ended June 30, 2023, 2024 and 2025.

**PPL ELECTRIC UTILITIES CORPORATION**  
**Accumulated Provision for Uncollectible Accounts**  
***(Thousands of dollars)***

	<u>Customers</u>	<u>Other</u>	<u>Property Damage</u>	<u>Total</u>
Balance June 30, 2022	\$ 31,154	\$ 1,754	\$ 2,919	\$ 35,827
Provision	36,122	2,116	3,411	41,649
Amounts Written Off	<u>(25,295) (a)</u>	<u>(2,229)</u>	<u>(3,325)</u>	<u>(30,849)</u>
Balance June 30, 2023	41,981	1,641	3,005	46,627
Provision	45,576	(438)	3,312	48,450
Amounts Written Off	<u>(46,794) (a)</u>	<u>(88)</u>	<u>(3,468)</u>	<u>(50,350)</u>
Balance June 30, 2024	40,763	1,115	2,849	44,727
Provision	42,207	299	4,359	46,865
Amounts Written Off	<u>(43,533) (a)</u>	<u>(31)</u>	<u>(4,605)</u>	<u>(48,169)</u>
Balance June 30, 2025	<u>\$ 39,437</u>	<u>\$ 1,383</u>	<u>\$ 2,603</u>	<u>\$ 43,423</u>

(a) Amounts written off are net of POR discounts. For fiscal years ending June 2023, 2024 and 2025 the POR discounts were \$16,788, \$17,765 and \$17,749, respectively.



- Q.6. Supply detailed calculations to support the total claim for rate case expense, including supporting data for outside service rendered. Provide the items comprising the estimated rate case expense claim for the current rate case.
- A.6. Schedule D-6 of Exhibits Historic 1, Future 1, and Fully Projected Future 1 set forth PPL Electric's claim for rate case expense. This includes expenses related to printing and office supplies, advertising, outside legal counsel, and external witness support.

Q.7. Submit schedules for the test year and for the 12-month period immediately prior to the test year showing by major components, if included in claimed test year expenses, the expenses incurred in each of the following expense categories.

- a) Miscellaneous general expenses, including account 930.
- b) Outside service expenses.
- c) Regulatory commission expenses.
- d) Advertising expenses, including advertising engaged in by trade associations whenever the utility has claimed a contribution to the trade association as a ratemaking claim - provide explanation of types and purposes of such advertising.
- e) Research and development expenses - provide a listing of major projects.
- f) Charitable and civic contributions, by recipient and amount.

Explain major variances between the test year expenses and those expenses for the prior 12-month period.

A.7. See the following attachments for the requested data and an explanation of the major variances:

- a) Attachment II-D-7a - Miscellaneous general expenses, including Account 930
- b) Attachment II-D-7b - Outside service expenses
- c) Attachment II-D-7c - Regulatory commission expenses
- d) Attachment II-D-7d - Advertising expenses
- e) Attachment II-D-7e - Research and development expenses
- f) Attachment II-D-7f - Charitable and civic contributions

PPL ELECTRIC UTILITIES CORPORATION

Miscellaneous General Expenses - Account 930.2  
Years ended June 30.  
(Thousands of Dollars)

Line No.	Expense	2026	2025	Increase (Decrease)
1	Environmental remediation expense	\$ 400	\$ -	\$ 400
2	Commitment and Credit Facility Fees	-	1,305	(1,305)
3	Board of Directors	1,156	1,017	139
4	Communications	30	78	(48)
5	Membership Dues	1,468	969	499
6	Investor Relations	62	68	(7)
7	Research and Development	579	326	253
8	Miscellaneous and O&M Efficiencies	(16,692)	97	(16,789)
9	<b>TOTAL</b>	<b><u>\$ (12,997)</u></b>	<b><u>\$ 3,860</u></b>	<b><u>\$ (16,857)</u></b>

There were no environmental remediation during HTY 2025. Credit Facility Fees are currently not forecasted as part of the budgeting process. Increase in Membership dues are associated with Energy Association of PA and Edison Electric dues budgeted to 930.2. Increase in Research and Development consistent with IT upgrade spend. Decrease in Miscellaneous is associated with O&M efficiencies assumed in forecast.

Line No.	Expense	2027	2026	Increase (Decrease)
1	Environmental remediation expense	\$ 400	\$ 400	\$ -
2	Commitment and Credit Facility Fees	-	-	-
3	Board of Directors	1,053	1,156	(103)
4	Communications	20	30	(10)
5	Membership Dues	2,878	1,468	1,409
6	Investor Relations	44	62	(18)
7	Research and Development	405	579	(174)
8	Miscellaneous and O&M Efficiencies	(16,622)	(16,692)	70
9	<b>TOTAL</b>	<b><u>\$ (11,822)</u></b>	<b><u>\$ (12,997)</u></b>	<b><u>\$ 1,175</u></b>

Increase in Membership dues are associated with Energy Association of PA and Edison Electric fees budgeted to 930.2. Increase in Research and Development consistent with IT upgrade spend.

PPL ELECTRIC UTILITIES CORPORATION

Outside Service Expenses  
Years Ended June 30,  
(Thousands of Dollars)

Line No.	Service	2026	2025	Increase (Decrease)
1	Accounting and Audit Fees	\$ 265	\$ 275	\$ (11)
2	Chairman Services	65	91	(26)
3	Consulting Fees	2,291	11,210	(8,920)
4	Contracted Labor and Materials	34	45	(11)
5	Corporate Facilities	961	211	750
6	Corporate Operations	1,785	1,972	(187)
7	Enterprise Security	-	133	(133)
8	Financial Services	5,590	8,042	(2,452)
9	General Counsel Services	1,456	1,143	314
10	Information Technology Services	23,254	20,649	2,604
11	Public Affairs	384	420	(36)
12	Utility Communications Support	-	520	(520)
13	Miscellaneous	255	213	41
14	<b>TOTAL</b>	<b>\$ 36,339</b>	<b>\$ 44,924</b>	<b>\$ (8,585)</b>

Decreases in Consulting Fees and Financial services are a result of efficiency assumptions to reduce expenses. Enterprise Security and Utility Communication Support were consolidated as part of reorganization. Increases in Corporate Facilities related to moving to new facilities and increases in General Counsel Services related to the rate case. Increases in Information Technology service related to IT upgrades.

Line No.	Service	2027	2026	Increase (Decrease)
15	Accounting and Audit Fees	\$ 281	\$ 265	\$ 16
16	Chairman Services	50	65	(15)
17	Consulting Fees	2,199	2,291	(91)
18	Contracted Labor and Materials	13	34	(21)
19	Corporate Facilities	844	961	(117)
20	Corporate Operations	1,370	1,785	(415)
21	Enterprise Security	-	-	-
22	Financial Services	5,490	5,590	(100)
23	General Counsel Services	1,376	1,456	(80)
24	Information Technology Services	44,439	23,254	21,185
25	Public Affairs	354	384	(30)
26	Utility Communications Support	-	-	-
27	Miscellaneous	160	255	(95)
28	<b>TOTAL</b>	<b>\$ 56,576</b>	<b>\$ 36,339</b>	<b>\$ 20,237</b>

Small decreases related to efficiency assumption to reduce expenses. Increases in Information Technology service related to IT upgrades.

**PPL ELECTRIC UTILITIES CORPORATION**

**Regulatory Commission Expenses - Account 928**

**Years Ended June 30.**

***(Thousands of Dollars)***

<b>Line No.</b>	<b>Expense</b>	<b>2026</b>	<b>2025</b>	<b>Increase (Decrease)</b>
1	PUC Annual Assessment	\$ 6,200	\$ 7,062	\$ (862)
2	Docket Expenses	\$ 1,814	\$ 2,380	\$ (566)
3	<b>TOTAL</b>	<b><u>\$ 8,014</u></b>	<b><u>\$ 9,442</u></b>	<b><u>\$ (1,428)</u></b>

Decrease a result of budgeting at 2024 PUC Assessment amount and budgeting only known Docketed Cases.

<b>Line No.</b>	<b>Expense</b>	<b>2027</b>	<b>2026</b>	<b>Increase (Decrease)</b>
4	PUC Annual Assessment	\$ 6,100	\$ 6,200	\$ (100)
5	Docket Expenses	\$ 718	\$ 1,814	\$ (1,096)
6	<b>TOTAL</b>	<b><u>\$ 6,818</u></b>	<b><u>\$ 8,014</u></b>	<b><u>\$ (1,196)</u></b>

Decrease a result of budgeting only known Docketed Cases.

**PPL ELECTRIC UTILITIES CORPORATION**

**Advertising Expenses**  
**Years Ended June 30,**  
***(Thousands of Dollars)***

<b>Line No.</b>	<b>Description/Purpose</b>	<b>2026</b>	<b>2025</b>	<b>Increase (Decrease)</b>
1	Goodwill or institutional advertising	\$ 130	\$ -	\$ 130
2	Customer assistance programs	100	128	(28)
3	Customer Education	500	110	390
4	Employment vacancy search	-	-	-
5	Miscellaneous	534	262	272
6	<b>TOTAL</b>	<b><u>\$ 1,264</u></b>	<b><u>\$ 500</u></b>	<b><u>\$ 764</u></b>
<b><u>Types of Advertising</u></b>				
7	Television	\$ 126	\$ -	\$ 126
8	Radio	126	317	(191)
9	Internet/Electronic	383	-	383
10	Outdoor	32	183	(151)
12	Printed Media	63	-	63
13	To be Determined	534	-	534
14	<b>TOTAL</b>	<b><u>\$ 1,264</u></b>	<b><u>\$ 500</u></b>	<b><u>\$ 764</u></b>

Increase related to delaying the implementation of paid advertising campaigns in 2025.

PPL ELECTRIC UTILITIES CORPORATION

**Advertising Expenses**  
**Years Ended June 30,**  
***(Thousands of Dollars)***

<b>Line No.</b>	<b>Description/Purpose</b>	<b>2027</b>	<b>2026</b>	<b>Increase (Decrease)</b>
1	Goodwill or institutional advertising	\$ 130	\$ 130	\$ -
2	Customer assistance programs	100	100	-
3	Customer Education	500	500	-
4	Employment vacancy search	-	-	-
5	Miscellaneous	193	534	(342)
6	<b>TOTAL</b>	<b><u>\$ 923</u></b>	<b><u>\$ 1,264</u></b>	<b><u>\$ (342)</u></b>

**Types of Advertising**

7	Television	\$ 126	\$ 126	\$ -
8	Radio	126	126	-
9	Internet/Electronic	383	383	-
10	Outdoor	32	32	-
12	Printed Media	63	63	-
13	To be Determined	193	534	(342)
14	<b>TOTAL</b>	<b><u>\$ 923</u></b>	<b><u>\$ 1,264</u></b>	<b><u>\$ (342)</u></b>

Decrease in advertising expenses to get on track with normal spend after 2026 catch up.

**PPL ELECTRIC UTILITIES CORPORATION**

**Research and Development Expenses**  
**Years Ended June 30,**  
***(Thousands of Dollars)***

<b>Line No.</b>	<b>Project</b>	<b>2026</b>	<b>2025</b>	<b>Increase (Decrease)</b>
1	Research support	\$ 812	\$ 487	\$ 325
2	Internal R&D activities	153	130	23
3	<b>TOTAL</b>	<b><u>\$ 966</u></b>	<b><u>\$ 617</u></b>	<b><u>\$ 348</u></b>

Increase in research support related to higher forecasted cost for EPRI, an independent, nonprofit, R&D service organization and National Electric Energy, Testing, Research and Applications Center (NEETRAC), a non-profit member supported electric energy research, development and testing center. Increase in internal R&D activities due to more coordination and participation with the Transmission and Distribution businesses.

<b>Line No.</b>	<b>Project</b>	<b>2027</b>	<b>2026</b>	<b>Increase (Decrease)</b>
4	Research support	\$ 838	\$ 812	\$ 26
5	Internal R&D activities	275	153	121
6	<b>TOTAL</b>	<b><u>\$ 1,113</u></b>	<b><u>\$ 966</u></b>	<b><u>\$ 147</u></b>

Increase in internal R&D activities due to more coordination and participation with the Transmission and Distribution businesses.



**PPL ELECTRIC UTILITIES CORPORATION**

**Charitable and Civic Contributions - Account 426.1**

**Years Ended June 30,**

***(Thousands of Dollars)***

<b>Line No.</b>	<b>Recipient</b>	<b>2026</b>	<b>2025</b>	<b>Increase (Decrease)</b>
1	Operation Help	\$ 800	\$ 644	\$ 156
3	Other Charitables	1,223	2,061	(838)
4	<b>TOTAL</b>	<b><u>\$ 2,023</u></b>	<b><u>\$ 2,705</u></b>	<b><u>\$ (682)</u></b>

Increase in Operation Help related to timing of monthly spend. Decrease in Other results from differences in reporting process for actuals and budgeting process.

<b>Line No.</b>	<b>Recipient</b>	<b>2027</b>	<b>2026</b>	<b>Increase (Decrease)</b>
1	Operation Help	\$ 690	\$ 800	\$ (110)
3	Other Charitables	1,200	1,223	(23)
4	<b>TOTAL</b>	<b><u>\$ 1,890</u></b>	<b><u>\$ 2,023</u></b>	<b><u>\$ (133)</u></b>

Decrease in Operation Help related to timing of monthly spend.

Note: Charitable and civic contributions are charged to 'Other income and (deductions),' Account 426.1, and not to operating expense. Therefore, contributions of this type are not reflected in customer rates.

A majority of the charitable contributions represent an allocation of the PPL charitable program.

- Q.8. Provide an analysis by function of charges by affiliates, for the test year and the 12-month period immediately prior to the test year, for services rendered included in the operating expenses of the filing company. Explain the nature of the service and the basis on which charges or allocations are made, including a copy of applicable contract. Also, explain major variances between the charges for the test year and the corresponding charges for the prior 12-month period.
- A.8. PPL Services Corporation ("PPL Services"), formed on July 1, 2000, as the result of PPL Corporation realignment, provides various administrative and general services for PPL Electric and the other affiliates of PPL Corporation. Charging for these services is governed by the Comprehensive Utility Goods and Services Agreement dated April 22, 2024. Attachment II-D-8a provides a copy of the currently effective Cost Allocation Manual, Attachment II-D-8b provides a copy of the Comprehensive Utility Goods and Services Agreement, and Attachment II-D-8c an updated list of Subsidiaries and Affiliates of PPL Corporation.

Services are provided in two basic forms - Direct Support and Indirect and Other Support. Direct Support is defined as a distinct product or service that can be readily identified as being incurred for a specific affiliate, or group of affiliates, accounted for, and monitored as direct support. Any allocation of Direct Support to a specific affiliate is based on product/service unit pricing, or specific and identifiable cost accumulation and transfer. Indirect Support represents general and administrative support and depreciation/amortization charges that generally benefit all PPL Corporation subsidiaries and, therefore, cannot be readily identified as being incurred for a specific affiliate. Allocation of indirect support is based on a multi-factor allocation guideline recommended by the PUC and described in Attachment II-D-8d. Other Support includes mostly minor charges from other affiliates.

Listed below are departments/affiliates that provide services to PPL Electric.

PPL Services:

- Auditing & Corporate Compliance – Provides assessments, consultative services, and investigations, in addition to oversight of various compliance services for all affiliated entities. Direct support costs are allocated based on the number of operating segments, number of controls or number of employees.
- Business & Economic Development – Plans for future growth by identifying new opportunities and forming partnerships. Direct support costs are allocated based on the number of customers.

- Chairman – Provides executive oversight of PPL Corporation and its affiliates. Direct support costs are allocated based on the number of operating segments.
- Chief Operating Officer – Provides oversight of PPL Corporation's regulated utility operations, including corporate emergency management and chief customer officer. Direct support costs are allocated based on the number of operating segments and number of employees.
- Corporate Safety, Training and Operational Excellence - Provides training and technical services such as e-learning development and maintenance, in addition to safety support and operational excellence. Direct support costs are allocated based on the number of employees or operating segments.
- Customer Service – Provides support for automated meters and corporate customer billing. Direct support costs are allocated based on the number of meters and number of customers.
- Customer Service Innovation & Delivery – Provides support to Information Technology Department for customer service Information Services consolidation and customer transformation to develop common customer platforms. Direct support costs are allocated based on the number of customers.
- Engineering & Construction – Provides oversight of enterprise-wide engineering and construction services for generation, electricity and gas transmission and distribution, energy supply analysis and environmental compliance. Direct support costs are allocated based on total utility plant assets and number of operating segments.
- Facilities Management - Maintains all PPL Corporation physical facilities, including buildings, office equipment and general property. Direct support costs are allocated based on number of operating segments or number of employees.
- Financial Department – Provides corporate accounting, tax, financing, financial planning, receipts and disbursements, pension plan services, risk management oversight and credit and insurance services and investor relations services. Direct support costs are allocated based on number of employees, number of operating segments, revenue, total utility plant assets, number of network users, insurance policies or book enterprise value.
- Human Resource – Provides strategic corporate human resource functions, including succession planning, talent development, recruiting, executive compensation, performance management, strategic workforce planning, employee and labor relations, compensation and benefit

administration, diversity initiatives, and HR systems. Direct support costs are allocated based on number of employees or number of plan participants.

- Information Technology – Provides information technology services, including operations and systems support, data/analytics, design, engineering, platform architecture, project management, cybersecurity risk management, corporate security, R&D, governance and training. Direct support costs are allocated based on number of network users, number of customers, number of meters, number of employees, number of operating segments or total utility plant assets.
- Office of General Counsel – Provides legal services. Direct support costs are allocated based on number of operating segments.
- Public Affairs – Provides government relations and lobbying services and directs community and economic development activities and provides internal and external communications services. Direct support costs are allocated based on rate base, number of customers, number of items processed or number of employees.
- Regulatory Affairs - Supports the organization performing regulatory functions in support of rate design and management and maintaining regulatory relationships and load analysis to help support revenue and metering activities. Direct support costs are allocated based on number of customers.
- Supply Chain - Provides maintenance and analysis of the supplier base and performs supplier selection and material management services – acquisition and handling. Direct support costs are allocated based on total spend ratio.
- Transmission Services – Provides transmission and substation asset management, project development, interconnections, transmission system operations, vegetation management and NERC & FERC compliance. Direct support costs are allocated based on total utility plant assets.
- Utility Communications Support – Provide communications support that is utility customer and employee specific, as well as market research and ACT 129 communications. Direct support costs are allocated based on number of customers. This department transitioned to PPL Electric Utilities effective January 2025.

See Attachment II-D-8e for a summary of charges to operating expenses and explanations of major variances.

# **PPL Corporation**

## **Cost Allocation Manual**

Effective January 1, 2024

CAM	Cost Allocation Manual
CCS	Customer Care System
FERC	Federal Energy Regulatory Commission
HR	Human Resources
IT	Information Technology
KPSC	Kentucky Public Service Commission
KU	Kentucky Utilities Company
LG&E	Louisville Gas and Electric Company
LKC	LG&E and KU Capital LLC
LKE	LG&E and KU Energy LLC
LKE Foundation	LG&E and KU Foundation
LKS	LG&E and KU Services Company
NECO	The Narragansett Electric Company, d/b/a Rhode Island Energy
PPL	PPL Corporation
PPLEU	PPL Electric Utilities Corporation
PPL Services	PPL Services Corporation
PUHCA 2005	The Public Utility Holding Company Act of 2005
SEC	U.S. Securities and Exchange Commission
VSCC	Virginia State Corporation Commission

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## **PPL Corporation Cost Allocation Manual**

### **Executive Summary**

PPL is comprised of various companies that utilize shared resources from both an operational and financial perspective. This relationship leads to a more efficient and productive final product for all stakeholders, but also requires costs to be reasonably allocated between companies in accordance with various accounting boards and regulators. Also, in order to adequately control costs and determine profitability of the companies, it is necessary to allocate to them costs incurred for their benefit as if they were stand-alone companies outside of the PPL family of companies.

The goal and purpose of this manual is to accumulate and document cost allocation and transfer pricing policies, including both those for proper accounting and cost management purposes. This manual will also be used as a cost allocation manual for the allocation of costs among PPL companies as well as documentation to support policies and procedures to any internal or external parties that review our allocation methodologies.



## **PPL Corporation Cost Allocation Manual**

### **Chapter 1 – Introduction and Goal of Manual**

In 1995, PP&L Resources was formed as an exempt holding company as defined under the Holding Company Act and was comprised of Pennsylvania Power & Light Co. and affiliates Power Markets Development Company and Spectrum. In July 2000, PP&L Resources was reorganized under the name PPL Corporation. In November 2010, PPL acquired E.ON U.S., LLC, a company with utility operations in Kentucky, Tennessee, and Virginia operating as LG&E and KU. As a result of the acquisition, PPL became a multi-state electric utility holding company subject to the FERC requirements contained in PUHCA 2005. In 2021, PPL formed PPL Rhode Island Holdings, which acquired NECO in May 2022.

PUHCA 2005 states that centralized service companies must maintain and make available to the FERC their books, accounts, and other records in the specific manner and preserve them for the required periods as the FERC prescribes in Title 18 Code of Federal Regulations Part 368 of the FERC Uniform System of Accounts. These records must be in sufficient detail to permit examination, audit, and verification, as necessary and appropriate for the protection of utility customers with respect to jurisdictional rates.

PPL affiliate companies provide certain goods and services to each other. PPL Services generally provides shared services on behalf of its affiliates. LKS employees provide both operational and shared service functions for LKE affiliates, principally LG&E and KU. These represent functions provided on behalf of both LG&E and KU as opposed to functions that serve only one utility. For example, all employees of LG&E and KU's transmission function are employees of LKS, whereas generation plant employees are generally employed by the utility which owns the plant. Goods and services provided by PPL Services are not duplicative of goods and services provided by LKS.

The purpose of this CAM is to document the methods, policies, and procedures that PPL affiliates will follow in providing certain goods and performing certain services for affiliate companies and in receiving charges for goods and services from affiliated companies and then allocating those charges to affiliates. In developing this CAM the overriding goal was to protect investors and consumers by ensuring the methods, policies and procedures contained in this CAM were PUHCA 2005 compliant so that affiliate costs are fully segregated, and fairly and rationally allocated among the affiliate companies.

Periodic changes to the CAM may be necessary due to future management decisions, changes in the law, interpretations by state or federal regulatory bodies, changes in structure or activities of affiliates, or other internal procedures.

## GOAL OF THE MANUAL

To accumulate cost allocation and transfer pricing policies, including those for cost management purposes, which will provide PPL's regulated and non-regulated businesses with a common and consistent framework and method to follow and document cost allocation methodologies.

## GUIDING PRINCIPLES OF THE MANUAL

- When reasonably possible, costs will be allocated on a direct basis.
- Allocations will not result in the subsidization of non-regulated affiliates by the regulated business.
- Goods and services will be charged at fully distributed cost (also referred to as fully allocated cost) which shall include, as appropriate, compensation for use of capital thereof, fairly and equitably allocated, and, to the extent applicable, in accordance with the asymmetric pricing requirements in 18 CFR § 35.44.
- This CAM's allocation of costs is guided by the NARUC *Guidelines for Cost Allocations and Affiliate Transactions* (attached as Appendix A).
- As long as all regulatory guidelines are met, allocations will be fair and equitable to the shareholders and customers.
- Allocation documentation will be made available to business lines, affiliates, internal and external auditors, and jurisdictional regulatory commissions as needed.

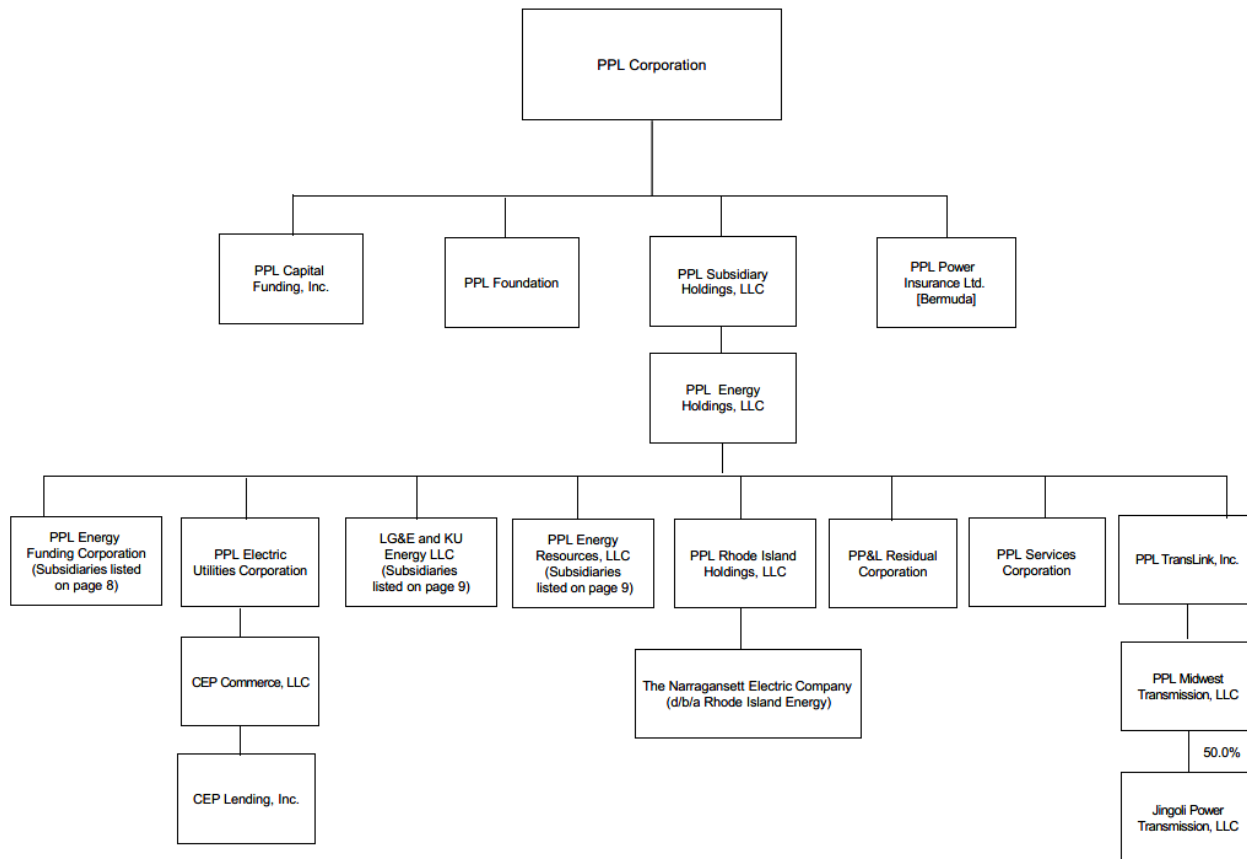
## OTHER RELATED INFORMATION

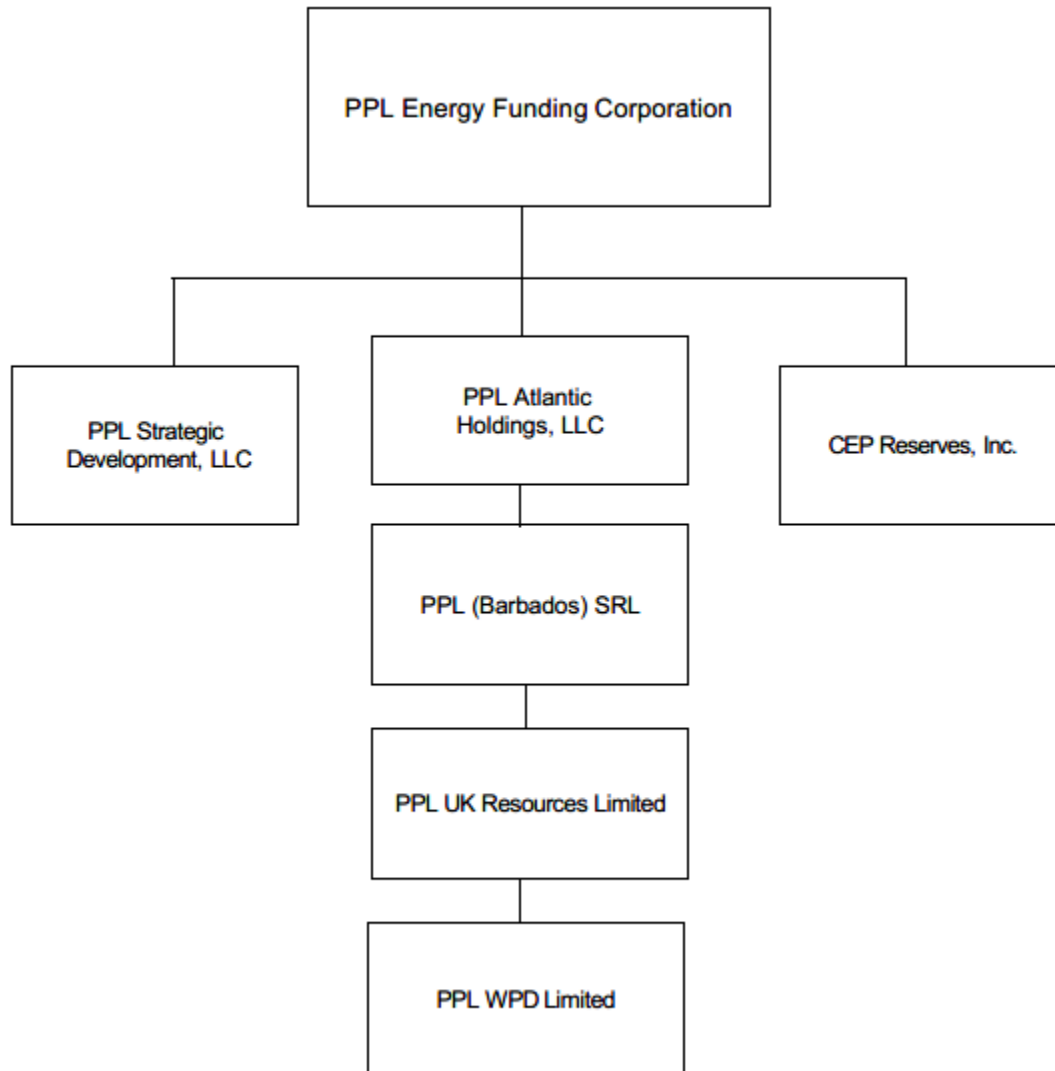
As stated above, this manual is intended to document the cost allocation and transfer pricing practices and procedures for all PPL companies. This manual should be used in conjunction with any existing corporate policies and procedures.

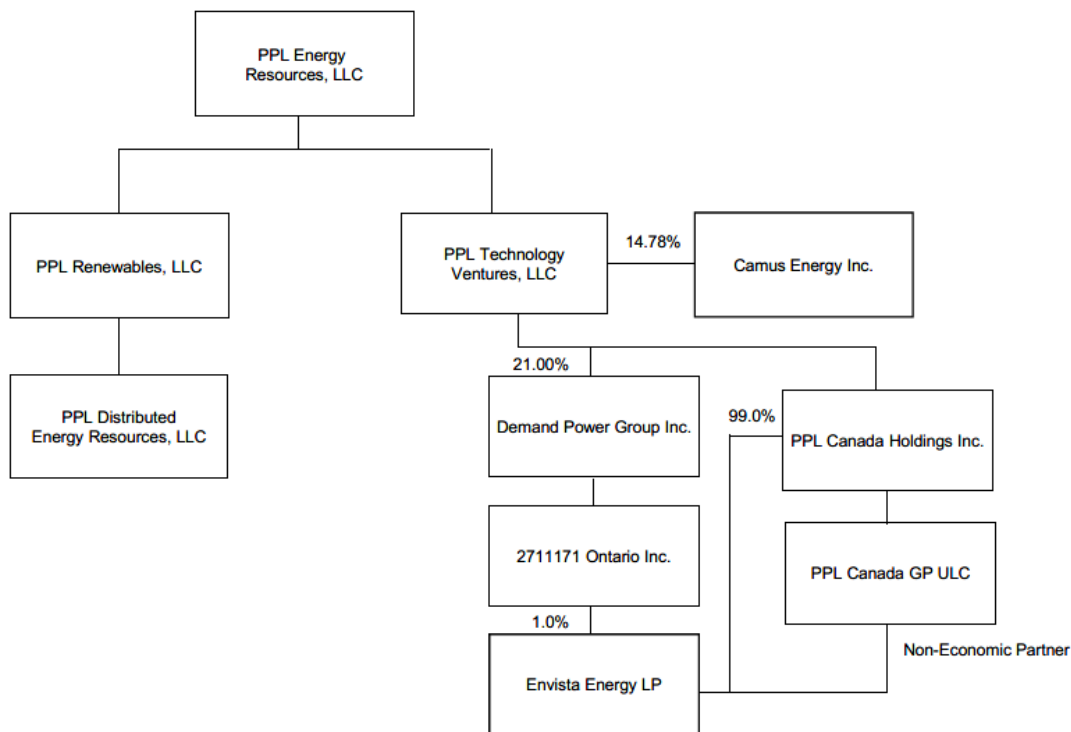
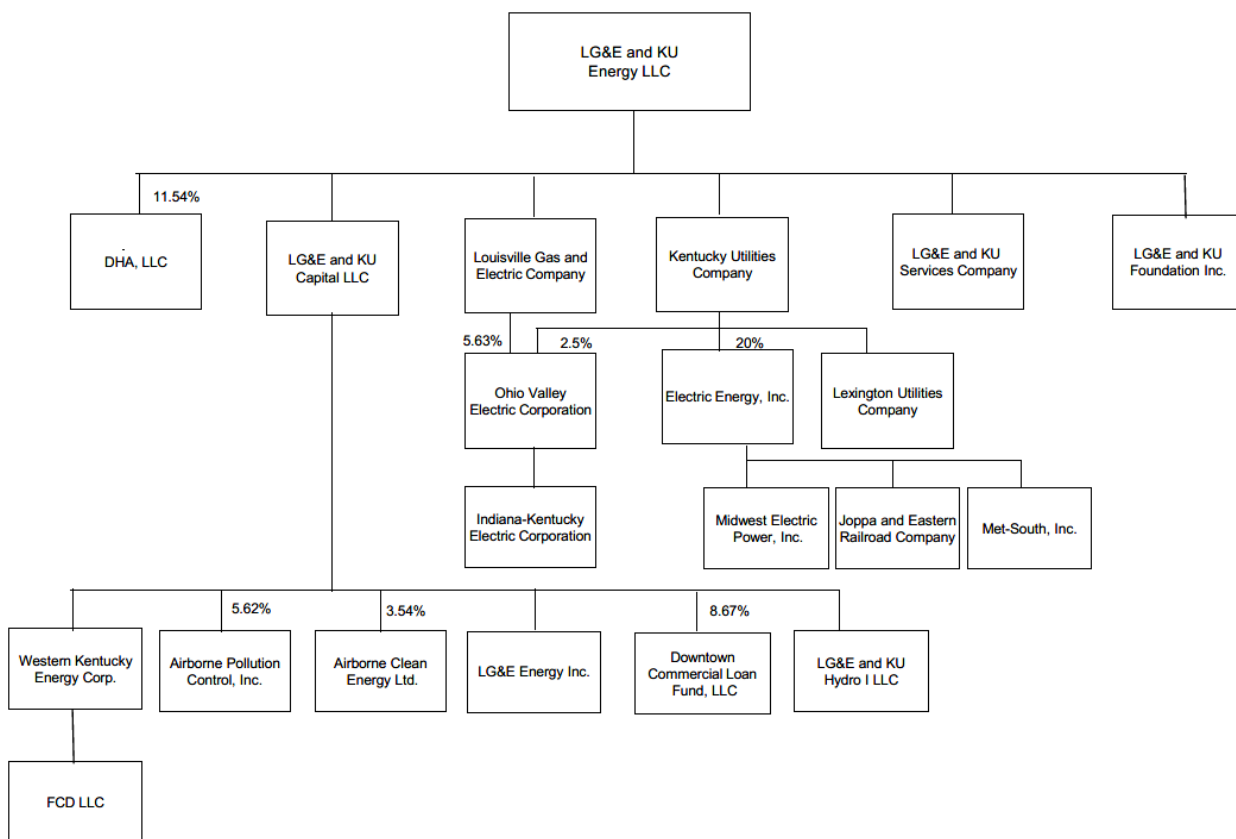
## PPL Corporation Cost Allocation Manual

### Chapter 2 – Corporate Organization (December 1, 2023)

PPL's current organization chart is set forth in this section of the CAM.







## **PPL Corporation Cost Allocation Manual**

### **Chapter 3 – Transactions with Affiliates**

LKS and PPL Services were formed as service companies to provide services for affiliated companies. PPL affiliates may enter into the Comprehensive Goods and Services Agreement, which establishes the general terms and conditions for providing those goods and services. The goods and services provided under the Comprehensive Goods and Services Agreement are described in this chapter.

LKS and PPL Services employees may provide services to regulated and non-regulated entities. The provisions included in the Comprehensive Goods and Services Agreement govern transactions among PPL affiliates and their regulated and non-regulated affiliates.

#### **Description of Goods and Services**

Goods provided by LKS and PPL Services to Affiliates, purchased by LKS and PPL Services from Affiliates, or purchased for Affiliates from third parties include goods for the construction, ownership, operation, or maintenance of Affiliates' facilities and their respective energy systems, or for other services that may be necessary for safe, reliable, and cost-effective operation.

Centralized services provided by affiliates include, but are not limited to: Corporate Audit Services, Corporate Operations & Integration, Corporate Security, Enterprise Security, Financial, Human Resources, Information Technology, Office of General Counsel, Public Affairs, Supply Chain, and Corporate. These centralized services are described further in the chart below.

Employees from each department are provided cost collecting numbers allowing them to affirmatively report and record time for specific projects as well as specific business lines and operating companies they are supporting where appropriate. Remaining department costs are then allocated based on one of the prescribed methods listed below.

The "Assignment Method" in the chart reflects the means for allocating the cost of a particular service within the "Department/Activity" listed when the service is being performed concurrently for more than one affiliate and there is no practical means to directly assign the costs of that service to the affiliates benefiting from that service. Each Department/Activity does, however, directly assign costs for goods and services provided to affiliates where work is being performed for a single affiliate or where it is otherwise practical. For example, the Audit Services department will directly assign costs incurred to perform an internal audit to the affiliate being audited. However, if a given audit applies to more than one affiliate, it is allocated using the Number of Operating Segments Ratio to the entities within the scope of that audit. By way of example, a gas compliance audit would be allocated to the operating segments with gas operations. See Chapter 4 for a detailed description of these cost assignment methods and ratios.

<b>Department/Activity</b>	<b>Description</b>	<b>Assignment Method</b>
Accounting Services	Provide accounting and reporting in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and the FERC Uniform System of Accounts (USofA), including closing the books, consolidations, financial system support, accounting research, interpretation and promulgation of accounting and internal control procedures.	Directly Attributable - Number of Employees Ratio, Number of Operating Segments Ratio, Revenue Ratio, Total Utility Plant Assets Ratio; Indirectly Attributable
Administrative Support	Administrative support provided across multiple functions and areas where a single allocation ratio or blend of allocation ratios is not feasible.	Indirectly Attributable
Annual Meeting/Proxy	Legal services and Corporate Communications costs to manage the annual meeting and printing of the Proxy and Annual Report.	Directly Attributable – Number of Operating Segments Ratio
Audit/PCAOB Fees	Corporate audit or PCAOB fees incurred.	Directly Attributable – Book Enterprise Value Ratio
Auditing	Provide internal audit services for the company.	Directly Attributable – Number of Operating Segments Ratio, Number of Controls Ratio
Billing	Billing for miscellaneous transactions.	Directly Attributable – Number of Items Processed Ratio
Board Services	Board member fees and expenses.	Directly Attributable – Number of Operating Segments Ratio
Budgeting	Provide services related to managing, coordinating and reporting for the budgeting process.	Directly Attributable - Generation Ratio, Number of Customers Ratio, Number of Network Users Ratio, Transmission Ratio; Indirectly Attributable

<b>Department/Activity</b>	<b>Description</b>	<b>Assignment Method</b>
Business Services	Provide environmental, logistics, and transportation services.	Directly Attributable - Number of Employees Ratio, Generation Ratio, Total Utility Plant Assets Ratio, Vehicle Cost Allocation Ratio; Indirectly Attributable
Cash Management	Manage the daily financing and short-term liquidity needs for the company.	Directly Attributable – Number of Operating Segments Ratio
Communications	Provide all administrative and management support for external and internal communication services.	Directly Attributable – Number of Customers Ratio, Number of Employees Ratio
Community Relations	Provide community relations functions, including sponsorships.	Directly Attributable - Number of Customers Ratio, Number of Items Processed Ratio
Corporate Compliance Office	Provide various compliance services for all affiliated entities including compliance assessment and risk management, code of conduct, anti-fraud, ethics, helpline management and Critical Infrastructure Protection (“CIP”) Compliance.	Directly Attributable – Number of Employees Ratio
Corporate Performance	Provides benchmarking and other corporate performance analytics.	Indirectly Attributable
Corporate Security	Provide corporate security services.	Directly Attributable – Number of Employees Ratio; Indirectly Attributable
Customer Services	Provide call center, billing, business analysis, economic development, energy efficiency, field services, metering, remittance processing, and marketing services, and training for customer service employees.	Directly Attributable – Number of Customers Ratio, Number of Items Processed Ratio, Number of Meters Ratio



Department/Activity	Description	Assignment Method
Cyber Security Risk Management	Services associated with setting cybersecurity strategy, providing security risk management governance and oversight of security controls in the first line of defense, and support and facilitation of risk management activities across the enterprise. This function includes services associated with risk quantification and executive metrics, global cybersecurity policies, cyber hunting/active defense, assessing security posture/maturity, and real time visibility and monitoring of subsidiary cyber hygiene.	Directly Attributable – Number of Network Users Ratio
Cybersecurity	Provide IT Services related to Cyber Risk and Compliance, Identity and Access Management, Security Architecture, Security Operations, Risk Mitigation and Management, Prevention and Detection Systems. This service includes developing and administering security policies and procedures, awareness & training, vulnerability management, and incident response, as well as production support and maintenance of existing systems and implementation and management of IT processes to ensure stability and existing systems and infrastructure. This function includes development, implementation and on-going activities for the NERC Critical Infrastructure Protection (“CIP”) Program.	Directly Attributable – Number of Network Users Ratio

<b>Department/Activity</b>	<b>Description</b>	<b>Assignment Method</b>
Depreciation	Depreciation recorded over the estimated useful life of property owned by PPL Services.	Indirectly Attributable
Distribution	Provide operation, maintenance, and construction of distribution lines and substations. Provide distribution asset management, engineering, electric reliability analysis, vegetation management, network trouble/dispatch, and restoration coordination.	Directly Attributable - Number of Customers Ratio, Total Utility Plant Assets Ratio; Indirectly Attributable
Emergency Management/Business Continuity	Provide services related to administration and coordination of disaster recovery/business continuity plans.	Directly Attributable – Number of Employees Ratio
Energy Supply and Analysis	Provide energy marketing, generation planning, load forecasting and market forecasting.	Directly Attributable - Generation Ratio
Executive Services	Provide services related to the compensation, travel and security of company executives.	Directly Attributable – Number of Employees Ratio
Facilities	Support operations and maintenance activities for company facilities. Provide facilities leadership support expenses not specifically identified to a building or project. Provide production mail services for customer bills and large mailings. Provide document services and mail delivery. Provide real estate and right-of-way services. Charge for use of facility space.	Directly Attributable – Facilities Ratio, Generation Ratio, Number of Employees Ratio, Number of Customers Ratio, Number of Operating Segments Ratio, Square Footage Ratio, Transmission Ratio; Indirectly Attributable
Financial Planning	Provide services related to managing, coordinating and reporting for the forecasting process.	Directly Attributable – Number of Operating Segments Ratio; Indirectly Attributable

<b>Department/Activity</b>	<b>Description</b>	<b>Assignment Method</b>
Fuel Procurement	Procure coal, natural gas, oil, and other bulk materials for generation facilities, and ensure compliance with price and quality provisions of fuel contracts.	Directly Attributable - Contract Ratio
Generation	Provide centralized, fleet-wide technical expertise, generation asset management, project engineering for major generation construction, and system laboratory services.	Directly Attributable - Generation Ratio, Total Utility Plant Assets Ratio
Human Capital Management	Provide human resources, compensation and benefit services.	Directly Attributable – Number of Employees Ratio
Insurance Services	Support the procurement of insurance policies for the company.	Directly Attributable – Generation Ratio, Insurance Policies Ratio, Number of Employees Ratio, Number of Operating Segments Ratio, Plan Assets Ratio, Revenue Ratio, Statement of Values Ratio, Total Utility Plant Assets Ratio, Transmission Ratio; Indirectly Attributable
Investor Relations	Provide support for handling the company's shareholders and investors meetings and questions.	Directly Attributable – Book Enterprise Value Ratio
IT Services	Provide IT services including operations and systems support, data/analytics, design, engineering, platform architecture, project management, governance, and training.	Directly Attributable – Number of Customers Ratio, Number of Meters Ratio, Network Users Ratio, Total Utility Plant Assets Ratio
Legal Services	Provide legal services.	Directly Attributable – Number of Operating Segments Ratio; Indirectly Attributable

<b>Department/Activity</b>	<b>Description</b>	<b>Assignment Method</b>
Office of the Chief Financial Officer	Executive responsibility for financial services.	Directly Attributable – Number of Operating Segments Ratio
Office of the Chief Human Resources Officer	Provide executive oversight of human resources functions.	Directly Attributable – Number of Employees Ratio
Office of the Chief Legal Officer	Executive responsibility for legal services and compliance services.	Directly Attributable – Number of Operating Segments Ratio
Office of the Chief Operating Officer	Provide executive oversight of the operations of PPL and its affiliates.	Directly Attributable – Number of Operating Segments Ratio
Office of the President	Provide executive oversight of PPL and its affiliates.	Directly Attributable – Number of Operating Segments Ratio
Payroll	Provide services relating to payroll, time reporting and employee expenses.	Directly Attributable – Number of Employees Ratio
Pension and Other Benefit Plans	Provide services for company pension and other benefit plans.	Directly Attributable – Plan Assets Ratio, Number of Plan Participants Ratio
PPL Services Corporate	Non-support group specific PPL Services' costs, including allocated costs, stock and ICA compensation, as well as high-level benefits adjustments.	Directly Attributable - Number of Operating Segments Ratio
Public Affairs	Provide government relations and lobbying services.	Directly Attributable - Rate Base Ratio; Indirectly Attributable
Regulatory Affairs	Provides services for compliance with regulatory requirements of state commissions, FERC and other regulatory agencies. As part of this function, the group is responsible for the preparation, review, technical oversight and guidance of the development, content, and structure of cost of service and revenue requirement studies.	Directly Attributable - Number of Customers Ratio; Indirectly Attributable

<b>Department/Activity</b>	<b>Description</b>	<b>Assignment Method</b>
Risk Strategy	Manage and assess risk within the organizations including liability risks, claims, security, environmental and safety.	Indirectly Attributable
Safety and Technical Training	Provide safety governance and technical training to company operations areas.	Directly Attributable - Number of Employees Ratio, Generation Ratio, Number of Operating Segments Ratio, Total Utility Plant Assets Ratio, Transmission Ratio; Indirectly Attributable
Stock Based Compensation	Provide services relating to the establishment and oversight of stock-based compensation to employees.	Directly Attributable – Number of Employees Ratio
Supply Chain	Provide maintenance and analysis of the supplier base and performing supplier selection activities including contract negotiations and ongoing compliance. Provide order management and general field support services for system maintenance, developing and monitoring of key performance metrics, supplying day to day variance and reconciliation reporting services and performing supplier certification services. Identify qualified minority and women owned businesses that are able to participate in competitive bidding opportunities.	Directly Attributable – Total Spend Ratio
Sustainability	Provide oversight of corporate sustainability initiatives for all operating companies.	Directly Attributable – Book Enterprise Value
Tax Services	Prepare consolidated and subsidiary federal, state and local income tax returns; current and deferred tax accounting; utility gross	Indirectly Attributable

Department/Activity	Description	Assignment Method
	receipts tax; sales/use tax; project development. Provide corporate income tax compliance, budgeting and forecasting, including tax legislation.	
Transmission	Provide operation, maintenance, and construction of transmission lines and substations. Provide transmission control center services and balancing services. Ensure compliance with all applicable regulatory standards. Provide transmission system reliability planning. Manage transmission tariffs and agreements with outside parties for use of the transmission system.	Directly Attributable - Total Utility Plant Assets Ratio, Transmission Ratio
Treasury Services	Provide support for the company's investing and financing activities, cash management, and credit services.	Directly Attributable – Book Enterprise Value Ratio, Number of Operating Segments Ratio; Indirectly Attributable
Utility Research & Development	Develop and manage an enterprise-wise R&D strategy focused on generation, electric and gas delivery.	Directly Attributable – Number of Operating Segments Ratio
Vendor Servicing	Process payments to vendors for the company.	Directly Attributable – Number of Items Processed Ratio

## **PPL Corporation Cost Allocation Manual**

### **Chapter 4 – Cost Assignment Methods**

The cost of goods and services provided by PPL affiliates will be directly assigned, distributed, or allocated by activity, project/sub-project, FERC account, customer segment, program, work order, or another appropriate basis. The primary basis for charges to affiliates is the direct charge method.

***Directly Assignable*** – Expenses incurred for activities and services exclusively for the benefit of one affiliate.

The methodologies listed below pertain to all other costs which are not directly assigned but which make up the fully distributed cost of providing the service.

***Directly Attributable*** – Expenses incurred for activities and services that benefit more than one affiliate and which can be apportioned using direct measures of costs causation.

***Indirectly Attributable*** – Expenses incurred for activities and services that benefit more than one affiliate and which can be apportioned using general measures of cost causation.

***Unattributable*** – Expenses or portions thereof incurred for activities and services that have been determined as not appropriate for apportionment.

#### **Assignment Methods**

PPL affiliates will allocate the costs of goods and services among the affiliated companies using one of several methods that most accurately distributes the costs. The method of cost allocation varies based on the department rendering the goods or service. Any of the methods may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes in the business. Rates are generally determined annually, semi-annually or monthly (based upon actual usage).

The assignment methods used by PPL affiliates are as follows:

**Book Enterprise Value Ratio** – This ratio is calculated based on book enterprise value. The ratio is calculated on an annual basis.

**Contract Ratio** – This ratio is based on the sum of the physical amount (i.e., tons of coal, mmbtu of natural gas) of the contract for coal and natural gas fuel burned for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Departmental Charge Ratio** – A specific department ratio based upon various factors. The departmental charge ratio typically applies to directly attributable costs such as departmental administrative, support, or material and supply costs, or a combination thereof, that benefit more

than one affiliate and that require allocation using general measures of cost causation. Methods for assignment are department-specific depending on the type of service performed and are documented and monitored by the Budget Analysts for each department. The numerator and denominator vary by department. The ratio is based upon various factors such as labor hours, labor dollars, departmental or entity headcount, capital expenditures, operations and maintenance costs, retail energy sales, charitable contributions, generating plant sites, average allocation of direct reports, net book value of utility plant, total line of business assets, electric capital expenditures, substation assets and transformer assets. The Departmental Charge Ratio may only be used with appropriate prior approval and where other applicable ratios would not result in the fair assignment of costs. These ratios are calculated on an annual basis.

**Facilities Ratio** – This ratio is based on a two-tiered approach with one tier based on the number of employees by department or line of business and the other tier based on the applicable department or line of business ratio. The numerator for the number of employees is the number of employees by department or line of business at the facility and the denominator is the total employees at the facility. This ratio is calculated on an annual basis.

**Generation Ratio** – This ratio is based on the annual forecast of megawatt hours, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Insurance Policies Ratio** – This ratio is based upon a composite percentage of individual insurance policies. This ratio is calculated on an annual basis.

**Number of Controls Ratio** – This ratio is based on the number of SOX controls for each operating segment, then by the number of SEC registrants within the operating segment. The ratio is calculated on an annual basis.

**Number of Customers Ratio** – This ratio is based on the number of retail electric and/or gas customers at year-end for the preceding year. This ratio is updated on an annual basis.

**Number of Employees Ratio** – This ratio is based on the number of employees benefiting from the performance of a service. This ratio is calculated on an annual basis.

**Number of Items Processed Ratio** – This ratio is based on the number of items processed. This ratio is updated on a monthly basis, based upon actual usage.

**Number of Meters Ratio** – This ratio is based on number of meters for each affiliate. This ratio is calculated on an annual basis.

**Number of Network Users Ratio** – This ratio is calculated using two steps. The first step is based upon the number of operational network users at each company at year-end for the preceding year. The second step allocates operational support group network users by number of customers. The result of each step is then added together. This ratio is updated on an annual basis.

**Number of Operating Segments Ratio** – This ratio is based on the number of applicable operating segments covered by PPL. For services provided by LKS, the operating segments are limited to LG&E and KU. This ratio is calculated on an annual basis.



**Number of Plan Participants Ratio** – This ratio is based upon the number of participants in the pension plan. This ratio is updated semi-annually.

**Ownership Percentages** – This ratio is based on the contractual ownership percentages of jointly-owned generating units, information technology, facilities and other capital projects. This ratio is updated as a result of a new jointly-owned capital project and is based on the benefit to the respective company. The numerator is the specific company's forecasted usage. The denominator is the total forecasted usage of all respective companies.

**Plan Assets Ratio** – This ratio is based upon the split of plan assets in the pension. This ratio is updated semi-annually.

**Rate Base Ratio** – This ratio is based upon applicable rate base per entity at year-end for the preceding year. This ratio is updated on an annual basis.

**Revenue Ratio** – This ratio is based on the sum of the revenue for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis.

**Square Footage Ratio** - This ratio is based on the square footage in a facility occupied by an operating segment. This ratio is updated on a monthly basis.

**Statement of Values Ratio** – This ratio is based on the insured value of property for each affiliate. This ratio is updated on an annual basis.

**Total Assets Ratio** – This ratio is based upon the total assets at year-end for the preceding year. This ratio is updated on an annual basis.

**Total Spend Ratio** – This ratio is based upon total O&M and capital spend per entity at year-end for the preceding year. This ratio is updated on an annual basis.

**Total Utility Plant Assets Ratio** – This ratio is based on the total utility plant assets at year-end for the preceding year, the numerator of which is for an operating company and the denominator of which is for all operating companies. In the event of joint ownership of a specific asset, ownership percentages are utilized to assign costs. This ratio is calculated on an annual basis.

**Transmission Ratio** –The Transmission Coordination Agreement (“TCA”) provides “the contractual basis for the coordinated planning, operation, and maintenance of the combined” LG&E and KU transmission system. Pursuant to the terms of the TCA, LG&E/KU “operate their transmission systems as a single control area.” The TCA establishes cost and revenue allocations between LG&E and KU. The Transmission Ratio is based upon Schedule A (Allocation of Operating Expenses of the Transmission System Operator) of the TCA. Transmission System Operator Company allocation percentages are calculated during June of each year to be effective July 1st of each year using the previous year's summation of the Transmission Peak Demands as found in FERC Form 1 for KU and LG&E, page 400, line 17(b).

**Vehicle Cost Allocation Ratio** – Based on the costs associated with providing and operating

transportation fleet for all affiliated companies including developing fleet policy, administering regulatory compliance programs, managing repair and maintenance of vehicles and procuring vehicles. Such rates are applied based on the specific equipment employment and the measured usage of services by the various company entities. This ratio is calculated monthly based on the actual transportation charges from the previous month. The numerator is the department labor charged to a specific company. The denominator is the total labor costs for the specific department. The ratio is then multiplied by the total transportation costs to determine the amount charged to each company.

### **Indirect Cost Allocation Methodology and Procedures**

PPL and its affiliates use a three-factor methodology to allocate indirect costs. In order to ensure consistency of cost allocation across affiliates and avoid subsidization of any affiliate, it is important that all affiliates use the same three-factor methodology to allocate indirect costs. The three-factor methodology provides the most relevant proxy of cost causation because, unlike directly attributable costs, a single primary cost driver could not be identified for such indirect costs.

The three-factor allocation methodology results in a reasonable allocation of indirect costs to all subsidiaries of PPL. Because these subsidiaries are involved in several businesses, they may have disproportionate amounts of invested capital, operation and maintenance expenses and employees, when compared to other PPL subsidiaries, causing disproportionate allocations by relying only on one factor. Through the three-factor allocation methodology, all subsidiaries that comprise a material proportion of PPL, as measured by either invested capital, operation and maintenance expenses, or employees, will receive an equitable proportion of the indirect cost allocation.

#### **CALCULATION OF THE MULTI – FACTOR INDIRECT COST ALLOCATION**

1. The first factor calculates each subsidiary's proportion of invested capital relative to its affiliates. For this calculation, invested capital includes all of the following components of invested capital for subsidiaries (Short Term Debt, Long Term Debt Due in One Year, Long Term Debt, Minority Interest, Company Obligated Preferred Stock, Preferred Stock, and Common Equity) that are added together and allocated by each subsidiary's relative Invested Capital as compared to its affiliates.
2. The second and third factors calculate each subsidiary's proportion of operation and maintenance expenses and number of employees relative to its affiliates. For these factors, the methodology generally is the same as for Invested Capital. Each subsidiary's data is summed and allocated by each subsidiary's relative operation and maintenance and employee data as compared to its affiliates.
3. Each of the three factors is assigned equal weight to avoid any preference for one factor and, therefore, the sum of the three was divided by three to obtain the average multi-factor allocation % for each subsidiary. For simplicity, and to reduce immaterial allocations, subsidiaries with a multi-factor average allocation rate of less than 1% are identified and do not receive an allocation from PPL Services.

**EXCLUDING THE ALLOCATION OF CERTAIN INDIRECT COSTS TO AFFILIATES THAT DO NOT BENEFIT FROM THOSE COSTS**

Each year, Support Groups analyze their indirect costs to determine which PPL subsidiaries do not receive a significant portion of their services. If these services and related costs are significant, the Support Groups isolate them from other indirect costs to ensure that the PPL subsidiaries that do not receive a benefit from the costs are not allocated costs applicable to those services. Support Groups identify either specific costs to be excluded or an appropriate percentage of services that should be excluded based on the operation and the expenses incurred.

### **Cost Assignment Procedures**

Actual charges benefiting one affiliate are recorded directly on the books of that affiliate. Actual charges benefiting multiple affiliates are allocated via direct attribution or indirect attribution, as discussed further in the preceding portion of this chapter.

Allocation methods are developed and assigned by Finance and Accounting personnel based on the primary measure of cost causation for each area. Directly attributable allocation methods are based on closely correlated measures of cost causation, whereas indirectly attributable allocation methods are based on general measures of cost causation. If an existing direct method is not appropriate, a new method may be requested and approved.

Allocation rates for each method are calculated and reviewed at least annually, or more frequently for material changes to the organizational structure or business environment. Allocation methods and rates are set up and maintained in the financial system. Both the initial set up and subsequent changes are reviewed. Charge codes are set up in the financial system and associated with the allocation methods and rates. The charge codes are communicated to the employees in each area for charging time and expenses. Review of employee time entry and employee expenses includes review of the charge codes being utilized. The charges are accumulated in the charge code set up on the source (provider) affiliate and are distributed to the target (receiver) affiliates via system allocation.

Service company costs are budgeted by each support group. In order to add costs to one's budget in a service company, it is necessary to identify which affiliate(s) benefit(s) from the service provided. The support group will work to determine the appropriate allocation method. Budgeted costs are assigned to a cost code and allocation rates are added to the system for each cost code. Rates are reviewed across support groups to ensure the same rates are utilized for similar costs. The allocation is included in the budget system and all service company costs are allocated from the providing/supplying support group to the receiving/consuming affiliate.

Affiliates make available monthly billing information to their affiliates that reflects information necessary to identify the costs charged and services rendered for that period. Affiliates review the allocations monthly for accuracy and reasonableness and discuss any issues with the affiliate on a timely basis. In addition, as an overriding control, affiliates perform monthly analyses of expense variances. These processes serve as incremental controls over the reasonableness of charges to affiliates using the methodologies described above.

## **PPL Corporation Cost Allocation Manual**

### **Chapter 5 – A Description of Assets, Services, and Products Provided by the Regulated Entity to Non-Affiliates**

In addition to delivering electric service to customers, the regulated entities also may provide products and services to some other non-affiliates (individuals, companies, or organizations outside the PPL family of companies). A significant portion of these functions and services pertain to repairing “pole hits,” extending power lines, and relocating customers’ services that generally correspond to the regulated business. Another example of services provided by the regulated entities includes interconnection services provided for independent power producers. These functions and services are billed to non-affiliates at the fully loaded cost.

#### **Rent Charges**

Certain regulated entities may charge rent to occupants of its buildings. Rent charges include the costs to maintain and service the buildings as well as utility services associated with the buildings, such as electricity, water and sewer. These general costs are allocated and billed to the occupants of the building space. Specific tenant services provided are billed to the recipient of the service. Finally, a rent adder is applied to all rent bills. The rent adder is based on a market study of building rent rates within the regulated entity’s service area and is used to adjust the rent charges from cost to market rates.

## **PPL Corporation Cost Allocation Manual**

### **Chapter 6 – Time Distribution and Asset Transfer Policies**

PPL affiliates utilize project/task combinations which are set up to equate to goods and services. Departments may set up multiple projects/sub-projects that map to goods and services, or there may be a one-to-one relationship. On a monthly basis, each support group will review its costs and allocate the costs directly or indirectly, as appropriate. Regardless of the method of reporting, charges related to specific services reside on the company receiving the service and therefore can be identified for billing purposes. This ensures that:

1. Separation of costs among PPL affiliates will be maintained;
2. Intercompany transactions and related billings are structured so that non-regulated activities are not subsidized by regulated affiliates and regulated affiliates do not subsidize other regulated affiliates; and
3. Adequate audit trails exist on the books and records.

### **BILLING POLICIES**

Billings for transactions among PPL affiliates are issued on a timely basis with documentation sufficient to provide the receiving party with enough detail to understand the nature of the billing, the relevant components, and other information as required by affiliates. Financial settlements for transactions are made within 30 days. Interest charges, which are based on market rates for similar maturities of similarly rated entities as of the date of the loan, may apply. LKS or PPL Services may act as payment and billing agent on behalf of PPL affiliates.

### **TIME DISTRIBUTION**

PPL and its affiliates have two methods of distribution to record employee salaries and wages while providing goods and services for the affiliated entities: positive time reporting and exception time reporting. Each department's job activities will dictate the time reporting method used.

#### **Positive Time Reporting**

Positive time reporting requires an employee to track all chargeable hours every day. Each department or project manager is responsible for ensuring employees charge the appropriate time codes for the services performed. This form of time reporting is documented in the timekeeping systems, which upon completion, is approved by the employee's immediate supervisor.

#### **Exception Time Reporting**

Exception time reporting requires an employee to be assigned a task profile with default accounting. An employee who is an exception time reporter is only required to report overtime, variations to regular time (i.e., vacation, sick) and variations to default projects. These allocation percentages shall be reviewed on an annual basis, or when an employee's tasks and

responsibilities change, to update to actual allocation percentages when needed.

### **ASSET TRANSFERS**

Asset transfers follow the asymmetric pricing requirements in 18 CFR § 35.44. Settlement of liabilities will be treated in the same manner.

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Cost Allocation Manual**

**Chapter 7 – State CAM Requirements**

**Kentucky**

LKE is providing information set out in the five sub-paragraphs of KRS 278.2205(2). Much of the information is provided in this CAM or in LG&E's and KU's annual filing reports to the KPSC or the VSCC.

- (A) A list of regulated and nonregulated divisions within the utility.
  - i. This requirement is not applicable to LG&E and KU. LG&E and KU do not contain nonregulated divisions.
- (B) A list of all regulated and nonregulated affiliates of the utility to which the utility provides services or products and where the affiliates provide nonregulated activities as defined in KRS 278.010(21).
  - i. Chapter 2 of this CAM provides a list of the affiliates within the LKE holding company structure.
- (C) A list of services and products provided by the utility, an identification of each as regulated or nonregulated, and the cost allocation method generally applicable to each category.
  - i. LG&E

<b><u>Service/Product</u></b>	<b><u>Regulated/Nonregulated</u></b>	<b><u>Cost Allocation Method</u></b>
Electric Power	Regulated	Power System Supply Agreement <sup>1</sup>
Electric Transmission	Regulated	Transmission Coordination Agreement <sup>2</sup>
Electric Distribution	Regulated	Direct Assignment
Gas Transmission	Regulated	Direct Assignment
Gas Distribution	Regulated	Direct Assignment
Pole Setting/Replacement	Regulated	Direct Assignment
Gas and Electric Line Extensions	Regulated	Direct Assignment
Gas and Electric Line Relocations	Regulated	Direct Assignment
Preliminary Cell Site work	Regulated	Direct Assignment
Rental of space on power poles to third parties	Regulated	Direct Assignment
Installation and removal of cameras from power poles for third parties	Regulated	Direct Assignment
Temporarily turning power off/on for third parties	Regulated	Direct Assignment

<sup>1</sup> Filed with the KPSC in Case Number 2020-00350, Filing Requirement Tab 51 16(7)(u)(1).

<sup>2</sup> Filed with the KPSC in Case Number 2020-00350.

<b><u>Service/Product</u></b>	<b><u>Regulated/Nonregulated</u></b>	<b><u>Cost Allocation Method</u></b>
Providing stand-by power services for large events for third parties	Regulated	Direct Assignment
Rubber goods testing for third parties	Regulated	Direct Assignment
Rental of facilities to third parties	Regulated	Direct Assignment
Occasional sale of parts/equipment to third parties	Nonregulated	Direct Assignment
Industrial coal services	Nonregulated	Direct Assignment
Trimble County 1 working capital charges	Nonregulated	Direct Assignment
Trimble County 1 service fee	Nonregulated	Direct Assignment

ii. KU

<b><u>Service/Product</u></b>	<b><u>Regulated/Nonregulated</u></b>	<b><u>Cost Allocation Method</u></b>
Electric Power	Regulated	Power System Supply Agreement <sup>3</sup>
Electric Transmission	Regulated	Transmission Coordination Agreement <sup>4</sup>
Electric Distribution	Regulated	Direct Assignment
Pole Setting/Replacement	Regulated	Direct Assignment
Electric Line Extensions	Regulated	Direct Assignment
Electric Line Relocations	Regulated	Direct Assignment
Preliminary Cell Site work	Regulated	Direct Assignment
Rental of space on power poles to third parties	Regulated	Direct Assignment
Installation and removal of cameras from power poles for third parties	Regulated	Direct Assignment
Temporarily turning power off/on for third parties	Regulated	Direct Assignment
Providing stand-by power services for large events for third parties	Regulated	Direct Assignment
Maintenance of transmission substations for third parties	Regulated	Direct Assignment
Rental of facilities to third parties	Regulated	Direct Assignment
Occasional sale of parts/equipment to third parties	Nonregulated	Direct Assignment

(D) A list of incidental, nonregulated activities that are subject to the provisions of KRS 278.2203(4).

<sup>3</sup> Filed with the KPSC in Case Number 2020-00349, Filing Requirement Tab 51 16(7)(u)(1).

<sup>4</sup> Filed with the KPSC in Case Number 2020-00349.



- i. LG&E and KU report their incidental and nonregulated activities as part of annual filings to the KPSC.
- (E) A description of the nature of transactions between the utility and the affiliate.
- i. This CAM provides a description of the nature of transactions between the utilities and its affiliates.
- (F) For each USofA account and subaccount, a report that identifies whether the account contains costs attributable to regulated operations and nonregulated operations. The report shall also identify whether the costs are joint costs that cannot be directly identified. A description of the methodology used to apportion each of these costs shall be included and the allocation methodology shall be consistent with the provisions of KRS 278.2203.
- i. LG&E and KU maintain their books and records in accordance with the FERC Uniform System of Accounts. The FERC USofA designates specific accounts where nonregulated transactions are to be recorded. Costs related to LG&E's and KU's nonregulated activities are charged to various 415, 416, and 417 accounts, in accordance with the FERC USofA requirements. The remaining transactions on LG&E's and KU's books are related to regulated utility operations. The methodology of apportioning costs is described in Chapter 3 of this CAM.

### **Virginia**

Prior approval of affiliate transactions is required by Chapter 4 of Title 56 of the Code of Virginia. KU will seek prior approval from the Virginia State Corporation Commission for changes to services agreement(s) and this CAM.

### **Pennsylvania**

Prior approval of affiliated interest agreements is required by Section 2102 of the Public Utility Code, 66 Pa.C.S. § 2102. PPLEU will seek appropriate prior approval of affiliated interest agreements from the Pennsylvania Public Utility Commission.

## **Rhode Island**

The following statutes and rules apply to relationships between utilities and affiliates: Rhode Island General Laws § 39-3-27, Rhode Island General Laws § 39-3-28, Rhode Island General Laws § 39-3-29, Rhode Island General Laws § 39-3-30, Rhode Island General Laws § 39-3-32, 810 RICR-00-00-5.8.A.5 and 810 RICR-00-00-5.8.A.18.

**PPL Corporation  
Cost Allocation Manual**

**Appendix A – National Association of Regulated Utility Commissioners Guidelines for Cost  
Allocations and Affiliate Transactions**

Available at the following link: <https://pubs.naruc.org/pub.cfm?id=539BF2CD-2354-D714-51C4-0D70A5A95C65>

## COMPREHENSIVE UTILITY GOODS AND SERVICES AGREEMENT

This Comprehensive Utility Goods and Services Agreement (this “Agreement”) is entered into as of the 22<sup>nd</sup> day of April 2024, by and among PPL Corporation (“PPL”), a Pennsylvania corporation, Kentucky Utilities Company (“KU-ODP”), a public utility organized under Virginia and Kentucky law and doing business in Virginia as “Old Dominion Power Company;” Louisville Gas and Electric Company (“LG&E”), a public utility organized under Kentucky law; PPL Electric Utilities Corporation (“PPL Electric”), a public utility organized under Pennsylvania law; The Narragansett Electric Company d/b/a Rhode Island Energy (“NECO”), a public utility organized under Rhode Island law; LG&E and KU Energy LLC (“LKE”), a Kentucky limited liability company; LG&E and KU Services Company (“LK Services”), a Kentucky corporation; PPL Services Corporation (“PPL Services”), a Delaware corporation; and all other affiliated interests of PPL (together with PPL, KU-ODP, LG&E, PPL Electric, NECO, LKE, LK Services and PPL Services, the “Affiliates” and each separately, an “Affiliate”).

WHEREAS, PPL is a United States regulated parent holding company that owns directly or indirectly KU-ODP, LG&E, PPL Electric, NECO, LKE, LK Services, PPL Services and other Affiliates;

WHEREAS, KU-ODP, LG&E, PPL Electric, and NECO (collectively, the “Utilities”) are public service companies providing electric or gas service, or both, to customers;

WHEREAS, LK Services and PPL Services (collectively, the “Services Companies”) desire to provide goods and services to Affiliates or purchase goods and services from or for Affiliates for the construction, ownership, operation, or maintenance of their facilities and their respective energy systems, or for other services that may be necessary for safe, reliable, and cost-effective operation;

WHEREAS, PPL and Affiliates believe that it is in their interest to provide for an arrangement whereby they may, from time to time and at their option, agree to purchase goods and administrative, management, supervisory, construction, engineering, accounting, legal, financial, or similar services, including third-party goods and services, from Affiliates;

WHEREAS, the procurement of such goods and services, at the sole election of each Utility, may result in purchasing and operational efficiencies, or is otherwise administratively necessary, and is in the public interest and the interest of such Utility;

WHEREAS, certain Affiliates desire an arrangement whereby other Affiliates may act as payment and billing agent for them; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. GOODS AND SERVICES. Affiliates will supply requested goods and administrative, management, supervisory, construction, engineering, accounting, legal, financial, operating, or similar services to Affiliates. Such services and goods are and will be provided to the receiving Affiliate only at its request.

2. THIRD PARTY GOODS AND SERVICES. Affiliates may procure certain goods and services needed by the receiving Affiliate from third-party vendors. Such third-party goods and services will be provided to the receiving Affiliate only at the request of the receiving Affiliate. The providing Affiliate will invoice the receiving Affiliate or its payment and billing agent, at cost, for its portion of the costs of purchases of such third-party goods and services.

3. PERSONNEL. Affiliates may provide Affiliates services by utilizing the services of their, or their affiliates', executives, accountants, financial advisers, technical advisers, attorneys, and other professional persons with the necessary qualifications.

If necessary, the providing Affiliate, after consultation with and consent by the receiving Affiliate, may also arrange for the services of nonaffiliated experts, consultants, and attorneys in connection with the performance of any of the services supplied under this Agreement.

4. COMPENSATION AND ALLOCATION. As and to the extent required by law, Affiliates provide and will provide such goods and services in accordance with the methods, allocations and requirements of the Cost Allocation Manual approved by or on file with, as required by, the applicable state regulatory commission.

5. TERMINATION AND MODIFICATION. Any party to this Agreement may terminate this Agreement, with respect to itself, by providing 60 days written notice of such termination to the remaining parties.

This Agreement is subject to termination or modification at any time to the extent its performance may conflict with the provisions of the Federal Power Act or the Public Utility Holding Company Act of 2005, as amended, or with any rule, regulation, or order of the Federal Energy Regulatory Commission or state regulatory commission adopted before or after the making of this Agreement.

This Agreement shall be subject to the approval of any state commission or other state regulatory body whose approval, by the laws of said state, is required.

6. NEW AFFILIATES. If at any time after this agreement becomes effective a person, firm, corporation or association, or their lessees, trustees, or receivers becomes an affiliate of PPL, the parties hereto agree that such new affiliate may become a party to this Agreement by executing a duplicate copy of this Agreement.

7. BILLING AND PAYMENT. Unless otherwise agreed, payment for services provided by any of the parties to this Agreement shall be by making remittance of the amount billed or by making appropriate accounting entries on the books of the appropriate parties. Billing will be made on a monthly basis, with the bill to be rendered by the 25<sup>th</sup> of the month for services rendered in the prior month, and remittance or accounting entries completed within 30 days of billing. Any amount remaining unpaid after 30 days following receipt of the bill shall bear interest thereon from the date of the bill at annual rate of A1/P1 30-day Commercial Paper. At the request of an Affiliate, LK Services or PPL Services may act as the Affiliate's payment and billing agent. Payment and billing services, include, but are not limited to, sending or receiving invoices, receiving or disbursing payment, and making appropriate accounting entries.

8. NOTICE. Where written notice is required by this Agreement, all notices, consents, certificates, or other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

To KU-ODP:  
One Quality Street  
Lexington, Kentucky 40507  
Attn: Corporate Secretary

To LG&E:  
220 West Main Street  
Louisville, Kentucky 40202  
Attn: Corporate Secretary

To LKE:  
220 West Main Street  
Louisville, Kentucky 40202  
Attn: Corporate Secretary

To LK Services:  
220 West Main Street  
Louisville, Kentucky 40202  
Attn: Corporate Secretary

To NECO:  
280 Melrose Street  
Providence, RI 02907  
Attn: President

To PPL:  
2 North Ninth Street  
Allentown, Pennsylvania 18101  
Attn: Corporate Secretary

To PPL Electric:  
2 North Ninth Street  
Allentown, Pennsylvania 18101  
Attn: Corporate Secretary

To PPL Services:  
2 North Ninth Street  
Allentown, Pennsylvania 18101  
Attn: Corporate Secretary

9. MODIFICATION. No amendment, change, or modification of this Agreement shall be valid unless made in writing and signed by all parties hereto.

10. ENTIRE AGREEMENT. This Agreement, together with the Cost Allocation Manual referenced in Paragraph 4 constitutes the entire understanding and agreement of the parties with respect to its subject matter, and upon effectiveness of this Agreement pursuant to Paragraph 15, any and all prior agreements, understandings, or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect.

11. WAIVER. No waiver by any party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

12. ASSIGNMENT. This Agreement shall inure to the benefit and shall be binding upon the parties and their respective successors and assigns. No assignment of this Agreement or any party's rights, interests, or obligations hereunder may be made without the other party's consent, which shall not be unreasonably withheld, delayed, or conditioned.

13. SEVERABILITY. If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

14. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one and the same instrument and may be executed for purposes of requesting regulatory approval of the Agreement or complying with any regulatory approval of the Agreement.

15. EFFECTIVE DATE. This Agreement shall become effective upon all necessary regulatory approvals.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of this 25<sup>th</sup> day of April 2024.

**LG&E and KU Energy LLC**

By: Christopher M. Garrett  
Christopher M. Garrett (Apr 25, 2024 15:23 EDT)  
Name: Christopher M. Garrett  
Title: VP-Finance and Accounting

**LG&E and KU Services Company**

By: Christopher M. Garrett  
Christopher M. Garrett (Apr 25, 2024 15:23 EDT)  
Name: Christopher M. Garrett  
Title: VP-Finance and Accounting

**Kentucky Utilities Company**

By: Christopher M. Garrett  
Christopher M. Garrett (Apr 25, 2024 15:23 EDT)  
Name: Christopher M. Garrett  
Title: VP-Finance and Accounting

**Louisville Gas and Electric Company**

By: Christopher M. Garrett  
Christopher M. Garrett (Apr 25, 2024 15:23 EDT)  
Name: Christopher M. Garrett  
Title: VP-Finance and Accounting

[LKE Signature Page to Comprehensive Utility Goods and Services Agreement]



IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of this 25<sup>th</sup> day of April 2024.


**PPL Corporation, for itself, and by and for the affiliated interests of PPL Corporation not signatories to the Agreement**

By:   
Name: Tadd Henninger  
Title: Senior Vice President-Finance & Treasurer

**PPL Electric Utilities Corporation**

By:   
Name: Tadd Henninger  
Title: Senior Vice President & Treasurer


**PPL Services Corporation**

By:   
Name: Tadd Henninger  
Title: Senior Vice President-Finance & Treasurer

[PPL Signature Page to Comprehensive Utility Goods and Services Agreement]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of this 25th day of April 2024.

**The Narragansett Electric Company d/b/a Rhode  
Island Energy**

By: 

Name: Tadd Henninger

Title: Senior Vice President & Treasurer

**[NECO Signature Page to Comprehensive Utility Goods and Services Agreement]**

PPL CORPORATION SUBSIDIARIES AND AFFILIATED INTERESTS

2711171 Ontario Inc.	Ohio Valley Electric Corporation
Airborne Pollution Control, Inc.	Phoenix Generation, LLC
Camus Energy Inc.	Phoenix PA Landing Holdings, LLC
CEP Commerce, LLC	Phoenix PA Ventures, LLC
CEP Lending, Inc.	PP&L Residual Corporation
CEP Reserves, Inc.	PPL (Barbados) SRL
Demand Power Group Inc.	PPL Atlantic Holdings, LLC
DHA, LLC	PPL Canada Holdings Inc.
Downtown Commercial Loan Fund, LLC	PPL Capital Funding, Inc.
Electric Energy, Inc.	PPL Electric Utilities Corporation
FCD LLC	PPL Energy Holdings, LLC
Invitium Energy, LLC	PPL Energy Funding Corporation
Indiana-Kentucky Electric Corporation	PPL Foundation
Jingoli Power Transmission, LLC	PPL Midwest Transmission, LLC
Joppa and Eastern Railroad Company	PPL Power Insurance Ltd.
Kentucky Utilities Company	PPL Rhode Island Holdings, LLC
Lexington Utilities Company	PPL Services Corporation
LG&E and KU Capital LLC	PPL Strategic Development, LLC
LG&E and KU Energy LLC	PPL Subsidiary Holdings, LLC
LG&E and KU Foundation Inc.	PPL Technology Ventures, LLC
LG&E and KU Hydro I LLC	PPL TransLink, Inc.
LG&E and KU Services Company	TL Northeast, LLC
LG&E Energy Inc.	The Narragansett Electric Company (d/b/a Rhode Island Energy)
Louisville Gas and Electric Company	Western Kentucky Energy Corp.
Met-South, Inc.	
Midwest Electric Power, Inc.	

## **INDIRECT COST ALLOCATION METHODOLOGY AND PROCEDURES**

In May 2002, the PUC issued its Focused Management and Operations Audit Report on PPL Electric and PPL Gas Utilities Corporation's utility subsidiaries. As part of that report, the PUC recommended a change to the PPL Corporation (PPL) method of allocating indirect costs from PPL Service Company (Service Co.) and PPL. The allocation method used through December 31, 2002 was a single factor allocation method using Invested Capital to determine the portion of indirect costs to be allocated to subsidiaries of PPL. Additionally, this method also determined if any of the indirect costs should not be allocated to a particular subsidiary or subsidiaries if the subsidiary or subsidiaries did not receive a benefit from the processes incurring those costs. The PUC, however, indicated that a single factor indirect cost allocation method was not appropriate, although the PUC did agree that excluding certain subsidiaries from certain indirect cost allocations was appropriate.

In its audit, the PUC recommended that support costs be allocated using a three-factor methodology. The PUC recommended that the three-factor methodology should contain an employee or payroll factor, an asset or investment factor, and an operation and maintenance expense factor. Effective January 2003, PPL accepted the PUC's recommended three-factor method.

The three-factor allocation methodology results in a reasonable allocation of indirect costs to all subsidiaries of PPL. Because these subsidiaries are involved in several businesses, they may have disproportionate amounts of invested capital, operation and maintenance expenses and employees, when compared to other PPL subsidiaries. Through the three-factor allocation methodology, all subsidiaries that comprise a material proportion of PPL, as measured by either invested capital, operation and maintenance expenses, or employees, will receive an equitable proportion of the indirect cost allocation.

### **CALCULATION OF THE MULTI – FACTOR INDIRECT COST ALLOCATION**

1. The first factor calculates each subsidiary's proportion of invested capital relative to its affiliates. For this calculation, invested capital includes all of the following components of invested capital for subsidiaries (Short Term Debt, Long Term Debt Due in One Year, Long Term Debt, Minority Interest, Company Obligated Preferred Stock, Preferred Stock, and Common Equity) that are added together and allocated by each subsidiary's relative Invested Capital as compared to its affiliates.
2. The second and third factors calculate each subsidiary's proportion of operation and maintenance expenses and number of employees relative to its affiliates. For these factors, the methodology generally is the same as for Invested Capital. Each

subsidiary's data is summed and allocated by each subsidiary's relative operation and maintenance and employee data as compared to its affiliates.

3. PPL determined that each of the three factors was equal in importance and, therefore, the sum of the three was divided by three to obtain the average multi-factor allocation % for each subsidiary. For simplicity, and to reduce immaterial allocations, subsidiaries with a multi-factor average allocation rate of less than 1% are identified and do not receive an allocation.

**PPL ELECTRIC UTILITIES CORPORATION**  
**Affiliate Support to PPL Electric<sup>(1)</sup>**  
**(Thousands of Dollars)**

	<u>July 2025 - June 2026</u>	<u>July 2024 - June 2025</u>	<u>Difference</u>
<b>Business Line: PPL Services Corporation</b>			
<u>Direct Support</u>			
Business & Economic Development	\$ 792	\$ 712	\$ 80
Chairman	1,100	965	135
Chief Operating Officer	571	724	(153)
Corporate Audit & Compliance	2,288	1,916	372
Corporate Facilities	3,371	2,760	612
Corporate Training	3,008	3,157	(149)
Customer Service Innovation and Delivery	430	91	339
Customer Services Corp	1,599	1,672	(73)
Engineering and Construction	21,421	13,847	7,574
Financial	14,498	13,660	838
Human Resources	4,847	4,494	353
Information Services	96,393	93,445	2,948
Office of General Counsel	9,830	9,935	(105)
Public Affairs	1,772	1,837	(65)
Regulatory Affairs	2,573	2,505	69
Supply Chain	8,391	8,999	(608)
Transmission Services Corp	14,215	16,586	(2,371)
Utility Communications Support	-	676	(676)
Total Direct Support	187,099	177,979	9,120
Total Indirect and Other Support <sup>(2)</sup>	33,606	43,499	(9,893)
Total Support	220,705	221,478	(773)

(1) This includes charges allocated by PPL Services to PPL Electric as operating expense. Charges may have been reclassified by PPL Electric.

(2) Other support includes Operations Aggregator, PPL Services and Depreciation

Explanations of major changes are:

Chief Operating Officer - Decrease is due to reduction in outside services costs.

Corporate Facilities- Increase in costs related to support of Pennsylvania buildings and non-capitalized projects.

Corporate Audit & Compliance - Increase due to higher employee expenses, new compliance software and services for compliance initiatives.

CS Innovation Delivery - Increase due to being a new support group as of April 2025.

Engineering and Construction- Newly created support group as of August 2024 that had unfilled newly created positions. Employees also transferred from Transmission Services Corp or from the utilities. Increase in Engineering & Construction direct support primarily due to open headcount resulted in lower labor costs during the Historic Test Year. The Future Test Year is fully staffed.

Information Services- IT increase is due to implementing the OnePPL Strategy and strategic initiatives.

Transmission Services Corp - Decrease primarily due to the move of employees to Engineering and Construction.

Utilities Communications Support - The employees in this support group moved to the utility in January 2025.

**PPL ELECTRIC UTILITIES CORPORATION**  
**Affiliate Support to PPL Electric<sup>(1)</sup>**  
**(Thousands of Dollars)**

	<u>July 2026 - June 2027</u>	<u>July 2025 - June 2026</u>	<u>Difference</u>
<b>Business Line: PPL Services Corporation</b>			
<u>Direct Support</u>			
Business & Economic Development	\$ 792	\$ 792	\$ 1
Chairman	1,088	1,100	(12)
Chief Operating Officer	604	571	32
Corporate Audit & Compliance	2,416	2,288	128
Corporate Facilities	3,144	3,371	(228)
Corporate Training	2,976	3,008	(32)
Customer Service Innovation and Delivery	446	430	16
Customer Services Corp	1,690	1,599	91
Engineering and Construction	22,666	21,421	1,245
Financial	14,793	14,498	295
Human Resources	4,683	4,847	(164)
Information Services	118,070	96,393	21,677
Office of General Counsel	9,626	9,830	(204)
Public Affairs	1,811	1,772	39
Regulatory Affairs	2,683	2,573	110
Supply Chain	8,823	8,391	431
Transmission Services Corp	15,065	14,215	850
Utility Communications Support	-	-	-
Total Direct Support	211,376	187,099	24,277
Total Indirect and Other Support <sup>(1)</sup>	31,132	33,606	(2,474)
Total Support	242,508	220,705	21,803

(1) This includes charges allocated by PPL Services to PPL Electric as operating expense. Charges may have been reclassified by PPL Electric.

(2) Other support includes Operations Aggregator, PPL Services and Depreciation

Explanations of major changes are:

Engineering and Construction- Increase in Engineering & Construction direct support primarily due to new positions created and annual labor increases.

Information Services- Increase related to higher outside managed services cost and higher O&M support and subscriptions for cloud fees and software costs.

- Q.9. Prepare a detailed schedule for test year showing types of social and service organization memberships paid for, the cost thereof, the accounting treatment and whether included in claimed test year expenses.
- A.9. PPL Electric does not include membership dues for social and service organizations in test year expenses. These types of expenses are recorded in Account 426.



Q.10. Provide the following payroll and employee benefit data—regular and overtime—separately for the test year and for the 12-month period immediately prior to the test year:

- a) The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with union personnel.
- b) The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with nonunion personnel.
- c) The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with management employees, if different than b.
- d) A summary of the wage rate, salary and employee benefit changes granted or to be granted during the year.
- e) The claimed test year payroll expense and employee benefit expense.
- f) The percentage of payroll expense and employee benefit expense applicable to operation and maintenance expenses and the basis thereof.

A.10. The requested data is provided in Attachment II-D-10.

**PPL ELECTRIC UTILITIES CORPORATION**

**Payroll and Employee Benefit Data**

(Years ended June 30)

		Years Ended June 30,		
		2027	2026	2025
		(\$000)	(\$000)	(\$000)
a.	<u>Union Personnel</u>			
	Average Number of Employees	989	980	921
	Year-end Number of Employees	983	973	935
	Payroll Costs			
	Normal	\$ 101,693	\$ 102,726	\$ 114,553
	Overtime	\$ 31,693	\$ 28,269	\$ 29,136
	Benefit Costs	\$ 34,450	\$ 19,465	\$ 15,842
b.	<u>Non-Union Personnel</u>			
	Average Number of Employees	494	492	475
	Year-end Number of Employees	494	492	472
	Payroll Costs			
	Normal	\$ 97,388	\$ 96,858	\$ 64,237
	Overtime	\$ 1,758	\$ 1,654	\$ 17,301
	Benefit Costs	\$ 17,209	\$ 9,770	\$ 8,523

Note: Benefit costs allocated based on Average Number of Employees because costs are generally the same for both Union and Non-Union personnel.

c. N/A

		Years Ended June 30,		
		2027	2026	2025
		(\$000)	(\$000)	(\$000)
d.	<u>Wage Rate</u>			
	Union			
	Rate	3.0%	3.0%	3.00%
	Annual Effect	\$ 3,885	\$ 3,815	4,185
	Non-Union			
	Rate	3.0%	3.0%	3.00%
	Annual Effect	\$ 2,888	\$ 2,869	2,375

Benefit Changes - Benefits basically remain unchanged, other than the cost of providing them to employees.

e.	<u>Claimed for Test Year</u>			
	Payroll Expense	\$ 71,214	\$ 77,802	74,309
	Benefit Expense	\$ 18,172	\$ 13,038	7,934
f.	<u>Percent Applicable to O&amp;M</u>			
	Payroll Expense	29.7%	32.7%	33.0%
	Benefit Expense	35.2%	44.6%	32.6%

The charge to expense is based on activities performed or expected to be performed during the applicable years.

Q.11. Describe costs relative to leasing equipment, including computer rentals, and office space, including terms and conditions of the leases. State method for calculating monthly or annual payments.

A.11. PPL Electric had numerous short-term leases for rental of miscellaneous equipment from several vendors. During the period of July 2024 to June 2025, these payments amounted to \$1,414,704. During that same period, PPL Electric also paid an additional approximately \$907,032 for office space leases.

The calculation of monthly or annual payments varies according to the specific vendor agreement.

Q.12. Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures, explain any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate cases, and list all internal and independent audit reports for the most recent 2 year period.

A.12. Attachment II-D-12a provides a list of major accounting changes since PPL Electric's most recent base rate case from 2015.

In 2016, PPL Electric changed its methodology used in calculating the estimated accounts receivable uncollectible reserve balance. The new methodology incorporates information from a current year look-back analysis.

In 2019, PPL Electric adopted the use of the current expected credit loss (CECL) model for the measurement of credit losses on financial instruments, including accounts receivable. The CECL model requires an entity to measure credit losses using historical information, current information and reasonable and supportable forecasts of future events, rather than the incurred loss impairment model required under previous accounting guidance.

In 2025, PPL Electric implemented the requirements of FERC Order No. 898, requiring changes in the financial presentation of certain operation and maintenance expenses and property, plant, and equipment within the FERC Uniform System of Accounts.

Attachment II-D-12b provides a list of Internal Audits performed for PPL Electric for the period of July 1, 2023 through June 30, 2025.

Attachment II-D-12c provides a list of Third-Party Audits performed for PPL Electric for the period of July 1, 2023 through June 30, 2025.

ASU / Topic	Title	Effective Date	Summary	Accounting Impact
2014-08	Reporting of Discontinued Operations	1/1/2015	Changed the criteria for determining what should be classified as a discontinued operation and also changed the related presentation and disclosure requirements.	No impact for EU (Disc Ops not reported at EU since 2015)
2014-09	Accounting for Revenue from Contracts with Customers	1/1/2018	Established a comprehensive new model for the recognition of revenue from contracts with customers based on the core principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	No change to accounting revenue recognition. Increased disclosure requirements regarding revenue contracts with customers.
2014-15	Reporting Uncertainties of an Entity's Ability to Continue as a Going Concern	12/31/2016	Requires management to assess, for each interim and annual period, whether there are conditions or events that raise substantial doubt about an entity's ability to continue as a going concern.	No significant impact
2014-16	Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity	1/1/2016	Clarified how current accounting guidance should be interpreted when evaluating the economic characteristics and risks of a host contract of a hybrid financial instrument issued in the form of a share. This guidance did not change the current criteria for determining whether separation of an embedded derivative feature from a hybrid financial instrument is required.	No significant impact
2015-01	Income Statement Presentation of Extraordinary and Unusual Items	1/1/2016	Eliminated the concept of extraordinary items, which required an entity to separately classify, present in the income statement and disclose material events and transactions that were both unusual and occurred infrequently.	No significant impact
2016-02	Accounting for Leases	1/1/2019	Requires lessees to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). For income statement purposes, the FASB retained a dual model for lessees, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines.	No significant impact as EU does not have material leases. Guidance resulted in no changes in presentation of financial statements on a regulatory basis.
2016-13	Accounting for Financial Instrument Credit Losses	1/1/2020	Requires the use of a current expected credit loss (CECL) model for the measurement of credit losses on financial instruments within the scope of this guidance, which includes accounts receivable. The CECL model requires an entity to measure credit losses using historical information, current information and reasonable and supportable forecasts of future events, rather than the incurred loss impairment model required under current GAAP.	Cumulative effect adjustment of approximately \$2 million. No significant impact to on going accounting.
2017-04	Simplifying the Test for Goodwill Impairment	1/1/2020	Simplified the test for goodwill impairment by eliminating the second step of the quantitative test. The second step of the quantitative test required a calculation of the implied fair value of goodwill, which is determined in the same manner as the amount of goodwill in a business combination. Under this new guidance, an entity compares the estimated fair value of a reporting unit with its carrying value and recognize an impairment charge for the amount the carrying amount exceeds the fair value of the reporting unit.	No significant impact as the EU registrant does not have goodwill.

ASU / Topic	Title	Effective Date	Summary	Accounting Impact
2017-07	Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost	1/1/2018	Changed the income statement presentation of net periodic benefit cost. This new guidance requires the service cost component to be disaggregated from other components of net benefit cost and presented in the same income statement line items as other employee compensation costs arising from services rendered during the period. The other components of net periodic benefits are presented separately from the line items that include the service cost and outside of any subtotal of operating income. Prospectively, the guidance limits the capitalization to the service cost component of net periodic benefit costs.	Presentation of non-service costs within Other Income (Expense) which were historically presented in "Other operation and maintenance." EU non-service costs or credits that would have been capitalized under previous guidance are now recognized as a regulatory asset or regulatory liability, as applicable, in accordance with regulatory approvals under US GAAP. Guidance resulted in no changes in presentation of financial statements on a regulatory basis.
2017-12	Improvements to Accounting for Hedging Activities	1/1/2019	Reduced complexity when applying hedge accounting as well as improved transparency about an entity's risk management activities.	No significant impact.
2018-15	Accounting for Implementation Costs in a Cloud Computing Service Arrangement	1/1/2020	Requires a customer in a cloud computing hosting arrangement that is a service contract to capitalize implementation costs consistent with internal-use software guidance for non-service arrangements.	Changed classification of SAAS agreements from PPE to Prepaids under US GAAP. (Prospective only). Guidance resulted in no changes in presentation of financial statements on a regulatory basis.
2023-07	Improvements to Reportable Segment Disclosures	12/31/2024	Improved reportable segment disclosure requirements, primarily through enhanced disclosures about segment expenses. The standard also requires public entities to disclose the title and position of the Chief Operating Decision Maker (CODM) and explain how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources.	Increased annual and interim disclosures.

FERC Order/ Guidance	Title	Effective Date	Summary	Accounting Impact
Order No. 898	Accounting and Reporting Treatment of Certain Renewable Energy Assets	1/1/2025	Created new functional accounts for certain renewable and software plant and expenses.	Required changes in the financial presentation of certain operation and maintenance expenses and property, plant, and equipment within the FERC Uniform System of Accounts.
AI20-3-000	Accounting for Pipeline Testing Costs Incurred to Comply with New Federal Safety Standards	1/1/2020	Permits the capitalization of required testing related to PHMSA regulations.	PPL Electric has no gas operations and this guidance is not applicable.
AI20-2-000	Accounting for Cumulative-Effect Adjustments to Retained Earnings Related to the Implementation of FASB's Accounting Standard on Credit Losses	1/1/2020	Provides instruction for the implementation of ASU 2016-13 described above.	Cumulative effect adjustment of approximately \$2 million. No significant impact to on going accounting.
AI20-1-000	Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract.	1/1/2020	Provides instruction for the implementation of ASU 2018-15 described above.	Guidance resulted in no changes in presentation of financial statements on a regulatory basis.
AI19-1-000	Accounting and Financial Reporting for Leases	1/1/2019	Provides instruction for the implementation of ASU 2016-02 described above.	Guidance resulted in no changes in presentation of financial statements on a regulatory basis.
AI18-1-000	Accounting and Financial Reporting for Pensions and Post-retirement Benefits other than Pensions	1/1/2018	Provides instruction for the implementation of ASU 2017-07 described above.	Guidance resulted in no changes in presentation of financial statements on a regulatory basis.
Whitepaper Ref	Title	Fiscal Year	Summary	Accounting Impact
PA 16-01	Accounts Receivable Uncollectible Reserve Adjustment	2016	PPL Electric changed its methodology used in calculating the estimated accounts receivable uncollectible reserve balance. The new methodology incorporates information from a current year look-back analysis.	At the time of implementation (11/2016) the uncollectible reserve increased \$8 million.

Listing of Internal Audits  
Performed for PPL Electric Utilities Corporation  
(July 1, 2023 through June 30, 2025)

### **Request for Internal Audit Reports in Support of PPL Electric's 2025 Rate Case Filing**

Below is a listing of internal audit reports for PPL Electric Utilities between July 1, 2023 and June 30, 2025. This listing does not include investigations / independent fact gathering reviews and FERC/NERC-related audits.

2023
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The following is a list of completed PPL Electric internal audit reports from July 1, 2023, through December 31, 2023 (list also includes audits in part relating to assessing support services provided to PPL Electric):

- Application Security (70029148-23)
- PPL Corporate Cost Allocations (70030466-23)
- Firewall Rule Sets (70029146-23)
- Safety Trend Analysis of CDL Management (70030349-23)
- Required Trainings (70031226-23)
- Fraud Risk Assessment (70030967-23)
- Threat Hunting Program (70030348-23)
- Enterprise Cloud Security Standard Review (70028051-23)
- Third-Party Risk Management (70030906-23)
- Officer and Employee Expense 2023 Review (746043-23)
- Cloud Access Security Broker (70036150-23)
- On Track Continuous Auditing Review (70031246-23)
- Data Classification (70036766-23)

2024
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The following is a list of completed PPL Electric internal audit reports audits for 2024 (list also includes audits in part relating to assessing support services provided to PPL Electric):

- Related Party Data Gathering Process Assessment (70038538-24)
- Financial Statement Special Item Review (70037666-24)
- Review of Security Incident and Event Management (Corp Environment) (70037227-24)
- OSHA Required Training (70038288-24)
- Regulatory Rate Riders (70038147-24)
- Proxy - Executive Compensation Tables (70038148-24)
- Supply Chain Vendor Cyber Controls (70038677-24)
- Data Management & Governance (70038507-24)
- Privileged Accounts Classification and Controls (70038410-24)
- IT Governance Program (70039146-24)
- Exempt Employee Overtime Analysis (70038894-24)
- Contractor Access (70039555-24)
- Revocation of Access Process (70039166-24)
- Company Vehicle Usage (70039574-24)
- Dev Ops Process (70039128-24)



- Assistance with NIST CSF Readiness Assessment (70039227-24)
- SEC Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure (70040550-24)
- Inventory Analysis (70039286-24)
- Harmonization of DOA and ALM Processes (70040746-24)
- Security Operations Center Review (70040868-24)
- Generative AI Governance (70040747-24)
- Early Fault Detection Project Assessment (746039-002-24)
- Review of EU Billing Statistics (70038306-24)
- Time Ticket Approval Review (70039767-24)
- Network Outage Change Management (746039-003-24)
- Physical Security Policies and Procedures (70040914-24)
- DER Program Review (746039-004-24)
- Officer and Employee Expense 2024 Review (746043-24)
- Energy Efficiency Programs (70041733-24)
- Supply Chain Procurement Monitoring (70042586-24)
- Data at Rest Controls (70041749-24)
- PPL EU Distribution Pole Inspection Process (70042449-24)
- Elevated Rights Assessment for Non-Compliance Applications and Databases (70041451-24)
- Fraud Risk Assessment (70043001-24)

2025
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The following is a list of completed PPL Electric internal audit reports audits for January 1, 2025 through June 30, 2025 (list also includes audits in part relating to assessing support services provided to PPL Electric):

- Service Now - Release 1 (70040726-25)
- Proxy - Executive Compensation Tables (70045486-25)
- Asset Management Inventory Process (70044889-25)
- PPL Electric Utilities - Meters on Record (70046066-25)
- Logging and Monitoring (70045468-25)
- Patch Management (70045546-25)
- Business Continuity (70046926-25)
- Access to Network Devices (70046670-25)
- Regulatory Rate Rider - EU DSIC (70047297-25)
- Controls for IT and Cyber Tools (70046677-25)
- Azure Policy Review (70046930-25)
- Fleet Fuel Cards (70047688-25)
- Risk Registry Process / Exception Process (70049411-25)
- Absence Management (70048026-25)
- Cloud Secret and Key Management (70046667-25)
- Disaster Recovery Plan Governance and Testing (70047866-25)
- Data in Motion (70047070-25)
- Vendor Remit to Address Change Analytic (70047271-25)

Listing of Completed Third-Party Audits  
Performed for PPL Electric Utilities Corporation  
(July 1, 2023 through June 30, 2025)

## **PPL Corporate Audit Services**

*The information provided is intended solely for the information and use of the PUC and is not intended to be, and must not be, used by anyone other than the specified party.*

### **Request for Third-Party Audit Reports in Support of PPL Electric's 2025 Rate Case Filing**

Below is a listing of completed third-party audit reports for PPL Electric Utilities between July 1, 2023 and June 30, 2025. This listing includes financial, regulatory compliance, and audits performed by / for outside parties. This listing excludes employee benefit plan audits, FERC / NERC related audits, and IRS audits on the PPL Corporation consolidated tax return. The listing also excludes routine project inspections, permit compliance inspections, complaint inspections or spill audits performed by Conservation Districts, PA Department of Agriculture or PA Department of Environmental Protection.

#### **Audit Reports Issued From July 1, 2023 to June 30, 2024**

- PA Public Utility Commission – audits of PPL Electric Utilities Act 129 Compliance Rider
- WIPFLI – LIHEAP Compliance Audit 2022/2023
- PA Department of Revenue – Sales/Use Tax Audit on PPL Electric Utilities
- Deloitte Audit of the Financial Statements of PPL Electric Utilities Corporation for the year ended December 31, 2023
- Deloitte Audit of the Financial Statements included in PPL Electric Utilities Corporation FERC Form 1 filing for the year ended December 31, 2023
- Deloitte Audit of the Financial Statements of Operation Help for the year ended December 31, 2023

#### **Audit Reports Issued From July 1, 2024 to June 30, 2025**

- Fiscal Technologies – PPL Accounts Payable Recovery Audit
- PA Public Utility Commission – Management & Operations Audit
- PA Public Utility Commission – audits of PPL Electric Utilities Smart Meter Rider
- PA Public Utility Commission – audits of PPL Electric Utilities Universal Service Rider
- Deloitte Audit of the Financial Statements of PPL Electric Utilities Corporation for the year ended December 31, 2024
- Deloitte Audit of the Financial Statements included in PPL Electric Utilities Corporation FERC Form 1 filing for the year ended December 31, 2024
- Deloitte Audit of the Financial Statements of Operation Help for the year ended December 31, 2024

- Q.13. Regardless of whether a claim for negative or positive net salvage is made, attach an exhibit showing gross salvage, cost of removal, third party reimbursements, if any, and net salvage for the test year and 4 previous years.
- A.13. Attachment II-D-13 provides PPL Electric's claimed provision for negative net salvage. This claim follows principles previously proposed and accepted by the Commission at Docket No. R-842651 for the accounting of the Company's net salvage.

PPL ELECTRIC UTILITIES CORPORATION

**Negative Net Salvage**  
***(Thousands of Dollars)***

<u>12 Months Ending</u>	<u>Cost of Removal</u>	<u>Gross Salvage</u>	<u>Negative Net Salvage</u>
June 30, 2022	64,914	(1,821)	63,093
June 30, 2023	47,343	(2,792)	44,551
June 30, 2024	44,660	(4,469)	40,191
June 30, 2025	72,870	(4,816)	68,054
June 30, 2026	90,665	(4,419)	86,246
Total for 5-year period ended June 30, 2026	<u>\$ 320,452</u>	<u>\$ (18,317)</u>	<u>\$ 302,135</u>
Five-year average and Negative Net Salvage claim			<u>\$ 60,427</u>

- Q.14. State the amount of debt interest utilized for test year income tax calculations, including the amount so utilized which has been allocated from the debt interest of an affiliate, and provide details of debt interest and allocation computations.
- A.14. PPL Electric does not utilize any debt interest, which has been allocated from the debt interest of an affiliate, in the computation of taxable income. The debt interest utilized for test year income tax calculations is provided in Schedule D-17 of Exhibit Future 1 and Fully Projected Future 1.

Q.15. Provide a schedule for the test year of Federal and Pennsylvania taxes other than income taxes, per books, pro forma at present rates, and pro forma at proposed rates, including the following tax categories:

- a) Social security.
- b) Unemployment.
- c) Capital stock.
- d) Public utility.
- e) P.U.C. assessment.
- f) Other property taxes.
- g) Any other appropriate categories.

A.15. Attachment II-D-15 provides a schedule of taxes other than income per books for the Exhibit Historic 1 and per the budget for the Exhibit Future 1 and Exhibit Fully Projected Future 1.

**PPL ELECTRIC UTILITIES CORPORATION**  
**Schedule of Taxes Other Than Income**

**Twelve Months Ended June 30, 2025**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Total Amount Per Books</u>	<u>T&amp;D Operations Per Books</u>	<u>T&amp;D Pro forma at Present Rates</u>	<u>D Only Pro forma at Present Rates</u>	<u>D Only Pro forma at Proposed Rates</u>
a. Social Security	\$ 10,736	\$ 10,736	\$ 12,202	\$ 11,514	\$ 11,514
b. Unemployment	254	254	288	272	272
c. Public Utility Realty	3,696	3,696	3,110	1,656	1,656
d. Other Property Taxes	3,856	3,856	3,856	2,692	2,692
e. Gross Receipts	130,143	55,457	55,294	55,294	52,021
f. Other	190	190	190	190	190
Total	<u>\$ 148,875</u>	<u>\$ 74,189</u>	<u>\$ 74,940</u>	<u>\$ 71,618</u>	<u>\$ 68,345</u>

**Twelve Months Ended June 30, 2026**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Total Amount Per Budget</u>	<u>T&amp;D Operations Per Budget</u>	<u>T&amp;D Pro forma at Present Rates</u>	<u>D Only Pro forma at Present Rates</u>	<u>D Only Pro forma at Proposed Rates</u>
a. Social Security	\$ 7,696	\$ 7,696	\$ 7,660	\$ 7,173	\$ 7,173
b. Unemployment	183	183	182	171	171
c. Public Utility Realty	3,082	3,082	3,110	1,370	1,370
d. Other Property Taxes	4,153	4,153	4,153	4,058	4,058
e. Gross Receipts	146,700	55,839	55,304	55,304	54,453
Total	<u>\$ 161,814</u>	<u>\$ 70,953</u>	<u>\$ 70,409</u>	<u>\$ 68,076</u>	<u>\$ 67,225</u>

**Twelve Months Ended June 30, 2027**  
*(Thousands of Dollars)*

<u>Description</u>	<u>Total Amount Per Budget</u>	<u>T&amp;D Operations Per Budget</u>	<u>T&amp;D Pro forma at Present Rates</u>	<u>D Only Pro forma at Present Rates</u>	<u>D Only Pro forma at Proposed Rates</u>
a. Social Security	\$ 7,738	\$ 7,738	\$ 7,704	\$ 7,213	\$ 7,213
b. Unemployment	183	183	182	171	171
c. Public Utility Realty	3,175	3,175	3,110	1,410	1,410
d. Other Property Taxes	4,278	4,278	4,278	4,180	4,180
e. Gross Receipts	146,950	56,426	55,873	55,873	76,893
Total	<u>\$ 162,324</u>	<u>\$ 71,800</u>	<u>\$ 71,147</u>	<u>\$ 68,847</u>	<u>\$ 89,867</u>



- Q.16. Submit a schedule showing the adjustments from taxable net income per books to taxable net income pro forma under existing rates and pro forma under proposed rates, together with an explanation of all normalizing adjustments. Submit detailed calculations supporting taxable income before State and Federal income taxes where the income tax is subject to allocation due to operations in another state or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.
- A.16. Detailed calculations supporting PPL Electric's taxable income are shown in Schedule D-17 of Exhibit Future 1 and Exhibit Fully Projected Future 1.

Q.17. Submit a schedule showing for the last 5 years the income tax refunds, plus interest - net of taxes, received from the Federal government due to prior years' claims.

A.17. A schedule of US income tax refunds received for the last 5 years from the federal government follows:

Year Received	Tax Year	Principal	Interest	Total
2020	2019	\$1,194	\$0	\$1,194
2020	2019	\$7,584,133	\$ 502,542	\$8,086,675
2020	2020	\$7,584,133	\$0	\$ 7,584,133
2023	2022	\$55,500,000	\$0	\$ 55,500,000
2024	2021	\$200,245,670	\$0	\$200,245,670
2025	2021	\$579,543	\$1,267,524	\$1,847,067

Q.18. Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits, reserves and associated reversals on liberalized depreciation.

A.18. Attachments II-D-18a and II-D-18b provide a breakdown of the major items comprising prepaid and deferred income tax charges and other deferred income tax credits as reflected in Schedule B-1 in Exhibit Future 1 and Exhibit Fully Projected Future 1.

**PPL ELECTRIC UTILITIES CORPORATION**

**Prepaid and Deferred Taxes**  
**Ending Balance June 30, 2026**  
*(Thousands of Dollars)*

<b><u>Account 190</u></b>	<b><u>Amount</u></b>
ASC 740 Adjustment	\$ 52,751
Bad Debt Provision	11,019
Contributions in Aid of Construction (Recoverable)	171,588
Contributions in Aid of Construction (Non-Recoverable)	5,082
Customer Advances	(16)
Deficient Deferred Taxes from Income Tax Rate Changes	53,423
Environmental Clean Up	2,261
Future Estimated Income Tax Rate Changes	23,216
Obsolete Inventory	2,617
Pension and Post-Retirement Benefits	27,831
Post Employment Benefits	267
Rate Rider Recovery Mechanisms	16,905
Service Company Costs	387
Vacation Pay	2,346
Miscellaneous	941
Total Account 190	<u><u>370,618</u></u>

<b><u>Account 282</u></b>	
Accelerated Cost Recovery System	(908,635)
ASC 740 Adjustment	463,842
Basis Differences	(452,839)
Future Estimated Income Tax Rate Changes	173,492
Net/Book Tax Plant (Excluding CIAC) - Transmission	(1,422,406)
Miscellaneous	44
Total Account 282	<u><u>(2,146,502)</u></u>

<b><u>Account 283</u></b>	
Clearing Account	(1,169)
Future Estimated Income Tax Rate Changes	11,769
Loss on Reacquired Debt	(641)
Post-Retirement VEBA	(753)
Prepays	(1,656)
Rate Rider Recovery Mechanisms	(27,339)
Regulatory Asset - Pension and Post-Retirement Benefits	(128,140)
Regulatory Asset - Rate Case Expenses	(50)
Regulatory Asset - Storm Deferrals	(9,485)
Miscellaneous	(1,248)
Total Account 283	<u><u>(158,712)</u></u>

**PPL ELECTRIC UTILITIES CORPORATION**

**Prepaid and Deferred Taxes**  
**Ending Balance June 30, 2027**  
*(Thousands of Dollars)*

<b><u>Account 190</u></b>	<b><u>Amount</u></b>
ASC 740 Adjustment	\$ 50,954
Bad Debt Provision	10,935
Contributions in Aid of Construction (Recoverable)	178,415
Contributions in Aid of Construction (Non-Recoverable)	5,082
Customer Advances	(16)
Deficient Deferred Taxes from Income Tax Rate Changes	52,733
Environmental Clean Up	2,305
Future Estimated Income Tax Rate Changes	23,216
Obsolete Inventory	2,617
Pension and Post-Retirement Benefits	24,788
Post Employment Benefits	179
Rate Rider Recovery Mechanisms	16,905
Service Company Costs	769
Vacation Pay	2,423
Miscellaneous	1,033
Total Account 190	<u><u>372,338</u></u>

<b><u>Account 282</u></b>	
Accelerated Cost Recovery System	(937,823)
ASC 740 Adjustment	463,957
Basis Differences	(480,773)
Future Estimated Income Tax Rate Changes	173,492
Net/Book Tax Plant (Excluding CIAC) - Transmission	(1,517,450)
Miscellaneous	44
Total Account 282	<u><u>(2,298,553)</u></u>

<b><u>Account 283</u></b>	
Clearing Account	(1,169)
Future Estimated Income Tax Rate Changes	11,769
Loss on Reacquired Debt	(521)
Post-Retirement VEBA	(1,123)
Prepays	(1,892)
Rate Rider Recovery Mechanisms	(27,339)
Regulatory Asset - Pension and Post-Retirement Benefits	(128,140)
Regulatory Asset - Rate Case Expenses	(38)
Regulatory Asset - Storm Deferrals	(6,540)
Miscellaneous	(1,248)
Total Account 283	<u><u>(156,241)</u></u>

Q.19. Explain how the Federal corporate graduated tax rates have been reflected for rate case purposes. If the Pennsylvania jurisdictional utility is part of a multi-corporate system, explain how the tax savings are allocated to each member of the system.

A.19. The Federal corporate graduated tax rates do not apply to the consolidated group because taxable income exceeds the graduated income limitations.

Tax savings are computed and allocated between the parent corporation and affiliates. PPL Corporation, the parent of the affiliated group, allocates federal income tax based upon the taxable income of each member included in the consolidated return. PPL Corporation allocates tax credits to the member(s) that generated the credits in proportion to the amount of credits such member(s) generated on a separate return basis. Similarly, members that generate net operating losses are allocated a credit equivalent to the tax benefit associated with such loss.

PPL Electric reflected the utilization of Research and Development Tax Credits on Schedule D-17 of the Historic 1, Future 1, and Fully Projected Future 1 Exhibits. PPL Electric did not incur or reflect the utilization or generation of Federal and Pennsylvania net operating losses in the income tax provision calculation shown on Schedule D-1 of the Historic 1, Future 1, and Fully Projected Future 1 Exhibits.

Q.20. Explain the treatment given to costs of removal in the income tax calculation and the basis for such treatment.

A.20. Section 1.167(a)-11(d)(3) of the IRS regulations related to ADR provides: "The cost of dismantling, demolishing, or removing an asset in the process of a retirement from the vintage account shall be treated as an expense deductible in the year paid or incurred, and such costs shall not be subtracted from the depreciation reserve for the account." This applies to ADR property acquired after December 31, 1970.

In 1972, PPL Electric requested, and was granted, permission from the IRS national office in Washington, D.C. to deduct as expense all removal costs applicable to property retired after December 31, 1971. This accounting change applied to all property retired after December 31, 1971, regardless of when it was acquired or the method of depreciation used to recover the expenditure. The Company consistently has followed this method of accounting on all income tax returns filed since 1972.

PPL Electric provided deferred income taxes on these expense deductions through December 31, 1980. In accordance with the Commission's order dated January 31, 1981, at Docket No. R-80031114, the Company terminated provisions for deferred income taxes. The Company fully amortized the December 31, 1980 balance of deferred income taxes through December 31, 2006.

- Q.21. Show income tax loss/gain carryovers from previous years. Show loss/gain carryovers by years of origin and amounts remaining by years at the beginning of the test year.
- A.21. PPL Electric does not have any Federal or Pennsylvania Net Operating Losses or Gains at the beginning of the test year.



Q.22. State whether the company eliminates tax savings by the payment of actual interest on construction work in progress not in rate base claim.

If response is affirmative:

- a) Set forth amount of construction claimed in this tax savings reduction, and explain the basis for this amount.
- b) Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.
- c) State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.
- d) Provide details of calculation to determine tax savings reduction, and state whether State taxes are increased to reflect the construction interest elimination.

A.22. The adjustment necessary to reflect the pro forma interest charges on measures of value for the test years is provided in Schedule D-17 of Exhibits Future 1 and Fully Projected Future 1.

- Q.23. Under section 1552 of the Internal Revenue Code (26 U.S.C.A. § 1552) and 26 CFR 1.1552-1 (1983), if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the Federal government (if this interrogatory is not applicable, so state):
- a) State what option has been chosen by the group.
  - b) Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return for the test year and the most recent 3 years for which data is available.
  - c) Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
  - d) Provide the most recent annual income tax return for the group.
  - e) Provide details of the amount of the net operating losses of any member allocated to the income tax returns of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.
  - f) Provide details of the amount of net negative income taxes, after all tax credits are accounted for, of any member allocated to the income tax return of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.
- A.23. a) PPL Electric Utilities Corporation is an affiliate of PPL Corporation (PPL). Internal Revenue Code Section 1552 provides for an allocation of consolidated income tax for "earnings and profits" purposes only. PPL elected option (a) (1), i.e., ratio of taxable income of each company having income to total consolidated taxable income as modified by Commissioner of Internal Revenue for consolidated income tax return purposes only. A copy of the IRS authorization is included as Attachment II-D-23a. PPL has chosen, for book purposes and all other purposes, to allocate consolidated Federal income tax among all companies based on net taxable income or loss and credits on a separate return basis. PPL Corporation became the common

parent of the affiliated group in 1995 and elected to continue this allocation methodology in its 1995 and subsequent Federal income tax returns.

- b) Attachment II-D-23b details the annual tax liability allocated to each of the participating members per the 2022 and 2023 final consolidated federal income tax returns, per the 2024 consolidated federal income tax extension payment allocation, and per the 2025 second quarter estimated federal income tax payment allocation.
- c) PPL Corporation is the parent company of the PPL consolidated group that includes PPL Electric and makes all necessary income tax payments to the Internal Revenue Service for the net tax liability that is due for the consolidated group. PPL Corporation bills companies with positive federal tax allocations and pays those companies with negative allocations. The amounts PPL Corporation receives from, or pays to, each member company are the same amounts as detailed in Attachment II-D-23b.
- d) The most recent Federal income tax return filed by the consolidated group is tax year 2023; the complete tax return is voluminous. Attachment II-D-23c includes pages 1 through 6 of the Federal Form 1120 and a summary of taxable income by member company. Additional schedules will be furnished upon request.
- e) Attachment II-D-23b includes details of the actual payments made to members of the consolidated group with net operating losses.
- f) Attachment II-D-23b includes details of the actual payments made to members of the consolidated group with a net negative income tax allocation after credits.



## U. S. TREASURY DEPARTMENT

WASHINGTON 25

OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE

OCT 13 1955

ADDRESS REPLY TO  
COMMISSIONER OF INTERNAL REVENUE  
WASHINGTON 25, D. C.AIR MAIL TO  
T&R:G  
TFG

Pennsylvania Power & Light Co.  
Ninth and Hamilton Streets  
Allentown, Pennsylvania

Attention: F. H. Markley, Treasurer

Gentlemen:

This is in further reply to your letter dated September 6, 1955, in which you requested approval of a proposed method of allocating the tax liability of the group of which your company is the common parent.

You have proposed to allocate the consolidated tax of your affiliated group under the provisions of section 1552(a)(1) of the 1954 Code, but with the limitations provided under Securities and Exchange Commission Rule U-45(b)(6) as follows:

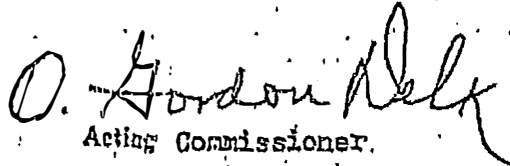
- (1) That the tax allocated to each subsidiary company shall not exceed the amount of tax of such company based upon a separate return computed as if such company had always filed its tax returns on a separate return basis; and
- (2) That any excess of liability over a separate return tax which would be allocated to a subsidiary company but for clause (1) above shall be apportioned among the other members of the group, including the holding company (or other parent company), in direct proportion to the reduction in tax liability to such members as measured by the difference between their tax liabilities computed on a separate return basis and their allocated portion of the consolidated tax liability.

Your proposed method was approved by telegram on September 13, 1955, subject to the condition that the limitation with respect to the tax allocated to your subsidiaries shall be based upon the tax of such members for the taxable year computed as if separate returns had been filed by each for such taxable year without regard to net operating losses sustained by such members in prior or subsequent taxable years.

2 - Pennsylvania Power & Light Co.

This letter and our telegram of September 13, 1955, are evidences of your authority for the adoption of such method.

Very truly yours,

  
Acting Commissioner.

Enclosure:  
Copy of this letter

**PPL CORPORATION AND SUBSIDIARY COMPANIES**  
**ALLOCATION OF FEDERAL INCOME TAX PER 2022 TAX RETURN**

	Taxable Income / (Loss) Before Prior Year Loss <u>Utilization</u>	Taxable Income / (Loss) after NOL <u>Utilization</u>	Tax <u>21%</u>	Total Tax Credits <u>Available</u>	Current Year Tax Credit <u>Utilization</u>	Carryforward Tax Credits	Tax
CEP Commerce, LLC	\$ (270)	\$ (270)	\$ (57)	\$ -	\$ -	\$ -	\$ (57)
CEP Lending, Inc.	4,941,150	4,941,150	1,037,641	-	-	-	1,037,641
CEP Reserves, Inc.	33,808,216	33,808,216	7,099,725	-	-	-	7,099,725
FCD LLC	-	-	-	-	-	-	-
Kentucky Utilities Company	305,136,902	305,136,902	64,078,749	(767,479)	(153,268)	(614,211)	63,925,481
LG&E and KU Capital LLC	(71,046,495)	(71,046,495)	(14,919,764)	-	-	-	(14,919,764)
LG&E and KU Energy LLC	(20,219,514)	(20,219,514)	(4,246,098)	-	-	-	(4,246,098)
LG&E and KU Services Company	-	-	-	(120,667)	-	(120,667)	-
Louisville Gas and Electric Company	305,758,131	305,758,131	64,209,208	(1,039,289)	(121,328)	(917,961)	64,087,880
PMDC International Holdings, LLC	(898,875)	(898,875)	(188,764)	(862,624)	(862,624)	-	(1,051,388)
PP&L Residual Corporation	37,132	37,132	7,798	-	-	-	7,798
PPL (Barbados) SRL	(62,143)	(62,143)	(13,050)	-	-	-	(13,050)
PPL Atlantic Holdings, LLC	5,657,016	5,657,016	1,187,973	-	-	-	1,187,973
PPL Capital Funding, Inc.	(2,007,737)	(2,007,737)	(421,625)	-	-	-	(421,625)
PPL Corporation	(22,921,275)	(22,921,275)	(4,813,468)	-	3,421,968	(3,421,968)	(1,391,500)
PPL Distributed Energy Resources, LLC	(7,373,270)	(7,373,270)	(1,548,387)	-	-	-	(1,548,387)
PPL Electric Utilities Corporation	328,502,122	328,502,122	68,985,446	(3,693,287)	(56,102)	(3,637,185)	68,929,344
PPL Energy Funding Corporation	(20,179,165)	(20,179,165)	(4,237,625)	-	-	-	(4,237,625)
PPL Energy Holdings, LLC	(2,935,533)	(2,935,533)	(616,462)	-	-	-	(616,462)
PPL Energy Resources, LLC	(18,095)	(18,095)	(3,800)	-	-	-	(3,800)
PPL Global, LLC	(310,437)	(310,437)	(65,192)	-	-	-	(65,192)
PPL Midwest Transmission, LLC	(93,268)	(93,268)	(19,586)	-	-	-	(19,586)
PPL Power Insurance Ltd.	6,864,854	6,864,854	1,441,619	-	-	-	1,441,619
PPL Renewables, LLC	(1,844,332)	(1,844,332)	(387,310)	-	-	-	(387,310)
PPL Rhode Island Holdings, LLC	(164,262,244)	(164,262,244)	(34,495,071)	-	-	-	(34,495,071)
PPL Safari Holdings, LLC	(2,257,619)	(2,257,619)	(474,100)	-	-	-	(474,100)
PPL Services Corporation	1,992,409	1,992,409	418,406	-	-	-	418,406
PPL Strategic Development, LLC	(12,481,421)	(12,481,421)	(2,621,099)	-	-	-	(2,621,099)
PPL Subsidiary Holdings, LLC	(23,787)	(23,787)	(4,995)	-	-	-	(4,995)
PPL Technology Ventures, LLC	(1,398,687)	(1,398,687)	(293,724)	-	-	-	(293,724)
PPL TransLink, Inc.	(764,156)	(764,156)	(160,473)	-	-	-	(160,473)
PPL UK Holdings, LLC	(855,499)	(855,499)	(179,655)	(104,079,282)	(104,079,282)	-	(104,258,937)
PPL UK Resources Limited	(37,575)	(37,575)	(7,891)	-	-	-	(7,891)
Safari Energy, LLC	(39,472,824)	(39,472,824)	(8,289,293)	(16,452,644)	(16,452,644)	-	(24,741,937)
The Narragansett Electric Company	(37,674,563)	(37,674,563)	(7,911,658)	-	-	-	(7,911,658)
Western Kentucky Energy Corp.	954,613	954,613	200,469	-	-	-	200,469
<b>Total Consolidated</b>	<b>\$ 584,513,761</b>	<b>\$ 584,513,761</b>	<b>\$ 122,747,890</b>	<b>\$ (127,015,272)</b>	<b>\$ (118,303,280)</b>	<b>\$ (8,711,992)</b>	<b>\$ 4,444,610</b>

**PPL CORPORATION AND SUBSIDIARY COMPANIES**  
**ALLOCATION OF FEDERAL INCOME TAX PER 2023 TAX RETURN**

	Taxable Income / (Loss) Before Prior Year Loss <u>Utilization</u>	Taxable Income / (Loss) after NOL <u>Utilization</u>	Tax <u>21%</u>	Total Tax Credits <u>Available</u>	Current Year Tax Credit <u>Utilization</u>	Carryforward <u>Tax Credits</u>	<u>Tax</u>
CEP Commerce, LLC	\$ (273)	\$ (273)	\$ (57)	\$ -	\$ -	\$ -	\$ (57)
CEP Lending, Inc.	150,291	150,291	31,561	-	-	-	31,561
CEP Reserves, Inc.	(8,398,359)	(8,398,359)	(1,763,655)	-	-	-	(1,763,655)
FCD LLC	-	-	-	-	-	-	-
Kentucky Utilities Company	343,206,956	343,206,956	72,073,461	(1,356,781)	(614,302)	(742,479)	71,459,159
LG&E and KU Capital LLC	(96,930,673)	(96,930,673)	(20,355,441)	-	-	-	(20,355,441)
LG&E and KU Energy LLC	(63,306,914)	(63,306,914)	(13,294,452)	-	-	-	(13,294,452)
LG&E and KU Services Company	-	-	-	(219,876)	(120,667)	(99,209)	(120,667)
Louisville Gas and Electric Company	325,808,700	325,808,700	68,419,827	(1,877,053)	(918,409)	(958,644)	67,501,418
PP&L Residual Corporation	(1,442,134)	(1,442,134)	(302,848)	-	-	-	(302,848)
PPL (Barbados) SRL	(156,889)	(156,889)	(32,947)	-	-	-	(32,947)
PPL Atlantic Holdings, LLC	17,008,163	17,008,163	3,571,714	-	-	-	3,571,714
PPL Capital Funding, Inc.	(576,131)	(576,131)	(120,988)	-	-	-	(120,988)
PPL Corporation	1,592,177	1,592,177	334,357	(107,056,643)	(60,017,674)	(47,038,969)	(59,683,318)
PPL Distributed Energy Resources, LLC	72,341,522	72,341,522	15,191,720	-	-	-	15,191,720
PPL Electric Utilities Corporation	381,426,547	381,426,547	80,099,575	(7,089,485)	(3,637,185)	(3,452,300)	76,462,390
PPL Energy Funding Corporation	(120,055,963)	(120,055,963)	(25,211,752)	-	-	-	(25,211,752)
PPL Energy Holdings, LLC	(1,345,142)	(1,345,142)	(282,480)	-	-	-	(282,480)
PPL Energy Resources, LLC	(171,364)	(171,364)	(35,986)	-	-	-	(35,986)
PPL Midwest Transmission, LLC	(675,372)	(675,372)	(141,828)	-	-	-	(141,828)
PPL Power Insurance Ltd.	1,363,950	1,363,950	286,430	-	-	-	286,430
PPL Renewables, LLC	39,140,231	39,140,231	8,219,447	-	-	-	8,219,447
PPL Rhode Island Holdings, LLC	(180,353,118)	(180,353,118)	(37,874,155)	-	-	-	(37,874,155)
PPL Services Corporation	1,398,057	1,398,057	293,592	-	-	-	293,592
PPL Strategic Development, LLC	(24,880,399)	(24,880,399)	(5,224,885)	-	-	-	(5,224,885)
PPL Subsidiary Holdings, LLC	(29,472)	(29,472)	(6,189)	-	-	-	(6,189)
PPL Technology Ventures, LLC	(1,653,746)	(1,653,746)	(347,287)	-	-	-	(347,287)
PPL TransLink, Inc.	(2,170,110)	(2,170,110)	(455,723)	-	-	-	(455,723)
PPL UK Resources Ltd	(30,940)	(30,940)	(6,497)	-	-	-	(6,497)
PPL WPD Ltd	(21,053)	(21,053)	(4,421)	-	-	-	(4,421)
The Narragansett Electric Company	(268,467,100)	(268,467,100)	(56,378,091)	(61,832)	-	(61,832)	(56,378,091)
Western Kentucky Energy Corp.	1,840,931	1,840,931	386,596	-	-	-	386,596
Total Consolidated	<u>\$ 414,612,372</u>	<u>\$ 414,612,372</u>	<u>\$ 87,068,598</u>	<u>\$ (117,661,670)</u>	<u>\$ (65,308,237)</u>	<u>\$ (52,353,433)</u>	<u>\$ 21,760,361</u>

**PPL CORPORATION AND SUBSIDIARY COMPANIES**  
**ALLOCATION OF FEDERAL INCOME TAX PER 2024 EXTENSION TAX PAYMENT**

	Est. Taxable Income / (Loss) Before Prior Year Loss <u>Utilization</u>	Estimated Taxable Income / (Loss) after NOL <u>Utilization</u>	Estimated Tax 21%	Total Tax Credits Available	Current Year Est. Tax Credit <u>Utilization</u>	Estimated Carryforward Tax Credits	Estimated Tax
CEP Commerce, LLC	\$ (275)	\$ (275)	\$ (58)	\$ -	\$ -	\$ -	\$ (58)
CEP Lending, Inc.	33,340,706	33,340,706	7,001,548	-	-	-	7,001,548
CEP Reserves, Inc.	181,457,698	181,457,698	38,106,117	-	-	-	38,106,117
FCD LLC	-	-	-	-	-	-	-
Kentucky Utilities Company	422,755,254	422,755,254	88,778,603	-	-	-	88,778,603
LG&E and KU Capital LLC	-	-	-	-	-	-	-
LG&E and KU Energy LLC	(253,631,702)	(253,631,702)	(53,262,657)	(3,277,431)	(2,702,392)	(575,039)	(55,965,049)
LG&E and KU Services Company	894,985	894,985	187,947	-	-	-	187,947
Louisville Gas and Electric Company	296,192,084	296,192,084	62,200,338	-	-	-	62,200,338
PP&L Residual Corporation	(2,137,060)	(2,137,060)	(448,783)	-	-	-	(448,783)
PPL Atlantic Holdings, LLC	17,629,730	17,629,730	3,702,243	-	-	-	3,702,243
PPL Capital Funding, Inc.	2,490,927	2,490,927	523,095	-	-	-	523,095
PPL Corporation	(3,043,007)	(3,043,007)	(639,031)	(64,900,427)	(52,710,027)	(12,190,400)	(53,349,058)
PPL Electric Utilities Corporation	234,640,016	234,640,016	49,274,403	(6,593,300)	(6,593,300)	-	42,681,103
PPL Energy Funding Corporation	(4,808,594)	(4,808,594)	(1,009,805)	-	-	-	(1,009,805)
PPL Energy Holdings, LLC	(25,909,514)	(25,909,514)	(5,440,998)	-	-	-	(5,440,998)
PPL Midwest Transmission, LLC	(912,438)	(912,438)	(191,612)	-	-	-	(191,612)
PPL Power Insurance Ltd.	580,780	580,780	121,964	-	-	-	121,964
PPL Rhode Island Holdings, LLC	(301,602,122)	(301,602,122)	(63,336,446)	-	-	-	(63,336,446)
PPL Services Corporation	1,558,071	1,558,071	327,195	-	-	-	327,195
PPL Strategic Development, LLC	(30,073,183)	(30,073,183)	(6,315,368)	-	-	-	(6,315,368)
PPL Subsidiary Holdings, LLC	(41,846)	(41,846)	(8,788)	-	-	-	(8,788)
PPL Technology Ventures, LLC	(620,099)	(620,099)	(130,221)	-	-	-	(130,221)
PPL TransLink, Inc.	(416,697)	(416,697)	(87,506)	-	-	-	(87,506)
The Narragansett Electric Company	(174,701,024)	(174,701,024)	(36,687,216)	(119,832)	(119,832)	-	(36,807,048)
Western Kentucky Energy Corp.	765,572	765,572	160,770	-	-	-	160,770
Total Consolidated	<u>\$ 394,408,262</u>	<u>\$ 394,408,262</u>	<u>\$ 82,825,734</u>	<u>\$ (74,890,990)</u>	<u>\$ (62,125,551)</u>	<u>\$ (12,765,439)</u>	<u>\$ 20,700,183</u>



**PPL CORPORATION AND SUBSIDIARY COMPANIES**  
**ALLOCATION OF FEDERAL INCOME TAX PER 2ND QUARTER 2025 ESTIMATED TAX PAYMENT**

	Estimated Annual Taxable Income / (Loss) Before Prior Year <u>Loss Utilization</u>	Estimated Annual Taxable Income / (Loss) after NOL <u>Utilization</u>	Estimated Tax <u>21%</u>	Actual Total Tax Credits <u>Available</u>	Current Year Est. Tax Credit <u>Utilization</u>	Estimated Carryforward Tax Credits	Estimated Annual Tax
CEP Commerce, LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CEP Lending, Inc.	6,100,000	6,100,000	1,281,000	-	-	-	1,281,000
CEP Reserves, Inc.	213,800,000	213,800,000	44,898,000	-	-	-	44,898,000
FCD LLC	(1,200,000)	(1,200,000)	(252,000)	-	-	-	(252,000)
Kentucky Utilities Company	410,500,000	410,500,000	86,205,000	-	-	-	86,205,000
LG&E and KU Capital LLC	(99,900,000)	(99,900,000)	(20,979,000)	-	-	-	(20,979,000)
LG&E and KU Energy LLC	(173,900,000)	(173,900,000)	(36,519,000)	(1,689,495)	(1,689,495)	-	(38,208,495)
LG&E and KU Services Company	(900,000)	(900,000)	(189,000)	-	-	-	(189,000)
Louisville Gas and Electric Company	354,400,000	354,400,000	74,424,000	-	-	-	74,424,000
PP&L Residual Corporation	(400,000)	(400,000)	(84,000)	-	-	-	(84,000)
PPL Atlantic Holdings, LLC	(800,000)	(800,000)	(168,000)	-	-	-	(168,000)
PPL Capital Funding, Inc.	(2,400,000)	(2,400,000)	(504,000)	-	-	-	(504,000)
PPL Corporation	(49,200,000)	(49,200,000)	(10,332,000)	(16,711,501)	(16,711,501)	-	(27,043,501)
PPL Electric Utilities Corporation	382,300,000	382,300,000	80,283,000	(1,000,000)	(1,000,000)	-	79,283,000
PPL Energy Funding Corporation	(2,500,000)	(2,500,000)	(525,000)	-	-	-	(525,000)
PPL Energy Holdings, LLC	(17,000,000)	(17,000,000)	(3,570,000)	-	-	-	(3,570,000)
PPL Midwest Transmission, LLC	(1,000,000)	(1,000,000)	(210,000)	-	-	-	(210,000)
PPL Power Insurance Ltd.	3,600,000	3,600,000	756,000	-	-	-	756,000
PPL Rhode Island Holdings, LLC	(289,000,000)	(289,000,000)	(60,690,000)	-	-	-	(60,690,000)
PPL Services Corporation	(500,000)	(500,000)	(105,000)	-	-	-	(105,000)
PPL Strategic Development, LLC	(67,000,000)	(67,000,000)	(14,070,000)	-	-	-	(14,070,000)
PPL Subsidiary Holdings, LLC	(100,000)	(100,000)	(21,000)	-	-	-	(21,000)
PPL Technology Ventures, LLC	(300,000)	(300,000)	(63,000)	-	-	-	(63,000)
PPL TransLink, Inc.	(1,800,000)	(1,800,000)	(378,000)	-	-	-	(378,000)
The Narragansett Electric Company	249,300,000	249,300,000	52,353,000	-	-	-	52,353,000
Western Kentucky Energy Corp.	(200,000)	(200,000)	(42,000)	-	-	-	(42,000)
Total Consolidated	<u>\$ 911,900,000</u>	<u>\$ 911,900,000</u>	<u>\$ 191,499,000</u>	<u>\$ (19,400,996)</u>	<u>\$ (19,400,996)</u>	<u>\$ -</u>	<u>\$ 172,098,004</u>

2023

**1120**  
 Form  
 Department of the Treasury  
 Internal Revenue Service

**U.S. Corporation Income Tax Return**  
 For calendar year 2023 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_  
 Go to [www.irs.gov/Form1120](http://www.irs.gov/Form1120) for instructions and the latest information.

<b>A Check if:</b> 1a Consolidated return (attach Form 851) <input checked="" type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input checked="" type="checkbox"/>	<b>TYPE OR PRINT</b>	<b>Name</b> PPL Corporation and Subsidiaries <b>Number, street, and room or suite no. If a P.O. box, see instructions.</b> 645 Hamilton Street, Suite 900 <b>City or town, state or province, country, and ZIP or foreign postal code</b> Allentown, PA 18101	<b>B Employer identification number</b> 23-2758192 <b>C Date incorporated</b> 03/15/1994 <b>D Total assets (see instructions)</b> \$ 39,377,266,080.
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		<b>E Check if:</b>	<b>(1)</b>	<b>Initial return</b>	<b>(2)</b>	<b>Final return</b>	<b>(3)</b>	<b>Name change</b>	<b>(4)</b>	<input checked="" type="checkbox"/> <b>Address change</b>
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			<b>1a</b>	8,478,340,222.					
			<b>1b</b>						
<b>Income</b>	<b>1a</b>	Gross receipts or sales		8,478,340,222.					
	<b>b</b>	Returns and allowances							
	<b>c</b>	Balance. Subtract line 1b from line 1a			<b>1c</b>	8,478,340,222.			
	<b>2</b>	Cost of goods sold (attach Form 1125-A)			<b>2</b>				
	<b>3</b>	Gross profit. Subtract line 2 from line 1c			<b>3</b>	8,478,340,222.			
	<b>4</b>	Dividends and inclusions (Schedule C, line 23)			<b>4</b>				
	<b>5</b>	Interest			<b>5</b>	29,861,203.			
	<b>6</b>	Gross rents			<b>6</b>	58,545,525.			
	<b>7</b>	Gross royalties			<b>7</b>				
	<b>8</b>	Capital gain net income (attach Schedule D (Form 1120))			<b>8</b>	172,841.			
	<b>9</b>	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>9</b>	-169,032,351.			
<b>Deductions (See instructions for limitations on deductions.)</b>	<b>10</b>	Other income (see instructions - attach statement)		See Statement. 6.	<b>10</b>	320,578,534.			
	<b>11</b>	<b>Total income.</b> Add lines 3 through 10			<b>11</b>	8,718,465,974.			
	<b>12</b>	Compensation of officers (see instructions - attach Form 1125-E)			<b>12</b>	29,901,000.			
	<b>13</b>	Salaries and wages (less employment credits)			<b>13</b>	298,953,372.			
	<b>14</b>	Repairs and maintenance			<b>14</b>	601,818,500.			
	<b>15</b>	Bad debts			<b>15</b>	157,403,406.			
	<b>16</b>	Rents			<b>16</b>	68,696,013.			
	<b>17</b>	Taxes and licenses			<b>17</b>	431,354,028.			
	<b>18</b>	Interest (see instructions)			<b>18</b>	610,916,882.			
	<b>19</b>	Charitable contributions		See Statement. 11.	<b>19</b>	3,868,932.			
	<b>20</b>	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			<b>20</b>	1,532,610,005.			
<b>Tax, Refundable Credits, and Payments</b>	<b>21</b>	Depletion			<b>21</b>				
	<b>22</b>	Advertising			<b>22</b>	9,763,111.			
	<b>23</b>	Pension, profit-sharing, etc., plans			<b>23</b>	48,449,664.			
	<b>24</b>	Employee benefit programs			<b>24</b>	54,182,193.			
	<b>25</b>	Energy efficient commercial buildings deduction (attach Form 7205)			<b>25</b>				
	<b>26</b>	Other deductions (attach statement)		See Statement. 18.	<b>26</b>	4,455,936,496.			
	<b>27</b>	<b>Total deductions.</b> Add lines 12 through 26			<b>27</b>	8,303,853,602.			
	<b>28</b>	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			<b>28</b>	414,612,372.			
	<b>29a</b>	Net operating loss deduction (see instructions)			<b>29a</b>				
	<b>b</b>	Special deductions (Schedule C, line 24)			<b>29b</b>				
	<b>c</b>	Add lines 29a and 29b			<b>29c</b>				
<b>30</b>	<b>Taxable income.</b> Subtract line 29c from line 28. See instructions			<b>30</b>	414,612,372.				
<b>31</b>	Total tax (Schedule J, Part I, line 11)			<b>31</b>	21,760,900.				
<b>32</b>	Reserved for future use			<b>32</b>					
<b>33</b>	Total payments and credits (Schedule J, Part II, line 23)			<b>33</b>	21,000,539.				
<b>34</b>	Estimated tax penalty. See instructions. Check if Form 2220 is attached <input checked="" type="checkbox"/>			<b>34</b>					
<b>35</b>	<b>Amount owed.</b> If line 33 is smaller than the total of lines 31 and 34, enter amount owed			<b>35</b>	760,361.				
<b>36</b>	<b>Overpayment.</b> If line 33 is larger than the total of lines 31 and 34, enter amount overpaid			<b>36</b>					
<b>37</b>	Enter amount from line 36 you want: <b>Credited to 2024 estimated tax</b>			<b>37</b>					

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>		10/02/2024	Vice President - Tax	May the IRS discuss this return with the preparer shown below? See instructions. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Signature of officer: Andrew W. Elmore	Date	Title	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name				Firm's EIN
	Firm's address				Phone no.

For Paperwork Reduction Act Notice, see separate instructions.

Form 1120 (2023)

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## PPL Corporation and Subsidiaries

Form 1120 (2023)

Page 2

<b>Schedule C Dividends, Inclusions, and Special Deductions</b> (see instructions)	<b>(a) Dividends and inclusions</b>	<b>(b) %</b>	<b>(c) Special deductions (a) x (b)</b>
<b>1</b> Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock). . . . .		50	
<b>2</b> Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock). . . . .		65	
<b>3</b> Dividends on certain debt-financed stock of domestic and foreign corporations .		See instructions	
<b>4</b> Dividends on certain preferred stock of less-than-20%-owned public utilities. . .		23.3	
<b>5</b> Dividends on certain preferred stock of 20%-or-more-owned public utilities . . .		26.7	
<b>6</b> Dividends from less-than-20%-owned foreign corporations and certain FSCs. . .		50	
<b>7</b> Dividends from 20%-or-more-owned foreign corporations and certain FSCs . . .		65	
<b>8</b> Dividends from wholly owned foreign subsidiaries . . . . .		100	
<b>9 Subtotal.</b> Add lines 1 through 8. See instructions for limitations . . . . .		See instructions	
<b>10</b> Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 . . . . .		100	
<b>11</b> Dividends from affiliated group members . . . . .		100	
<b>12</b> Dividends from certain FSCs . . . . .		100	
<b>13</b> Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions) . . . . .		100	
<b>14</b> Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends) . . . . .			
<b>15</b> Reserved for future use . . . . .			
<b>16a</b> Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions) . . . . .		100	
<b>b</b> Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions) . . . . .			
<b>c</b> Other inclusions from CFCs under subpart F not included on line 16a, 16b, or 17 (attach Form(s) 5471) (see instructions) . . . . .			
<b>17</b> Global Intangible Low-Taxed Income (GILTI) (attach Form(s) 5471 and Form 8992) . . . . .			
<b>18</b> Gross-up for foreign taxes deemed paid . . . . .			
<b>19</b> IC-DISC and former DISC dividends not included on line 1, 2, or 3 . . . . .			
<b>20</b> Other dividends . . . . .			
<b>21</b> Deduction for dividends paid on certain preferred stock of public utilities . . . .			
<b>22</b> Section 250 deduction (attach Form 8993) . . . . .			
<b>23 Total dividends and inclusions.</b> Add column (a), lines 9 through 20. Enter here and on page 1, line 4 . . . . .			
<b>24 Total special deductions.</b> Add column (c), lines 9 through 22. Enter here and on page 1, line 29b . . . . .			

Form 1120 (2023)

## PPL Corporation and Subsidiaries

Form 1120 (2023)

**Schedule J Tax Computation and Payment** (see instructions)**Part I - Tax Computation**

1	Income tax. See instructions . . . . .	1	87,068,598.
2	Base erosion minimum tax amount (attach Form 8991) . . . . .	2	
3	Corporate alternative minimum tax from Form 4626, Part II, line 13 (attach Form 4626) . . . . .	3	
4	Add lines 1, 2, and 3 . . . . .	4	87,068,598.
5a	Foreign tax credit (attach Form 1118) . . . . .	5a	
b	Credit from Form 8834 (see instructions) . . . . .	5b	
c	General business credit (see instructions - attach Form 3800) . . . . .	5c	65,307,698.
d	Credit for prior year minimum tax (attach Form 8827) . . . . .	5d	
e	Bond credits from Form 8912 . . . . .	5e	
6	<b>Total credits.</b> Add lines 5a through 5e . . . . .	6	65,307,698.
7	Subtract line 6 from line 4 . . . . .	7	21,760,900.
8	Personal holding company tax (attach Schedule PH (Form 1120)) . . . . .	8	
9a	Recapture of investment credit (attach Form 4255) . . . . .	9a	
b	Recapture of low-income housing credit (attach Form 8611) . . . . .	9b	
c	Interest due under the look-back method - completed long-term contracts (attach Form 8697) . . . . .	9c	
d	Interest due under the look-back method - income forecast method (attach Form 8866) . . . . .	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902) . . . . .	9e	
f	Interest/tax due under section 453A(c) . . . . .	9f	
g	Interest/tax due under section 453(l) . . . . .	9g	
z	Other (see instructions - attach statement) . . . . .	9z	
10	<b>Total.</b> Add lines 9a through 9z . . . . .	10	
11	<b>Total tax.</b> Add lines 7, 8, and 10. Enter here and on page 1, line 31 . . . . .	11	21,760,900.

**Part II - Payments and Refundable Credits**

12	Reserved for future use . . . . .	12	
13	Preceding year's overpayment credited to the current year . . . . .	13	
14	Current year's estimated tax payments . . . . .	14	21,000,000.
15	Current year's refund applied for on Form 4466 . . . . .	15	( )
16	Combine lines 13, 14, and 15 . . . . .	16	21,000,000.
17	Tax deposited with Form 7004 . . . . .	17	
18	Withholding (see instructions) . . . . .	18	
19	<b>Total payments.</b> Add lines 16, 17, and 18 . . . . .	19	21,000,000.
20	Refundable credits from:		
a	Form 2439 . . . . .	20a	
b	Form 4136 . . . . .	20b	539.
c	Reserved for future use . . . . .	20c	
z	Other (attach statement - see instructions) . . . . .	20z	
21	<b>Total credits.</b> Add lines 20a through 20z . . . . .	21	539.
22	Elective payment election amount from Form 3800 . . . . .	22	
23	<b>Total payments and credits.</b> Add lines 19, 21, and 22. Enter here and on page 1, line 33 . . . . .	23	21,000,539.

Form 1120 (2023)

## PPL Corporation and Subsidiaries

Form 1120 (2023)

Page 4

**Schedule K Other Information** (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. <u>551112</u>		
b	Business activity <u>Holding Company</u>		
c	Product or service _____		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . If "Yes," enter name and EIN of the parent corporation _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G). . . . .		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G). . . . .		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on <b>Form 851</b> , Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below. <u>See Statement 23</u>	X	
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation
			(iv) Percentage Owned in Voting Stock
b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below. <u>See Statement 24</u>	X	
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Country of Organization
			(iv) Maximum Percentage Owned in Profit, Loss, or Capital
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316 . . . . . If "Yes," file <b>Form 5452</b> , Corporate Report of Nondividend Distributions. See the instructions for Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		X
7	At any time during this tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? . . . . . For rules of attribution, see section 318. If "Yes," enter: (a) Percentage owned _____ and (b) Owner's country _____ (c) The corporation may have to file <b>Form 5472</b> , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached _____		X
8	Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . . <input type="checkbox"/> If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.		
9	Enter the amount of tax-exempt interest received or accrued during this tax year \$ _____		
10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) _____		
11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) . . . . . <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12	Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a) . . . . . \$ _____		

Form **1120** (2023)

## PPL Corporation and Subsidiaries

Form 1120 (2023)

Page 5

**Schedule K Other Information** (continued from page 4)

	Yes	No
<b>13</b> Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year <b>and</b> its total assets at the end of the tax year less than \$250,000? . . . . .		X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year \$ _____		
<b>14</b> Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions . . . . .	X	
If "Yes," complete and attach Schedule UTP.		
<b>15a</b> Did the corporation make any payments that would require it to file Form(s) 1099? . . . . .	X	
<b>b</b> If "Yes," did or will the corporation file required Form(s) 1099? . . . . .	X	
<b>16</b> During this tax year, did the corporation have an 80%-or-more change in ownership, including a change due to redemption of its own stock? . . . . .		X
<b>17</b> During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction? . . . . .		X
<b>18</b> Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million? . . . . .		X
<b>19</b> During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code? . . . . .	X	
<b>20</b> Is the corporation operating on a cooperative basis? . . . . .		X
<b>21</b> During this tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions . . . . .		X
If "Yes," enter the total amount of the disallowed deductions \$ _____		
<b>22</b> Does this corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3).) . . . . .	X	
If "Yes," complete and attach Form 8991.		
<b>23</b> Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during this tax year? See instructions . . . . .		X
<b>24</b> Does the corporation satisfy one or more of the following? If "Yes," complete and attach Form 8990. See instructions. . . . .	X	
<b>a</b> The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
<b>b</b> The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$29 million and the corporation has business interest expense.		
<b>c</b> The corporation is a tax shelter and the corporation has business interest expense.		
<b>25</b> Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund? . . . . .		X
If "Yes," enter amount from Form 8996, line 15 . . . . . \$ _____		
<b>26</b> Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties held directly or indirectly by the corporation, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the shareholders held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions . . . . .		X
Percentage: By Vote		By Value
<b>27</b> At any time during this tax year, did the corporation (a) receive a digital asset (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? See instructions . . . . .		X
<b>28</b> Is the corporation a member of a controlled group? . . . . .		X
If "Yes," attach Schedule O (Form 1120). See instructions.		
<b>29</b> Corporate Alternative Minimum Tax:		
<b>a</b> Was the corporation an applicable corporation under section 59(k)(1) in any prior tax year? . . . . .		X
If "Yes," go to question 29b. If "No," skip to question 29c.		
<b>b</b> Is the corporation an applicable corporation under section 59(k)(1) in the current tax year because the corporation was an applicable corporation in the prior tax year? . . . . .		
If "Yes," complete and attach Form 4626. If "No," continue to question 29c.		
<b>c</b> Does the corporation meet the requirements of the safe harbor method as provided under section 59(k)(3)(A) for the current tax year? See instructions . . . . .		X
If "No," complete and attach Form 4626. If "Yes," the corporation is not required to file Form 4626.		
<b>30</b> Is the corporation required to file Form 7208 relating to the excise tax on repurchase of corporate stock (see instructions):		
<b>a</b> Under the rules for stock repurchased by a covered corporation (or stock acquired by its specified affiliate)? . . . . .	X	
<b>b</b> Under the applicable foreign corporation rules? . . . . .		X
<b>c</b> Under the covered surrogate foreign corporation rules? . . . . .		X
If "Yes" to either (a), (b), or (c), complete Form 7208, Excise Tax on Repurchase of Corporate Stock. See the Instructions for Form 7208.		
<b>31</b> Is this a consolidated return with gross receipts or sales of \$1 billion or more and a subchapter K basis adjustment, as described in the instructions, of \$10 million or more? . . . . .		X
If "Yes," attach a statement. See instructions.		

## PPL Corporation and Subsidiaries

Form 1120 (2023)

Page **6**

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash . . . . .		357,226,953.		331,609,229.
2a	Trade notes and accounts receivable . . . . .	1,130,721,055.		1,273,126,017.	
b	Less allowance for bad debts . . . . .	( 113,036,977. )	1,017,684,078.	( 133,872,465. )	1,139,253,552.
3	Inventories . . . . .		440,945,703.		504,970,556.
4	U.S. government obligations . . . . .				
5	Tax-exempt securities (see instructions) . . . . .				
6	Other current assets (attach statement) . . . . .	Stmt 35	1,072,366,087.		1,092,633,153.
7	Loans to shareholders . . . . .				
8	Mortgage and real estate loans . . . . .				
9	Other investments (attach statement) . . . . .	Stmt 43	48,158,720.		43,386,093.
10a	Buildings and other depreciable assets . . . . .	37,061,042,970.		38,700,066,178.	
b	Less accumulated depreciation . . . . .	( 8,405,391,864. )	28,655,651,106.	( 9,187,088,148. )	29,512,978,030.
11a	Depletable assets . . . . .				
b	Less accumulated depletion . . . . .	( )		( )	
12	Land (net of any amortization) . . . . .				
13a	Intangible assets (amortizable only) . . . . .	2,651,331,276.		2,654,852,507.	
b	Less accumulated amortization . . . . .	( 178,610,931. )	2,472,720,345.	( 185,264,495. )	2,469,588,012.
14	Other assets (attach statement) . . . . .	Stmt 51	3,846,882,557.		4,282,847,455.
15	Total assets . . . . .		37,911,635,549.		39,377,266,080.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable . . . . .		1,106,970,196.		1,152,799,137.
17	Mortgages, notes, bonds payable in less than 1 year . . . . .		1,321,169,044.		993,127,460.
18	Other current liabilities (attach statement) . . . . .	Stmt 59	2,373,797,498.		2,247,076,014.
19	Loans from shareholders . . . . .				
20	Mortgages, notes, bonds payable in 1 year or more . . . . .		12,901,532,118.		14,610,742,818.
21	Other liabilities (attach statement) . . . . .	Stmt 76	6,290,463,534.		6,440,114,985.
22	Capital stock: a Preferred stock . . . . .	2,454,450.			
b	Common stock . . . . .	7,700,134.	10,154,584.	7,700,134.	7,700,134.
23	Additional paid-in capital . . . . .		12,432,662,281.		12,435,872,545.
24	Retained earnings - Appropriated (attach statement) . . . . .				
25	Retained earnings - Unappropriated . . . . .		2,680,618,740.		2,710,957,907.
26	Adjustments to shareholders' equity (attach statement) . . . . .	Stmt 84	-239,121,706.		-273,027,640.
27	Less cost of treasury stock . . . . .		( 966,610,740. )		( 948,097,280. )
28	Total liabilities and shareholders' equity . . . . .		37,911,635,549.		39,377,266,080.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return**

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books . . . . .		7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books . . . . .			Tax-exempt interest \$	
3	Excess of capital losses over capital gains . . . . .				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation . . . . . \$		a	Depreciation . . . . . \$	
b	Charitable contributions . . . \$		b	Charitable contributions . . \$	
c	Travel and entertainment . \$				
6	Add lines 1 through 5 . . . . .		9	Add lines 7 and 8 . . . . .	
			10	Income (page 1, line 28) - line 6 less line 9	

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, Line 25)**

1	Balance at beginning of year . . . . .	2,680,618,740.	5	Distributions: a Cash . . . . .	707,616,265.
2	Net income (loss) per books . . . . .	739,654,047.		b Stock . . . . .	2,888,631.
3	Other increases (itemize):			c Property . . . . .	
			6	Other decreases (itemize):	NONE
		1,190,016.	7	Add lines 5 and 6 . . . . .	710,504,896.
4	Add lines 1, 2, and 3 . . . . .	3,421,462,803.	8	Balance at end of year (line 4 less line 7)	2,710,957,907.

Form **1120** (2023)

Consolidated Schedules  
1120 Page 1

	Combined	PPL Corporation and Subsidiaries Eliminations	Adjustments	PPL Corporation and Subsidiaries
1a	8,524,879,022.	-46,538,800.		8,478,340,222.
1b				
1c	8,524,879,022.	-46,538,800.		8,478,340,222.
2				
3	8,524,879,022.	-46,538,800.		8,478,340,222.
4	979,661,908.	-979,661,908.		
5	524,266,534.	-494,405,331.		29,861,203.
6	59,397,441.	-851,916.		58,545,525.
7				
8	172,841.			172,841.
9	-169,032,351.			-169,032,351.
10	321,076,292.	-497,758.		320,578,534.
11	10,240,421,687.	-1,521,955,713.		8,718,465,974.
12	29,901,000.			29,901,000.
13	298,953,372.			298,953,372.
14	601,818,500.			601,818,500.
15	157,403,406.			157,403,406.
16	69,482,478.	-786,465.		68,696,013.
17	431,354,028.			431,354,028.
18	1,105,322,215.	-494,405,333.		610,916,882.
19	3,868,932.			3,868,932.
20	1,532,610,005.			1,532,610,005.
21				
22	9,763,111.			9,763,111.
23	48,449,664.			48,449,664.
24	54,182,193.			54,182,193.
25				
26	4,503,038,503.	-47,102,007.		4,455,936,496.
27	8,846,147,407.	-542,293,805.		8,303,853,602.
28	1,394,274,280.	-979,661,908.		414,612,372.
29	979,661,908.	-979,661,908.		
30	414,612,372.			414,612,372.
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## PPL Corporation and Subsidiaries

23-2758192

		PPL Corporation	PPL Electric Utilities Corporation	CEP Lending, Inc.	PP&L Residual Corporation	PPL Capital Funding, Inc.	PPL Energy Funding Corporation	PPL Power Insurance Ltd.	PPL Services Corporation
<b>Consolidated Schedules</b>		23-2758192	23-0959590	20-1467156	23-3091207	23-2926644	23-1677278	98-0389197	23-3041441
<b>1120 Page 1</b>		-----	-----	-----	-----	-----	-----	-----	-----
1a	Gross receipts or sales		3,079,353,909.					2,620,000.	
1b	Returns and allowances								
1c	Balance		3,079,353,909.					2,620,000.	
2	Cost of goods sold								
3	Gross profit		3,079,353,909.					2,620,000.	
4	Dividends								
5	Interest	4,121,928.	5,193,599.	192,804.	114,214.	136,879,298.		1,333,755.	1,738,388.
6	Gross rents	109.	43,151,957.						
7	Gross royalties								
8	Capital gain net								
9	Net gain or (loss) income from Form 4797		-69,308,862.						-9,744.
10	Other income	-3,320,540.	154,235,000.						1,105.
		-----	-----	-----	-----	-----	-----	-----	-----
11	Total income	801,497.	3,212,625,603.	192,804.	114,214.	136,879,298.		3,953,755.	1,729,749.
		-----	-----	-----	-----	-----	-----	-----	-----
12	Compensation of officers		1,717,290.						18,717,820.
13	Salaries and wages	81,733.	9,615,625.	900.			2,690,916.		155,798,164.
14	Repairs and maintenance		197,238,237.						1,006,623.
15	Bad debts		34,959,408.						
16	Rents		9,611,508.	9,400.					12,875,615.
17	Taxes and licenses	4,971.	173,806,282.	89.		225.	301.		14,407.
18	Interest	1,074,005.	216,670,347.			132,423,066.	1,755,585.		228,316.
19	Charitable contributions		2,831,328.						286,447.
20	Depreciation	176,268.	586,322,268.						7,395,056.
21	Depletion								
22	Advertising		317,406.				470,700.		
23	Pension, profit-sharing etc., plans	166,310.	582,142.						8,150,313.
24	Employee benefit programs		7,621,021.				750.		10,438,105.
25	Energy efficient commercial buildings deduction								
26	Other deductions	-2,293,967.	1,589,906,467.	32,124.	1,556,348.	5,032,138.	140,018,110.	2,589,805.	-214,579,174.
		-----	-----	-----	-----	-----	-----	-----	-----
27	Total deductions	-790,680.	2,831,199,329.	42,513.	1,556,348.	137,455,429.	144,936,362.	2,589,805.	331,692.
		-----	-----	-----	-----	-----	-----	-----	-----
28	Taxable income before NOL & Spec. Deductions	1,592,177.	381,426,274.	150,291.	-1,442,134.	-576,131.	-144,936,362.	1,363,950.	1,398,057.
		=====	=====	=====	=====	=====	=====	=====	=====
29	NOL,Spec. deductions								
		-----	-----	-----	-----	-----	-----	-----	-----
30	Taxable income	1,592,177.	381,426,274.	150,291.	-1,442,134.	-576,131.	-144,936,362.	1,363,950.	1,398,057.
		=====	=====	=====	=====	=====	=====	=====	=====

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Consolidated Schedules 1120 Page 1	Kentucky Utilities	LG&E and KU	Louisville Gas &	Western Kentucky	CEP Reserves, Inc.	LG&E Energy, Inc.	Lexington	LG&E and KU Hydro
	Company	Services Company	Electric Company	Energy Corp.			Utilities Company	I, LLC
	61-0247570	61-1373438	61-0264150	31-1512073	88-0415158	20-4478153	90-0043525	20-4454689
1a	Gross receipts or sales		1,640,709,902.					
1b	Returns and allowances							
1c	Balance		1,640,709,902.					
2	Cost of goods sold							
3	Gross profit		1,640,709,902.					
4	Dividends							
5	Interest	614,268.	1,758,318.	13,430.	267,483,011.			
6	Gross rents	5,063,215.	3,639,458.					
7	Gross royalties							
8	Capital gain net income	49.	38.					
9	Net gain or (loss) from Form 4797	-18,201,980.	-7,815,940.					
10	Other income	22,962,859.	26,272,977.	3.				
11	Total income	1,884,882,829.	1,664,564,753.	13,433.	267,483,011.			
12	Compensation of officers	7,214,446.						
13	Salaries and wages	-5,060,320.	22,960,144.		900.			
14	Repairs and maintenance		125,587,902.					
15	Bad debts	4,054,209.	3,384,138.	-1,411,473.	116,129,665.			
16	Rents	3,835,312.	3,639,821.		9,400.			
17	Taxes and licenses	59,771,079.	62,340,496.	-1,297,229.	89.			
18	Interest	113,535,949.	83,777,401.	749,503.	159,680,711.			
19	Charitable contributions	506,513.	198,589.					
20	Depreciation	340,572,448.	341,273.	268,346,620.	5,675.			
21	Depletion							
22	Advertising	4,236,897.	4,638,108.					
23	Pension, profit-sharing etc., plans	-1,573,003.	13,126,765.	77.				
24	Employee benefit programs	9,016,650.	6,272,043.	160.				
25	Energy efficient commercial buildings deduction							
26	Other deductions	813,629,660.	-4,782,056.	744,484,026.	125,789.	60,605.		
27	Total deductions	1,541,675,873.	1,338,756,053.	-1,827,498.	275,881,370.			
28	Taxable income before NOL & Spec. Deductions	343,206,956.	NONE	325,808,700.	1,840,931.	-8,398,359.	NONE	NONE
29	NOL,Spec. deductions							
30	Taxable income	343,206,956.	NONE	325,808,700.	1,840,931.	-8,398,359.	NONE	NONE
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Consolidated Schedules  
1120 Page 1

	LG&E and KU Energy LLC	PPL TransLink, Inc	PPL Subsidiary Holdings, LLC	PPL Energy Holdings, LLC	PPL Atlantic Holdings, LLC	PPL Distributed Energy Resources, LLC	PPL Technology Ventures, LLC	PPL Energy Resources, LLC
	20-0523163	81-0739319	82-3502491	82-3517448	83-2831138	32-0568174	83-1967840	84-2672049
1a								
1b								
1c								
2								
3								
4				925,661,908.				
5	1,772,957.	26,155.		69,951,651.	17,206,072.	2,354,002.	795,601.	
6	655.							
7								
8							172,754.	
9	-56.							-218,795.
10	12,412.				734.	81,815,613.	37,623.	71,100.
11	1,785,968.	26,155.		995,613,559.	17,206,806.	84,169,615.	1,005,978.	-147,695.
12								
13	-173,039.	683,096.				897,463.		
14								
15								
16	1,961,322.							
17	-15,063,078.				1,187.	708.		
18	147,572,332.	337,943.	7,340.	71,263,777.	132,739.	4,305,018.	1,409,567.	4,100.
19								
20	-1,530,675.							
21								
22								
23	4,387,609.							
24	-6,433,089.							
25								
26	31,302,173.	1,175,226.	22,132.	33,016.	273,599.	6,624,904.	1,250,157.	19,569.
27	162,023,555.	2,196,265.	29,472.	71,296,793.	407,525.	11,828,093.	2,659,724.	23,669.
28	-160,237,587.	-2,170,110.	-29,472.	924,316,766.	16,799,281.	72,341,522.	-1,653,746.	-171,364.
29				925,661,908.				
30	-160,237,587.	-2,170,110.	-29,472.	-1,345,142.	16,799,281.	72,341,522.	-1,653,746.	-171,364.
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Consolidated Schedules  
1120 Page 1

	PPL Renewables, LLC	PPL Midwest Transmission, LLC	PPL Rhode Island Holdings, LLC	The Narragansett Electric Company
	84-2682124	87-1866943	86-3544732	05-0187805
	-----	-----	-----	-----
1a Gross receipts or sales				1,927,750,793.
1b Returns and allowances				
1c Balance				1,927,750,793.
2 Cost of goods sold				
3 Gross profit				1,927,750,793.
4 Dividends			54,000,000.	
5 Interest		205,442.		12,511,641.
6 Gross rents				7,542,047.
7 Gross royalties				
8 Capital gain net				
9 income				
Net gain or (loss)	767,239.			-74,244,213.
from Form 4797				
10 Other income	40,740,547.	-692,930.		-1,060,211.
	-----	-----	-----	-----
11 Total income	41,507,786.	-487,488.	54,000,000.	1,872,500,057.
	-----	-----	-----	-----
12 Compensation of officers				2,251,444.
13 Salaries and wages			39,602,386.	47,332,907.
14 Repairs and maintenance			577,600.	117,385,805.
15 Bad debts				287,459.
16 Rents				38,640,718.
17 Taxes and licenses	89,589.	300.	300.	155,740,684.
18 Interest	2,323,547.	172,436.	85,399,845.	82,498,688.
19 Charitable contributions				46,055.
20 Depreciation			2,804,504.	328,176,568.
21 Depletion				
22 Advertising				100,000.
23 Pension, profit-sharing etc., plans				14,251,223.
24 Employee benefit programs			967.	19,634,838.
25 Energy efficient commercial buildings deduction				
26 Other deductions	-45,580.	15,148.	51,967,516.	1,334,620,768.
	-----	-----	-----	-----
27 Total deductions	2,367,556.	187,884.	180,353,118.	2,140,967,157.
	-----	-----	-----	-----
28 Taxable income before NOL & Spec. Deductions	39,140,230.	-675,372.	-126,353,118.	-268,467,100.
	=====	=====	=====	=====
29 NOL,Spec. deductions			54,000,000.	
	-----	-----	-----	-----
30 Taxable income	39,140,230.	-675,372.	-180,353,118.	-268,467,100.
	=====	=====	=====	=====

- Q.24. Provide detailed computations by vintage year showing State and Federal deferred income taxes resulting from the use of accelerated tax depreciation associated with post-1969 public utility property, ADR rates, and accelerated tax depreciation associated with post-1980 public utility property under the Accelerated Cost Recovery System (ACRS).
- a) Reconcile and explain any differences in the base used to calculate State and Federal deferred income taxes.
  - b) State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
  - c) Reconcile differences between the deferred tax balance, as shown as a reduction to rate base, and the deferred tax balance as shown on the balance sheet.
- A.24. PPL Electric does not provide for deferred income taxes related to accelerated depreciation of assets acquired prior to January 1, 1981. However, through December 31, 1980, the Company did provide for deferred taxes related to the difference in tax depreciation resulting from using class lives under the ADR system of depreciation versus tax depreciation from the use of guideline lives in effect prior to the ADR system of depreciation. In accordance with the Commission's order adopted January 31, 1981, at Docket No. R-80031114, the Company terminated provisions for deferred taxes. The Company fully amortized the December 31, 1980 balance of deferred income taxes through December 31, 2005. The Company is deferring federal income taxes associated with the use of accelerated tax depreciation under the Accelerated Cost Recovery System (ACRS) of the Economic Recovery Tax Act of 1981 in compliance with the Commission's order adopted December 18, 1981, at Docket No. R-811636. See Attachments II-D-24a and II-D-24b for detailed computations by vintage year for twelve-month periods ending June 30, 2026 and June 30, 2027, respectively.
- a) PPL Electric does not provide for any state deferred income taxes associated with the use of accelerated tax depreciation on distribution property and distribution related general property. PPL Electric does provide state and federal deferred income taxes associated with all basis differences on distribution property and distribution related general property.
  - b) Tax depreciation is not based on all rate base items claimed as of the end of the test year. Certain assets that are included in rate base are fully depreciated for tax purposes. Additionally, there are basis differences between book cost and tax cost for which tax depreciation is not calculated. Tax depreciation is an annual calculation based on

a calendar year. Since the twelve-month periods in Exhibit Future 1 and Exhibit Fully Projected Future 1 span two calendar years, tax depreciation is prorated within each calendar year that is represented in Exhibit Future 1 and Exhibit Fully Projected Future 1.

- c) See Attachments II-D-24c and II-D-24d for the reconciliation of the deferred tax balance per the balance sheet as shown on Schedule B-1 of Exhibit Future 1 and Exhibit Fully Projected Future 1 to the balance as shown as a reduction to rate base in Schedule C-1 of Exhibit Future 1 and Exhibit Fully Projected Future 1.

**PPL Electric Utilities**  
**Deferred Income Tax Calculation Due to Excess of Tax**  
**Depreciation Over Depreciation Using Tax Basis and Book Rates**  
**for Twelve Months Ended June 30, 2026**  
**(\$000's)**

Line No.		ACRS & MACRS Tax Depreciation (a)	Book Depreciation Allocation to ACRS/MACRS Tax Basis (b)	Tax versus Book Depreciation (c) = (a) - (b)	ARAM Rate (d) = (e) / (c)	Federal Deferred Income Taxes (e)	Book Depreciation Allocation to Basis Differences (f)	ARAM Rate (g) = - (h) / (f)	Federal and State Deferred Income Taxes (h)	Book Depreciation Allocation to AFUDC Equity (i)
1	Distribution	-	6	(6)	0.00%	-	-	0.00%	-	-
2	General	366	369	(3)	0.00%	-	-	0.00%	-	-
3	Subtotal - 1950-1959 Vintages	366	375	(9)		-	-		-	-
4	Distribution	-	83	(83)	0.00%	-	-	0.00%	-	-
5	General	134	128	6	0.00%	-	-	0.00%	-	-
6	Subtotal - 1960-1969 Vintages	134	211	(77)		-	-		-	-
7	Distribution	-	229	(229)	0.00%	-	-	0.00%	-	-
8	General	394	781	(387)	0.00%	-	-	0.00%	-	-
9	Subtotal - 1970-1979 Vintages	394	1,010	(616)		-	-		-	-
10	Distribution	-	19	(19)	0.00%	-	-	0.00%	-	-
11	General	10	7	3	0.00%	-	-	0.00%	-	-
12	Subtotal - 1980 Vintage	10	26	(16)		-	-		-	-
13	Distribution	-	331	(331)	39.88%	(132)	-	0.00%	-	-
14	General	6	12	(6)	50.00%	(3)	-	0.00%	-	-
15	Subtotal - 1981 Vintage	6	343	(337)		(135)	-		-	-
16	Distribution	-	773	(773)	39.33%	(304)	-	0.00%	-	-
17	General	-	17	(17)	47.06%	(8)	-	0.00%	-	-
18	Subtotal - 1982 Vintage	-	790	(790)		(312)	-		-	-
19	Distribution	-	745	(745)	38.39%	(286)	-	0.00%	-	-
20	General	-	72	(72)	45.83%	(33)	15	40.00%	(6)	1
21	Subtotal - 1983 Vintage	-	817	(817)		(319)	15		(6)	1
22	Distribution	-	965	(965)	37.41%	(361)	11	0.00%	-	6
23	General	-	2	(2)	50.00%	(1)	1	0.00%	-	-
24	Subtotal - 1984 Vintage	-	967	(967)		(362)	12		-	6
25	Distribution	-	1,212	(1,212)	36.39%	(441)	51	0.00%	-	14
26	General	-	73	(73)	45.21%	(33)	7	42.86%	(3)	2
27	Subtotal - 1985 Vintage	-	1,285	(1,285)		(474)	58		(3)	16
28	Distribution	-	1,373	(1,373)	35.40%	(486)	177	0.00%	-	-
29	General	-	(1)	1	0.00%	-	-	0.00%	-	-
30	Subtotal - 1986 Vintage	-	1,372	(1,372)		(486)	177		-	-
31	Distribution	-	1,727	(1,727)	34.51%	(596)	27	40.74%	(11)	-
32	General	-	34	(34)	41.18%	(14)	2	50.00%	(1)	-
33	Subtotal - 1987 Vintage	-	1,761	(1,761)		(610)	29		(12)	-
34	Distribution	-	2,009	(2,009)	32.95%	(662)	(25)	44.00%	11	-
35	General	-	10	(10)	30.00%	(3)	-	0.00%	-	-
36	Subtotal - 1988 Vintage	-	2,019	(2,019)		(665)	(25)		11	-
37	Distribution	-	2,193	(2,193)	33.01%	(724)	(16)	43.75%	7	-
38	General	-	13	(13)	30.77%	(4)	-	0.00%	-	-
39	Subtotal - 1989 Vintage	-	2,206	(2,206)		(728)	(16)		7	-
40	Distribution	-	2,650	(2,650)	33.06%	(876)	(5)	40.00%	2	-
41	General	44	234	(190)	35.26%	(67)	-	0.00%	-	-
42	Subtotal - 1990 Vintage	44	2,884	(2,840)		(943)	(5)		2	-
43	Distribution	-	2,795	(2,795)	33.09%	(925)	(12)	41.67%	5	-
44	General	-	43	(43)	34.88%	(15)	-	0.00%	-	-
45	Subtotal - 1991 Vintage	-	2,838	(2,838)		(940)	(12)		5	-
46	Distribution	31	2,895	(2,864)	33.24%	(952)	617	41.49%	(256)	-
47	General	176	360	(184)	34.78%	(64)	1	0.00%	-	-
48	Subtotal - 1992 Vintage	207	3,255	(3,048)		(1,016)	618		(256)	-
49	Distribution	180	2,627	(2,447)	33.96%	(831)	654	41.59%	(272)	-
50	General	63	100	(37)	35.14%	(13)	(1)	0.00%	-	-
51	Subtotal - 1993 Vintage	243	2,727	(2,484)		(844)	653		(272)	-
52	Distribution	243	2,870	(2,627)	34.18%	(898)	729	41.56%	(303)	-
53	General	61	20	41	19.51%	8	-	0.00%	-	-
54	Subtotal - 1994 Vintage	304	2,890	(2,586)		(890)	729		(303)	-
55	Distribution	204	2,681	(2,477)	33.87%	(839)	328	41.46%	(136)	-
56	General	597	196	401	20.70%	83	(9)	44.44%	4	-
57	Subtotal - 1995 Vintage	801	2,877	(2,076)		(756)	319		(132)	-
58	Distribution	111	2,541	(2,430)	33.62%	(817)	343	41.40%	(142)	-
59	General	(149)	8	(157)	35.03%	(55)	1	0.00%	-	-
60	Subtotal - 1996 Vintage	(38)	2,549	(2,587)		(872)	344		(142)	-
61	Distribution	79	2,550	(2,471)	33.51%	(828)	181	41.44%	(75)	-
62	General	366	325	41	21.95%	9	1	0.00%	-	-
63	Subtotal - 1997 Vintage	445	2,875	(2,430)		(819)	182		(75)	-
64	Distribution	51	2,123	(2,072)	33.40%	(692)	98	40.82%	(40)	-
65	General	163	87	76	21.05%	16	(5)	40.00%	2	-
66	Subtotal - 1998 Vintage	214	2,210	(1,996)		(676)	93		(38)	-
67	Distribution	44	1,871	(1,827)	32.73%	(598)	179	41.34%	(74)	-
68	General	87	22	65	20.00%	13	(1)	0.00%	-	-
69	Subtotal - 1999 Vintage	131	1,893	(1,762)		(585)	178		(74)	-
70	Distribution	60	2,062	(2,002)	32.32%	(647)	119	42.02%	(50)	14
71	General	378	66	312	20.83%	65	(5)	40.00%	2	-
72	Subtotal - 2000 Vintage	438	2,128	(1,690)		(582)	114		(48)	14
73	Distribution	48	1,997	(1,949)	31.86%	(621)	(371)	39.62%	147	16

**PPL Electric Utilities**  
**Deferred Income Tax Calculation Due to Excess of Tax**  
**Depreciation Over Depreciation Using Tax Basis and Book Rates**  
**for Twelve Months Ended June 30, 2026**  
**(\$000's)**

Line No.		ACRS & MACRS Tax Depreciation (a)	Book Depreciation Allocation to ACRS/MACRS Tax Basis (b)	Tax versus Book Depreciation (c) = (a) - (b)	ARAM Rate (d) = (e) / (c)	Federal Deferred Income Taxes (e)	Book Depreciation Allocation to Basis Differences (f)	ARAM Rate (g) = - (h) / (f)	Federal and State Deferred Income Taxes (h)	Book Depreciation Allocation to AFUDC Equity (i)
74	General	676	21	655	20.76%	136	(7)	42.86%	3	-
75	Subtotal - 2001 Vintage	724	2,018	(1,294)		(485)	(378)		150	16
76	Distribution	(4,464)	(3,037)	(1,427)	32.03%	(457)	75	41.33%	(31)	2
77	General	803	1,103	(300)	35.00%	(105)	(1)	0.00%	-	2
78	Subtotal - 2002 Vintage	(3,661)	(1,934)	(1,727)		(562)	74		(31)	4
79	Distribution	(39)	3,847	(3,886)	32.01%	(1,244)	258	41.47%	(107)	-
80	General	4,234	2,427	1,807	20.97%	379	(48)	41.67%	20	13
81	Subtotal - 2003 Vintage	4,195	6,274	(2,079)		(865)	210		(87)	13
82	Distribution	80	1,242	(1,162)	32.01%	(372)	(21)	319.05%	67	5
83	General	330	105	225	20.89%	47	11	36.36%	(4)	2
84	Subtotal - 2004 Vintage	410	1,347	(937)		(325)	(10)		63	7
85	Distribution	(107)	(96)	(11)	36.36%	(4)	170	41.76%	(71)	5
86	General	327	153	174	21.26%	37	(4)	50.00%	2	2
87	Subtotal - 2005 Vintage	220	57	163		33	166		(69)	7
88	Distribution	3,556	2,517	1,039	20.89%	217	312	41.67%	(130)	11
89	General	657	816	(159)	35.22%	(56)	4	25.00%	(1)	3
90	Subtotal - 2006 Vintage	4,213	3,333	880		161	316		(131)	14
91	Distribution	5,044	2,696	2,348	20.32%	477	118	41.53%	(49)	15
92	General	3,509	2,373	1,136	20.60%	234	(26)	42.31%	11	5
93	Subtotal - 2007 Vintage	8,553	5,069	3,484		711	92		(38)	20
94	Distribution	3,461	3,035	426	21.36%	91	112	39.29%	(44)	22
95	General	2,093	714	1,379	20.52%	283	(1)	0.00%	-	(2)
96	Subtotal - 2008 Vintage	5,554	3,749	1,805		374	111		(44)	20
97	Distribution	3,154	3,170	(16)	31.25%	(5)	(48)	41.67%	20	26
98	General	507	274	233	21.03%	49	(5)	40.00%	2	(4)
99	Subtotal - 2009 Vintage	3,661	3,444	217		44	(53)		22	22
100	Distribution	2,497	3,642	(1,145)	31.62%	(362)	385	11.69%	(45)	20
101	General	2,545	229	2,316	20.55%	476	(12)	41.67%	5	14
102	Subtotal - 2010 Vintage	5,042	3,871	1,171		114	373		(40)	34
103	Distribution	(1,670)	3,814	(5,484)	31.82%	(1,745)	1,210	40.17%	(486)	36
104	General	988	99	889	19.69%	175	(11)	45.45%	5	18
105	Subtotal - 2011 Vintage	(682)	3,913	(4,595)		(1,570)	1,199		(481)	54
106	Distribution	1,519	3,158	(1,639)	31.91%	(523)	1,184	38.01%	(450)	38
107	General	3,911	595	3,316	20.51%	680	(42)	40.48%	17	79
108	Subtotal - 2012 Vintage	5,430	3,753	1,677		157	1,142		(433)	117
109	Distribution	5,315	5,361	(46)	32.61%	(15)	713	41.51%	(296)	52
110	General	2,132	654	1,478	20.77%	307	(12)	41.67%	5	22
111	Subtotal - 2013 Vintage	7,447	6,015	1,432		292	701		(291)	74
112	Distribution	4,445	4,684	(239)	34.73%	(83)	1,050	41.52%	(436)	36
113	General	2,762	378	2,384	20.39%	486	(45)	42.22%	19	103
114	Subtotal - 2014 Vintage	7,207	5,062	2,145		403	1,005		(417)	139
115	Distribution	4,627	4,604	23	21.74%	5	1,546	41.46%	(641)	45
116	General	580	556	24	20.83%	5	58	41.38%	(24)	4
117	Subtotal - 2015 Vintage	5,207	5,160	47		10	1,604		(665)	49
118	Distribution	5,070	5,315	(245)	34.29%	(84)	2,159	41.50%	(896)	58
119	General	4,930	1,198	3,732	18.78%	701	(37)	43.24%	16	60
120	Subtotal - 2016 Vintage	10,000	6,513	3,487		617	2,122		(880)	118
121	Distribution	7,808	7,825	(17)	35.29%	(6)	2,176	41.50%	(903)	55
122	General	1,235	1,046	189	20.63%	39	(26)	38.46%	10	13
123	Subtotal - 2017 Vintage	9,043	8,871	172		33	2,150		(893)	68
124	Distribution	15,008	5,819	9,189	21.00%	1,930	3,388	28.75%	(974)	48
125	General	1,061	1,267	(206)	20.87%	(43)	(39)	28.21%	11	15
126	Subtotal - 2018 Vintage	16,069	7,086	8,983		1,887	3,349		(963)	63
127	Distribution	10,423	4,119	6,304	21.00%	1,324	2,843	28.88%	(821)	43
128	General	6,395	3,162	3,233	20.85%	674	(86)	29.07%	25	13
129	Subtotal - 2019 Vintage	16,818	7,281	9,537		1,998	2,757		(796)	56
130	Distribution	10,538	4,461	6,077	21.00%	1,276	1,480	28.85%	(427)	65
131	General	2,686	5,457	(2,771)	21.29%	(590)	(345)	28.99%	100	106
132	Subtotal - 2020 Vintage	13,224	9,918	3,306		686	1,135		(327)	171
133	Distribution	13,757	5,388	8,369	21.01%	1,758	708	28.95%	(205)	61
134	General	4,470	8,631	(4,161)	21.12%	(879)	(131)	29.01%	38	342
135	Subtotal - 2021 Vintage	18,227	14,019	4,208		879	577		(167)	403
136	Distribution	12,249	4,403	7,846	21.00%	1,648	1,698	28.92%	(491)	49
137	General	22,280	14,484	7,796	20.95%	1,633	(1,051)	29.02%	305	876
138	Subtotal - 2022 Vintage	34,529	18,887	15,642		3,281	647		(186)	925
139	Distribution	12,638	4,745	7,893	21.01%	1,658	1,110	28.11%	(312)	39
140	General	24,613	8,096	16,517	20.95%	3,460	(1,218)	28.24%	344	250
141	Subtotal - 2023 Vintage	37,251	12,841	24,410		5,118	(108)		32	289
142	Distribution	28,452	8,709	19,743	21.00%	4,146	849	27.68%	(235)	106
143	General	16,291	4,984	11,307	20.94%	2,368	(4,421)	27.73%	1,226	25
144	Subtotal - 2024 Vintage	44,743	13,693	31,050		6,514	(3,572)		991	131
145	Distribution	25,981	7,923	18,058	21.00%	3,792	201	26.87%	(54)	14
146	General	32,944	6,837	26,107	20.94%	5,468	(6)	33.33%	2	12



**PPL Electric Utilities**  
**Deferred Income Tax Calculation Due to Excess of Tax**  
**Depreciation Over Depreciation Using Tax Basis and Book Rates**  
**for Twelve Months Ended June 30, 2026**  
**(\$000's)**

Line No.		ACRS & MACRS Tax <u>Depreciation</u> (a)	Book Depreciation Allocation to ACRS/MACRS Tax Basis (b)	Tax versus Book Depreciation (c) = (a) - (b)	ARAM Rate (d) = (e) / (c)	Federal Deferred Income Taxes (e)	Book Depreciation Allocation to Basis Differences (f)	ARAM Rate (g) = - (h) / (f)	Federal and State Deferred Income Taxes (h)	Book Depreciation Allocation to AFUDC Equity (i)
147	Subtotal - 2025 Vintage	58,925	14,760	44,165		9,260	195		(52)	26
148	Distribution	14,433	5,267	9,166	21.00%	1,925	-	0.00%	-	-
149	General	20,975	1,589	19,386	20.97%	4,066	-	0.00%	-	-
150	Subtotal - 2026 Vintage	35,408	6,856	28,552		5,991	-		-	-
151	Distribution	-	247	(247)	21.05%	(52)	-	0.00%	-	-
152	General	-	(337)	337	21.07%	71	-	0.00%	-	-
153	Subtotal - 2027 Vintage	-	(90)	90		19	-		-	-
154	Summary:						-		-	-
155	Distribution	\$ 184,826	\$ 144,185	\$ 40,641		\$ 1,779	\$ 26,761		\$ (9,204)	\$ 901
156	General	166,630	69,889	96,741		19,982	(7,494)		2,135	1,976
157	Grand Sub-Total	\$ 351,456	\$ 214,074	\$ 137,382		\$ 21,761	\$ 19,267		\$ (7,069)	\$ 2,877
158	Distribution Net Negative Salvage Amortization						31,078			
159	General Net Negative Salvage Amortization						239			
160	Total Reversal of Plant Basis Differences		214,074				50,584			2,877
	Distribution Plant Basis Differences Incurred									
161	Net Negative Salvage						(34,005)			
162	Contributions In Aid of Construction						40,198		(10,900)	
163	Tax Repairs & Other Basis Items						(127,481)		34,515	(440)
164	Capitalized R&D						22,177		(6,013)	
165	Total Plant Basis Differences Incurred						(99,111)		17,602	(440)
	General Plant Basis Differences Incurred									
166	Tax Repairs & Other Basis Items						94		(26)	(160)
167	Total Plant Basis Differences Incurred						94		(26)	(160)
168	Net Operating Loss Deficient Deferred Taxes								486	
169	<b>Total</b>	<b>351,456</b>	<b>214,074</b>	<b>137,382</b>		<b>21,761</b>	<b>(48,433)</b>		<b>10,993</b>	<b>2,277</b>
	Book Depreciation by Tax Basis Type									
170	ACRS/MACRS (Col (b), Line 160)		214,074							
171	Basis Differences (Col (f), Lines 160)		50,584							
172	AFUDC Equity (Col (i), Line 160)		2,877							
173	Total Book Depreciation		267,535							
	Plant Related Deferred Taxes									
174	Distribution (Line 155(e) + Line 155(h) + Line 165(h) + Line 168(h))					10,663				
175	General (Line 156(e) + Line 156(h) + Line 167(h))					22,091				
176	Total Plant Related Deferred Taxes					32,754				

**PPL Electric Utilities**  
**Deferred Income Tax Calculation Due to Excess of Tax**  
**Depreciation Over Depreciation Using Tax Basis and Book Rates**  
**for Twelve Months Ended June 30, 2027**  
**(\$000's)**

Line No.		Book			Federal Deferred Income Taxes (e)	Book		Federal and State Deferred Income Taxes (h)	Book Depreciation Allocation to AFUDC Equity (i)	
		ACRS & MACRS Tax Depreciation (a)	Depreciation Allocation to ACRS/MACRS Tax Basis (b)	Tax versus Book Depreciation (c) = (a) - (b)		ARAM Rate (d) = (e) / (c)	Depreciation Allocation to Basis Differences (f)			ARAM Rate (g) = (h) / (f)
1	Distribution	-	5	(5)	0.00%	-	-	0.00%	-	
2	General	-	-	-	0.00%	-	-	0.00%	-	
3	Subtotal - 1950-1959 Vintages	-	5	(5)	-	-	-	-	-	
4	Distribution	-	85	(85)	0.00%	-	-	0.00%	-	
5	General	-	(6)	6	0.00%	-	-	0.00%	-	
6	Subtotal - 1960-1969 Vintages	-	79	(79)	-	-	-	-	-	
7	Distribution	-	233	(233)	0.00%	-	-	0.00%	-	
8	General	-	220	(220)	0.00%	-	-	0.00%	-	
9	Subtotal - 1970-1979 Vintages	-	453	(453)	-	-	-	-	-	
10	Distribution	-	21	(21)	0.00%	-	-	0.00%	-	
11	General	-	3	(3)	0.00%	-	-	0.00%	-	
12	Subtotal - 1980 Vintage	-	24	(24)	-	-	-	-	-	
13	Distribution	-	149	(149)	35.57%	(53)	-	0.00%	-	
14	General	-	12	(12)	50.00%	(6)	-	0.00%	-	
15	Subtotal - 1981 Vintage	-	161	(161)	-	(59)	-	-	-	
16	Distribution	-	549	(549)	36.98%	(203)	-	0.00%	-	
17	General	-	41	(41)	56.10%	(23)	-	0.00%	-	
18	Subtotal - 1982 Vintage	-	590	(590)	-	(226)	-	-	-	
19	Distribution	-	760	(760)	36.84%	(280)	-	0.00%	-	
20	General	-	103	(103)	53.40%	(55)	18	11.11%	(2)	
21	Subtotal - 1983 Vintage	-	863	(863)	-	(335)	18	(2)	-	
22	Distribution	-	1,046	(1,046)	36.23%	(379)	-	0.00%	-	
23	General	-	9	(9)	55.56%	(5)	1	0.00%	-	
24	Subtotal - 1984 Vintage	-	1,055	(1,055)	-	(384)	1	-	-	
25	Distribution	-	1,314	(1,314)	35.24%	(463)	19	0.00%	-	
26	General	-	84	(84)	52.38%	(44)	8	0.00%	-	
27	Subtotal - 1985 Vintage	-	1,398	(1,398)	-	(507)	27	-	7	
28	Distribution	-	1,488	(1,488)	34.34%	(511)	157	0.00%	-	
29	General	-	15	(15)	53.33%	(8)	1	0.00%	-	
30	Subtotal - 1986 Vintage	-	1,503	(1,503)	-	(519)	158	-	-	
31	Distribution	-	1,872	(1,872)	33.49%	(627)	27	40.74%	(11)	
32	General	-	88	(88)	47.73%	(42)	3	33.33%	(1)	
33	Subtotal - 1987 Vintage	-	1,960	(1,960)	-	(669)	30	(12)	-	
34	Distribution	-	2,179	(2,179)	32.03%	(698)	(26)	42.31%	11	
35	General	-	42	(42)	45.24%	(19)	-	0.00%	-	
36	Subtotal - 1988 Vintage	-	2,221	(2,221)	-	(717)	(26)	-	11	
37	Distribution	-	2,378	(2,378)	32.09%	(763)	(17)	47.06%	8	
38	General	-	35	(35)	45.71%	(16)	-	0.00%	-	
39	Subtotal - 1989 Vintage	-	2,413	(2,413)	-	(779)	(17)	-	8	
40	Distribution	-	2,874	(2,874)	32.12%	(923)	(6)	33.33%	2	
41	General	-	52	(52)	46.15%	(24)	-	0.00%	-	
42	Subtotal - 1990 Vintage	-	2,926	(2,926)	-	(947)	(6)	-	2	
43	Distribution	-	3,021	(3,021)	32.21%	(973)	(14)	42.86%	6	
44	General	-	15	(15)	46.67%	(7)	-	0.00%	-	
45	Subtotal - 1991 Vintage	-	3,036	(3,036)	-	(980)	(14)	-	6	
46	Distribution	-	3,133	(3,133)	32.24%	(1,010)	603	41.46%	(250)	
47	General	-	534	(534)	46.25%	(247)	2	50.00%	(1)	
48	Subtotal - 1992 Vintage	-	3,667	(3,667)	-	(1,257)	605	(251)	-	
49	Distribution	60	2,843	(2,783)	32.41%	(902)	638	41.54%	(265)	
50	General	4	294	(290)	45.86%	(133)	(2)	50.00%	1	
51	Subtotal - 1993 Vintage	64	3,137	(3,073)	-	(1,035)	636	(264)	-	
52	Distribution	183	3,106	(2,923)	32.84%	(960)	712	41.57%	(296)	
53	General	51	54	(3)	33.33%	(1)	-	0.00%	-	
54	Subtotal - 1994 Vintage	234	3,160	(2,926)	-	(961)	712	(296)	-	
55	Distribution	204	2,902	(2,698)	32.80%	(885)	318	41.51%	(132)	
56	General	498	547	(49)	34.69%	(17)	(17)	41.18%	7	
57	Subtotal - 1995 Vintage	702	3,449	(2,747)	-	(902)	301	(125)	-	
58	Distribution	111	2,753	(2,642)	32.63%	(862)	336	41.37%	(139)	
59	General	(150)	19	(169)	35.50%	(60)	3	33.33%	(1)	
60	Subtotal - 1996 Vintage	(39)	2,772	(2,811)	-	(922)	339	(140)	-	
61	Distribution	79	2,759	(2,680)	32.54%	(872)	170	41.18%	(70)	
62	General	216	55	161	31.06%	50	3	33.33%	(1)	
63	Subtotal - 1997 Vintage	295	2,814	(2,519)	-	(822)	173	(71)	-	
64	Distribution	51	2,297	(2,246)	32.46%	(729)	86	41.86%	(36)	
65	General	49	50	(1)	0.00%	-	(4)	50.00%	2	
66	Subtotal - 1998 Vintage	100	2,347	(2,247)	-	(729)	82	(34)	-	
67	Distribution	44	2,024	(1,980)	31.82%	(630)	161	41.61%	(67)	
68	General	46	32	14	14.29%	2	(1)	0.00%	-	
69	Subtotal - 1999 Vintage	90	2,056	(1,966)	-	(628)	160	(67)	-	
70	Distribution	60	2,231	(2,171)	31.46%	(683)	95	41.05%	(39)	
71	General	179	188	(9)	33.33%	(3)	(5)	40.00%	2	
72	Subtotal - 2000 Vintage	239	2,419	(2,180)	-	(686)	90	(37)	-	
73	Distribution	48	2,162	(2,114)	31.03%	(656)	(380)	41.84%	159	

**PPL Electric Utilities**  
**Deferred Income Tax Calculation Due to Excess of Tax**  
**Depreciation Over Depreciation Using Tax Basis and Book Rates**  
**for Twelve Months Ended June 30, 2027**  
**(\$000's)**

Line No.		ACRS & MACRS Tax Depreciation (a)	Book Depreciation Allocation to ACRS/MACRS Tax Basis (b)	Tax versus Book Depreciation (c) = (a) - (b)	ARAM Rate (d) = (e) / (c)	Federal Deferred Income Taxes (e)	Book Depreciation Allocation to Basis Differences (f)	ARAM Rate (g) = (h) / (f)	Federal and State Deferred Income Taxes (h)	Book Depreciation Allocation to AFUDC Equity (i)
74	General	67	73	(6)	33.33%	(2)	-	0.00%	-	-
75	Subtotal - 2001 Vintage	115	2,235	(2,120)		(658)	(380)		159	16
76	Distribution	(4,494)	(3,315)	(1,179)	17.39%	(205)	71	40.85%	(29)	2
77	General	118	129	(11)	36.36%	(4)	-	0.00%	-	1
78	Subtotal - 2002 Vintage	(4,376)	(3,186)	(1,190)		(209)	71		(29)	3
79	Distribution	(39)	4,169	(4,208)	31.65%	(1,332)	261	41.38%	(108)	-
80	General	241	264	(23)	34.78%	(8)	(7)	42.86%	3	2
81	Subtotal - 2003 Vintage	202	4,433	(4,231)		(1,340)	254		(105)	2
82	Distribution	80	1,339	(1,259)	34.31%	(432)	(29)	41.38%	12	4
83	General	39	42	(3)	33.33%	(1)	2	50.00%	(1)	-
84	Subtotal - 2004 Vintage	119	1,381	(1,262)		(433)	(27)		11	4
85	Distribution	(43)	(110)	67	14.93%	10	137	41.61%	(57)	5
86	General	67	72	(5)	40.00%	(2)	(7)	42.86%	3	1
87	Subtotal - 2005 Vintage	24	(38)	62		8	130		(54)	6
88	Distribution	1,273	2,730	(1,457)	28.89%	(421)	275	41.45%	(114)	11
89	General	85	94	(9)	33.33%	(3)	19	42.11%	(8)	1
90	Subtotal - 2006 Vintage	1,358	2,824	(1,466)		(424)	294		(122)	12
91	Distribution	3,773	2,923	850	19.06%	162	91	41.76%	(38)	15
92	General	224	247	(23)	34.78%	(8)	(2)	50.00%	1	3
93	Subtotal - 2007 Vintage	3,997	3,170	827		154	89		(37)	18
94	Distribution	3,431	3,290	141	10.64%	15	107	41.12%	(44)	22
95	General	512	566	(54)	35.19%	(19)	(3)	33.33%	1	1
96	Subtotal - 2008 Vintage	3,943	3,856	87		(4)	104		(43)	23
97	Distribution	3,125	3,438	(313)	26.20%	(82)	(64)	42.19%	27	26
98	General	362	399	(37)	35.14%	(13)	17	41.18%	(7)	(9)
99	Subtotal - 2009 Vintage	3,487	3,837	(350)		(95)	(47)		20	17
100	Distribution	2,389	3,947	(1,558)	32.80%	(511)	341	35.48%	(121)	19
101	General	422	442	(20)	20.00%	(4)	(4)	50.00%	2	5
102	Subtotal - 2010 Vintage	2,811	4,389	(1,578)		(515)	337		(119)	24
103	Distribution	(1,679)	4,133	(5,812)	30.21%	(1,756)	1,194	40.20%	(480)	34
104	General	312	300	12	25.00%	3	(9)	44.44%	4	14
105	Subtotal - 2011 Vintage	(1,367)	4,433	(5,800)		(1,753)	1,185		(476)	48
106	Distribution	1,429	3,417	(1,988)	23.89%	(475)	1,244	40.03%	(498)	37
107	General	2,038	1,627	411	20.68%	85	(40)	42.50%	17	82
108	Subtotal - 2012 Vintage	3,467	5,044	(1,577)		(390)	1,204		(481)	119
109	Distribution	5,230	5,812	(582)	24.57%	(143)	713	40.11%	(286)	51
110	General	563	387	176	21.02%	37	(3)	33.33%	1	3
111	Subtotal - 2013 Vintage	5,793	6,199	(406)		(106)	710		(285)	54
112	Distribution	4,369	5,078	(709)	22.43%	(159)	1,020	40.00%	(408)	35
113	General	160	246	(86)	36.05%	(31)	(2)	50.00%	1	7
114	Subtotal - 2014 Vintage	4,529	5,324	(795)		(190)	1,018		(407)	42
115	Distribution	4,467	4,989	(522)	22.61%	(118)	1,393	39.70%	(553)	41
116	General	159	478	(319)	36.99%	(118)	123	41.46%	(51)	5
117	Subtotal - 2015 Vintage	4,626	5,467	(841)		(236)	1,516		(604)	46
118	Distribution	4,938	5,763	(825)	22.79%	(188)	2,006	39.53%	(793)	54
119	General	231	688	(457)	37.64%	(172)	6	33.33%	(2)	6
120	Subtotal - 2016 Vintage	5,169	6,451	(1,282)		(360)	2,012		(795)	60
121	Distribution	6,420	8,426	(2,006)	32.15%	(645)	2,066	39.59%	(818)	52
122	General	160	555	(395)	36.20%	(143)	(11)	36.36%	4	16
123	Subtotal - 2017 Vintage	6,580	8,981	(2,401)		(788)	2,055		(814)	68
124	Distribution	14,523	6,313	8,210	21.00%	1,724	3,309	28.74%	(951)	46
125	General	115	733	(618)	21.04%	(130)	(25)	28.00%	7	2
126	Subtotal - 2018 Vintage	14,638	7,046	7,592		1,594	3,284		(944)	48
127	Distribution	9,797	4,477	5,320	21.00%	1,117	2,762	28.89%	(798)	42
128	General	734	1,124	(390)	21.28%	(83)	(85)	29.41%	25	5
129	Subtotal - 2019 Vintage	10,531	5,601	4,930		1,034	2,677		(773)	47
130	Distribution	9,684	4,841	4,843	21.00%	1,017	1,497	28.86%	(432)	64
131	General	1,595	3,320	(1,725)	21.04%	(363)	(227)	29.07%	66	85
132	Subtotal - 2020 Vintage	11,279	8,161	3,118		654	1,270		(366)	149
133	Distribution	12,735	5,845	6,890	21.00%	1,447	703	28.88%	(203)	61
134	General	1,346	6,410	(5,064)	21.03%	(1,065)	(97)	28.87%	28	318
135	Subtotal - 2021 Vintage	14,081	12,255	1,826		382	606		(175)	379
136	Distribution	11,015	4,778	6,237	21.00%	1,310	1,600	28.88%	(462)	47
137	General	7,203	12,594	(5,391)	21.02%	(1,133)	(1,136)	28.87%	328	854
138	Subtotal - 2022 Vintage	18,218	17,372	846		177	464		(134)	901
139	Distribution	11,446	5,312	6,134	21.00%	1,288	1,081	28.12%	(304)	38
140	General	15,982	6,967	9,015	20.99%	1,892	(1,782)	28.11%	501	265
141	Subtotal - 2023 Vintage	27,428	12,279	15,149		3,180	(701)		197	303
142	Distribution	25,319	9,553	15,766	21.00%	3,311	824	27.67%	(228)	103
143	General	14,239	4,584	9,655	20.99%	2,027	(5,026)	27.68%	1,391	32
144	Subtotal - 2024 Vintage	39,558	14,137	25,421		5,338	(4,202)		1,163	135
145	Distribution	32,368	11,028	21,340	21.00%	4,481	250	27.20%	(68)	19
146	General	40,465	8,854	31,611	20.99%	6,634	(11)	27.27%	3	21

**PPL Electric Utilities**  
**Deferred Income Tax Calculation Due to Excess of Tax**  
**Depreciation Over Depreciation Using Tax Basis and Book Rates**  
**for Twelve Months Ended June 30, 2027**  
**(\$000's)**

Line No.		ACRS & MACRS Tax Depreciation (a)	Book Depreciation Allocation to ACRS/MACRS Tax Basis (b)	Tax versus Book Depreciation (c) = (a) - (b)	ARAM Rate (d) = (e) / (c)	Federal Deferred Income Taxes (e)	Book Depreciation Allocation to Basis Differences (f)	ARAM Rate (g) = (h) / (f)	Federal and State Deferred Income Taxes (h)	Book Depreciation Allocation to AFUDC Equity (i)
147	Subtotal - 2025 Vintage	72,833	19,882	52,951		11,115	239		(65)	40
148	Distribution	41,979	13,619	28,360	21.00%	5,956	-	0.00%	-	-
149	General	61,757	11,485	50,272	20.99%	10,552	-	0.00%	-	-
150	Subtotal - 2026 Vintage	103,736	25,104	78,632		16,508	-		-	-
151	Distribution	7,050	2,149	4,901	21.00%	1,029	-	0.00%	-	-
152	General	4,053	742	3,311	20.99%	695	-	0.00%	-	-
153	Subtotal - 2027 Vintage	11,103	2,891	8,212		1,724	-		-	-
154	Summary:						-		-	-
155	Distribution	\$ 211,425	\$ 168,128	\$ 43,297		\$ 2,338	\$ 25,731		\$ (8,873)	\$ 862
156	General	154,142	65,908	88,234		17,965	(8,300)		2,323	1,722
157	Grand Sub-Total	\$ 365,567	\$ 234,036	\$ 131,531		\$ 20,303	\$ 17,431		\$ (6,550)	\$ 2,584
158	Distribution Net Negative Salvage Amortization						33,719			
159	General Net Negative Salvage Amortization						-			
160	Total Reversal of Plant Basis Differences		234,036				51,150			2,584
	Distribution Plant Basis Differences Incurred									
161	Net Negative Salvage						(39,760)			
162	Contributions In Aid of Construction						40,198		(10,741)	
163	Tax Repairs & Other Basis Items						(160,353)		42,832	-
164	Capitalized R&D						22,177		(5,926)	
165	Centralized IT Costs Expensed for Tax						(49,920)		13,338	
166	Total Plant Basis Differences Incurred						(187,658)		39,503	-
	General Plant Basis Differences Incurred									
167	Tax Repairs & Other Basis Items						-		-	-
168	Total Plant Basis Differences Incurred						-		-	-
169	Net Operating Loss Deficient Deferred Taxes								476	
170	<b>Total</b>	<b>365,567</b>	<b>234,036</b>	<b>131,531</b>		<b>20,303</b>	<b>(136,508)</b>		<b>33,429</b>	<b>2,584</b>
	Book Depreciation by Tax Basis Type									
171	Allocation to ACRS/MACRS (Col (b), Line 160)		234,036							
172	Allocation to Basis Differences (Col (f), Line 160)		51,150							
173	Allocation to AFUDC Equity (Col (i), Line 160)		2,584							
174	Total Book Depreciation		287,770							
	Plant Related Deferred Taxes									
175	Distribution (Line 155(e) + Line 155(h) + Line 166(h) + Line 169(h))					33,444				
176	General (Line 156(e) + Line 156(h) + Line 168(h))					20,288				
177	Total Plant Related Deferred Taxes					53,732				

**PPL Electric Utilities**  
**Reconciliation of Deferred Tax Balances**  
**on Balance Sheet to amount taken as a Reduction to Rate Base**  
**Period Ending June 30, 2026**  
**(\$000's)**

	<b>Amounts</b>
Deferred Tax Balances per Schedule B-1	
1 Account 190 - Accumulated deferred income taxes (noncurrent)	\$ (370,618)
2 Account 282 - Accumulated deferred income taxes - other property	2,146,502
3 Account 283 - Accumulated deferred income taxes - other (noncurrent)	<u>158,712</u>
4 Net Liability Deferred Tax Balance	<u>1,934,596</u>
Less: Deferred Tax Balances not included in rate base	
5 Contributions in Aid of Construction not recoverable	(5,082)
6 Non-Plant Deferred Taxes	70,938
7 ASC740 Adjustments included in regulatory assets and liabilities	(516,593)
8 Future Estimated Income Tax Rate Changes related to plant	(173,492)
9 Non-Utility Plant	<u>(44)</u>
10 Total deferred tax balances not included in rate base	<u>(624,273)</u>
11 Total plant related deferred tax balances included in rate base (Line 4 - Line 10) See Lines 12 thru 16 for details	<u><u>2,558,869</u></u>
Plant Deferred Tax Balances per Filing Requirement II-D-18	
12 Account 190 - Contributions in Aid of Construction	(171,588)
13 Account 190 - Deficient Federal Net Operating Loss Deferred Taxes	(53,423)
14 Account 282 - Accelerated Cost Recovery System	908,635
15 Account 282 - Other Plant Basis Adjustments	452,839
16 Account 282 - Net Book/Net Tax Plant (Excluding CIAC) - Transmission	<u>1,422,406</u>
17 Total Plant Deferred Tax Balances	<u>2,558,869</u>
18 Proforma Adjustments resulting from Depreciation Study July 2025 - June 2026 (Schedule D-18, Lines 21 thru 24, Column g)	563
19 Total Accumulated Deferred Taxes per Schedule C-6	<u><u>\$ 2,559,432</u></u>

**PPL Electric Utilities**  
**Reconciliation of Deferred Tax Balances**  
**on Balance Sheet to amount taken as a Reduction to Rate Base**  
**Period Ending June 30, 2027**  
**(\$000's)**

	<b>Amounts</b>
Deferred Tax Balances per Schedule B-1	
1 Account 190 - Accumulated deferred income taxes (noncurrent)	\$ (372,338)
2 Account 282 - Accumulated deferred income taxes - other property	2,298,553
3 Account 283 - Accumulated deferred income taxes - other (noncurrent)	156,241
4 Net Liability Deferred Tax Balance	<u>2,082,456</u>
Less: Deferred Tax Balances not included in rate base	
5 Contributions in Aid of Construction not recoverable	(5,082)
6 Non-Plant Deferred Taxes	71,087
7 ASC740 Adjustments included in regulatory assets and liabilities	(514,911)
8 Future Estimated Income Tax Rate Changes related to plant	(173,492)
9 Non-Utility Plant	(44)
10 Total deferred tax balances not included in rate base	<u>(622,442)</u>
11 Total plant related deferred tax balances included in rate base (Line 4 - Line 10) See Lines 12 thru 16 for details	<u>2,704,898</u>
Plant Deferred Tax Balances per Filing Requirement II-D-18	
12 Account 190 - Contributions in Aid of Construction	(178,415)
13 Account 190 - Deficient Federal Net Operating Loss Deferred Taxes	(52,733)
14 Account 282 - Accelerated Cost Recovery System	937,823
15 Account 282 - Other Plant Basis Adjustments	480,773
16 Account 282 - Net Book/Net Tax Plant (Excluding CIAC) - Transmission	1,517,450
17 Total Plant Deferred Tax Balances	<u>2,704,898</u>
Proforma Adjustments resulting from Depreciation Study	
18 July 2025 - June 2026 (Schedule D-15, Lines 21 thru 24, Column g)	563
19 July 2026 - June 2027 (Schedule D-15, Lines 21 thru 24, Column g)	4,405
20 Proration Adjustment (Schedule C-6, Page 2, Line 19)	(81,777)
21 Total Accumulated Deferred Taxes per Schedule C-6	<u><u>\$ 2,628,089</u></u>

- Q.25. Submit a schedule showing a breakdown of accumulated and unamortized investment tax credits, by vintage year and percentage rate, together with calculations supporting the amortized amount claimed as a reduction to pro forma income taxes. Provide details of methods used to write-off the unamortized balances.
- A.25. Attachments II-D-25a and II-D-25b provide the requested detail. PPL Electric is amortizing investment tax credits over the historic weighted average book service life.

**PPL ELECTRIC UTILITIES CORPORATION**  
**Adjustment to Amortization of**  
**Deferred Investment Tax Credit**  
**July 2025 - June 2026**  
*(In Dollars)*

<b>Line No.</b>	<b>Description</b>	<b>10% Investment Tax Credit</b>	<b>30% Investment Tax Credit</b>	<b>40% Investment Tax Credit</b>	<b>Total</b>
Transmission Property:					
1	1982	3,407	0	0	3,407
2	1983	190	0	0	190
3	1984	3,541	0	0	3,541
4	1985	3,272	0	0	3,272
5	1986	2,844	0	0	2,844
6	1987	2,442	0	0	2,442
7	1988	487	0	0	487
	Total Transmission Property	<u>16,183</u>	<u>0</u>	<u>0</u>	<u>16,183</u>
General Property:					
8	2019	0	3,720	0	3,720
9	2022	0	4,536	0	4,536
10	2023	0	1,836	4,368	6,204
	Total General Property	<u>0</u>	<u>10,092</u>	<u>4,368</u>	<u>14,460</u>
11	Total Amount of Amortization				<u><u>30,643</u></u>



**PPL ELECTRIC UTILITIES CORPORATION**  
**Adjustment to Amortization of**  
**Deferred Investment Tax Credit**  
**July 2026 - June 2027**  
*(In Dollars)*

<b>Line No.</b>	<b>Description</b>	<b>10% Investment Tax Credit</b>	<b>30% Investment Tax Credit</b>	<b>40% Investment Tax Credit</b>	<b>Total</b>
Transmission Property:					
1	1982	3,407	0	0	3,407
2	1983	190	0	0	190
3	1984	3,541	0	0	3,541
4	1985	3,272	0	0	3,272
5	1986	2,844	0	0	2,844
6	1987	2,442	0	0	2,442
7	1988	487	0	0	487
	Total Transmission Property	<u>16,183</u>	<u>0</u>	<u>0</u>	<u>16,183</u>
General Property:					
8	2019	0	3,720	0	3,720
9	2022	0	4,536	0	4,536
10	2023	0	1,836	4,368	6,204
	Total General Property	<u>0</u>	<u>10,092</u>	<u>4,368</u>	<u>14,460</u>
11	Total Amount of Amortization				<u><u>30,643</u></u>

- Q.26. Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not otherwise specifically explained and supported in the statement of operating income.
- A.26. An explanation of PPL Electric's claim for any additional operating income items is set forth in Section D of Exhibits Future 1 and Fully Projected Future 1.

- Q.27. If the utility's operations include non-jurisdictional activities, provide a schedule which demonstrates the manner in which rate base and operating income date have been adjusted to develop the jurisdictional test year claim.
- A.27. The Commission's Order, at Docket No. R-8003114, provided that future retail rate filings by PPL Electric should be on a PUC jurisdictional basis only. This filing has been prepared in compliance with that order. Total system rate base and components of operating income have been assigned and/or allocated between the FERC and PUC jurisdictions and the proposed revenue increase has been determined on a PUC jurisdictional basis only. See Exhibits BR-1 and BR-2.

Q.1. Supply a copy of any budget utilized as a basis for any test year claim and explain the utility's budgeting process.

A.1. Attachment II-E-1a is a summary of the operating budget utilized as the basis for PPL Electric's future test year claim. Attachment II-E-1b is a summary of the operating budget utilized as the basis for PPL Electric's fully projected future test year claim. An explanation of the Company's budgeting process is contained in PPL Electric Statement No. 2, the Direct Testimony of Dennis A. Urban.

**PPL ELECTRIC UTILITIES CORPORATION**

**Budget 2026**

**(Thousands of Dollars)**

	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Year 2026
<b>Operating Revenues</b>													
Electric Revenue	\$290,612	\$283,677	\$250,444	\$248,882	\$271,388	\$311,325	\$342,900	\$305,563	\$299,864	\$260,418	\$264,442	\$256,113	\$3,385,629
Gas Operations													
Wholesale Energy Marketing													
Intercompany Sales													
<b>Total Operating Revenues</b>	<b>290,612</b>	<b>283,677</b>	<b>250,444</b>	<b>248,882</b>	<b>271,388</b>	<b>311,325</b>	<b>342,900</b>	<b>305,563</b>	<b>299,864</b>	<b>260,418</b>	<b>264,442</b>	<b>256,113</b>	<b>3,385,629</b>
<b>Operating Expenses</b>													
Electric Fuel													
Cost of Natural Gas & Propane													
Energy Purchases - External	100,885	94,937	77,517	74,877	90,286	117,027	128,285	111,869	102,259	79,160	76,982	86,672	1,140,757
Energy Purchases - Internal													
<b>Total Fuel &amp; Energy Purchases</b>	<b>100,885</b>	<b>94,937</b>	<b>77,517</b>	<b>74,877</b>	<b>90,286</b>	<b>117,027</b>	<b>128,285</b>	<b>111,869</b>	<b>102,259</b>	<b>79,160</b>	<b>76,982</b>	<b>86,672</b>	<b>1,140,757</b>
Other Operating Expenses - Direct	30,687	35,667	43,994	29,734	27,473	41,485	30,958	30,839	43,675	30,960	32,771	33,684	411,927
Other Operating Expenses - Intercompany	14,383	13,884	11,673	14,287	13,318	14,458	14,744	19,299	14,327	16,527	16,471	15,924	179,296
<b>Total O&amp;M Expense</b>	<b>45,071</b>	<b>49,551</b>	<b>55,667</b>	<b>44,022</b>	<b>40,791</b>	<b>55,944</b>	<b>45,701</b>	<b>50,137</b>	<b>58,002</b>	<b>47,487</b>	<b>49,243</b>	<b>49,608</b>	<b>591,223</b>
Amort. of Transition Costs/Def Credits													
Depreciation	34,214	34,608	34,928	35,081	35,298	35,629	35,340	35,504	35,793	36,435	36,470	36,718	426,017
Taxes Other Than Income	12,855	12,298	10,588	10,375	11,834	14,289	15,181	13,422	12,745	10,590	10,479	11,369	146,024
<b>Total Operating Expenses</b>	<b>193,024</b>	<b>191,394</b>	<b>178,700</b>	<b>164,355</b>	<b>178,209</b>	<b>222,888</b>	<b>224,508</b>	<b>210,932</b>	<b>208,798</b>	<b>173,673</b>	<b>173,174</b>	<b>184,367</b>	<b>2,304,022</b>
<b>Income from Operations</b>	<b>97,588</b>	<b>92,283</b>	<b>71,743</b>	<b>84,527</b>	<b>93,179</b>	<b>88,437</b>	<b>118,393</b>	<b>94,631</b>	<b>91,066</b>	<b>86,745</b>	<b>91,268</b>	<b>71,746</b>	<b>1,081,607</b>
<b>Other Income and (Deductions)</b>	<b>2,497</b>	<b>2,521</b>	<b>6,417</b>	<b>4,852</b>	<b>4,851</b>	<b>6,810</b>	<b>2,932</b>	<b>3,469</b>	<b>5,029</b>	<b>2,359</b>	<b>2,385</b>	<b>5,729</b>	<b>49,852</b>
<b>Interest Expense</b>													
Long Term Debt	20,730	23,043	23,043	23,043	23,043	23,043	22,810	22,810	22,810	22,810	25,268	25,268	277,721
Preferred Securities	348	348	353	365	357	371	372	339	375	364	376	382	4,350
Short Term Debt & Other	1,567	783							96	211	115		2,772
Intercompany Interest													
AFUDC & Capitalized Interest	(1,220)	(1,234)	(1,255)	(1,296)	(1,279)	(966)	(900)	(960)	(993)	(1,007)	(1,042)	(1,117)	(13,270)
<b>Total Interest Expense</b>	<b>21,426</b>	<b>22,940</b>	<b>22,141</b>	<b>22,112</b>	<b>22,121</b>	<b>22,448</b>	<b>22,282</b>	<b>22,190</b>	<b>22,288</b>	<b>22,378</b>	<b>24,718</b>	<b>24,533</b>	<b>271,574</b>
<b>Income Before Income Taxes</b>	<b>78,660</b>	<b>71,865</b>	<b>56,020</b>	<b>67,268</b>	<b>75,910</b>	<b>72,799</b>	<b>99,043</b>	<b>75,910</b>	<b>73,807</b>	<b>66,726</b>	<b>68,936</b>	<b>52,942</b>	<b>859,885</b>
<b>Income Taxes</b>													
Federal Income Tax	5,886	4,690	3,001	3,883	5,728	6,705	10,057	5,744	7,624	3,988	4,540	2,683	64,530
State Income Tax	1,679	1,184	746	851	1,614	2,278	3,225	1,562	2,287	884	1,098	381	17,789
Deferred Income Taxes	12,631	12,601	9,759	12,309	12,213	9,263	10,718	10,576	7,387	10,371	10,322	8,551	126,701
<b>Total Income Taxes</b>	<b>20,196</b>	<b>18,475</b>	<b>13,506</b>	<b>17,043</b>	<b>19,555</b>	<b>18,247</b>	<b>23,999</b>	<b>17,882</b>	<b>17,298</b>	<b>15,243</b>	<b>15,960</b>	<b>11,615</b>	<b>209,020</b>
<b>Income Before Extraordinary Item</b>	<b>58,464</b>	<b>53,390</b>	<b>42,514</b>	<b>50,225</b>	<b>56,354</b>	<b>54,552</b>	<b>75,044</b>	<b>58,029</b>	<b>56,509</b>	<b>51,483</b>	<b>52,975</b>	<b>41,327</b>	<b>650,864</b>
<b>Extraordinary Item, net of income taxes</b>													
<b>Net Income</b>	<b>58,464</b>	<b>53,390</b>	<b>42,514</b>	<b>50,225</b>	<b>56,354</b>	<b>54,552</b>	<b>75,044</b>	<b>58,029</b>	<b>56,509</b>	<b>51,483</b>	<b>52,975</b>	<b>41,327</b>	<b>650,864</b>
<b>Noncontrolling Interest</b>													
Minority Interest													
Preferred Stock Dividend Requirements													
<b>Net Income Attributable to Noncontrolling Interest</b>													
<b>Earnings Available for Common Stockholders</b>	<b>\$58,464</b>	<b>\$53,390</b>	<b>\$42,514</b>	<b>\$50,225</b>	<b>\$56,354</b>	<b>\$54,552</b>	<b>\$75,044</b>	<b>\$58,029</b>	<b>\$56,509</b>	<b>\$51,483</b>	<b>\$52,975</b>	<b>\$41,327</b>	<b>\$650,864</b>

**PPL ELECTRIC UTILITIES CORPORATION**  
**Budget 2027**  
(Thousands of Dollars)

	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Jan 2027	Feb 2027	Mar 2027	Apr 2027	May 2027	Jun 2027	Year 2027
<b>Operating Revenues</b>													
Electric Revenue	\$297,661	\$288,806	\$249,720	\$256,295	\$278,062	\$315,918	\$346,871	\$311,357	\$305,291	\$265,282	\$265,051	\$268,627	\$3,448,943
Gas Operations													
Wholesale Energy Marketing													
Intercompany Sales													
<b>Total Operating Revenues</b>	<b>297,661</b>	<b>288,806</b>	<b>249,720</b>	<b>256,295</b>	<b>278,062</b>	<b>315,918</b>	<b>346,871</b>	<b>311,357</b>	<b>305,291</b>	<b>265,282</b>	<b>265,051</b>	<b>268,627</b>	<b>3,448,943</b>
<b>Operating Expenses</b>													
Electric Fuel													
Cost of Natural Gas & Propane													
Energy Purchases - External	101,182	95,290	77,864	75,203	90,656	117,506	128,814	112,390	102,786	79,691	77,540	87,300	1,146,222
Energy Purchases - Internal													
<b>Total Fuel &amp; Energy Purchases</b>	<b>101,182</b>	<b>95,290</b>	<b>77,864</b>	<b>75,203</b>	<b>90,656</b>	<b>117,506</b>	<b>128,814</b>	<b>112,390</b>	<b>102,786</b>	<b>79,691</b>	<b>77,540</b>	<b>87,300</b>	<b>1,146,222</b>
Other Operating Expenses - Direct	33,679	40,196	50,700	35,088	35,919	44,655	34,423	36,815	44,798	34,577	32,612	37,770	461,232
Other Operating Expenses - Intercompany	17,648	16,937	15,239	16,803	17,149	18,114	15,885	20,245	15,686	16,318	15,976	15,582	201,581
<b>Total O&amp;M Expense</b>	<b>51,327</b>	<b>57,132</b>	<b>65,939</b>	<b>51,892</b>	<b>53,068</b>	<b>62,769</b>	<b>50,309</b>	<b>57,059</b>	<b>60,484</b>	<b>50,895</b>	<b>48,587</b>	<b>53,352</b>	<b>662,813</b>
Amort. of Transition Costs/Def Credits													
Depreciation	36,896	37,244	37,478	37,780	38,313	38,970	40,075	40,161	40,198	40,232	40,356	40,572	468,275
Taxes Other Than Income	14,050	13,507	11,822	11,615	13,055	15,484	16,416	14,669	14,000	11,864	11,748	12,654	160,884
<b>Total Operating Expenses</b>	<b>203,456</b>	<b>203,173</b>	<b>193,103</b>	<b>176,490</b>	<b>195,092</b>	<b>234,729</b>	<b>235,614</b>	<b>224,281</b>	<b>217,468</b>	<b>182,681</b>	<b>178,231</b>	<b>193,878</b>	<b>2,438,194</b>
<b>Income from Operations</b>	<b>94,206</b>	<b>85,633</b>	<b>56,617</b>	<b>79,806</b>	<b>82,970</b>	<b>81,189</b>	<b>111,258</b>	<b>87,077</b>	<b>87,823</b>	<b>82,600</b>	<b>86,821</b>	<b>74,749</b>	<b>1,010,750</b>
<b>Other Income and (Deductions)</b>	<b>4,999</b>	<b>4,908</b>	<b>6,703</b>	<b>4,312</b>	<b>4,436</b>	<b>4,295</b>	<b>2,383</b>	<b>2,953</b>	<b>4,620</b>	<b>3,907</b>	<b>3,751</b>	<b>4,486</b>	<b>51,753</b>
<b>Interest Expense</b>													
Long Term Debt	25,268	25,268	25,268	25,268	25,268	25,268	25,268	25,039	27,531	27,531	27,531	27,531	312,043
Preferred Securities	394	394	383	395	386	402	403	355	377	382	394	384	4,650
Short Term Debt & Other													
Intercompany Interest													
AFUDC & Capitalized Interest	(1,048)	(1,079)	(1,144)	(1,090)	(1,123)	(977)	(1,233)	(1,242)	(1,215)	(1,168)	(1,163)	(961)	(13,444)
<b>Total Interest Expense</b>	<b>24,614</b>	<b>24,583</b>	<b>24,507</b>	<b>24,574</b>	<b>24,532</b>	<b>24,693</b>	<b>24,438</b>	<b>24,152</b>	<b>26,694</b>	<b>26,746</b>	<b>26,763</b>	<b>26,954</b>	<b>303,249</b>
<b>Income Before Income Taxes</b>	<b>74,591</b>	<b>65,958</b>	<b>38,814</b>	<b>59,544</b>	<b>62,874</b>	<b>60,790</b>	<b>89,203</b>	<b>65,878</b>	<b>65,750</b>	<b>59,762</b>	<b>63,809</b>	<b>52,281</b>	<b>759,253</b>
<b>Income Taxes</b>													
Federal Income Tax	8,021	6,413	2,814	5,344	6,188	7,520	10,514	6,143	7,724	4,823	5,738	5,070	76,312
State Income Tax	2,439	1,819	432	1,407	1,733	2,246	2,883	1,319	1,885	846	1,174	935	19,120
Deferred Income Taxes	12,790	12,818	10,463	12,426	12,276	9,949	12,986	12,869	10,703	12,940	12,912	10,869	144,001
<b>Total Income Taxes</b>	<b>23,250</b>	<b>21,050</b>	<b>13,709</b>	<b>19,177</b>	<b>20,197</b>	<b>19,715</b>	<b>26,383</b>	<b>20,331</b>	<b>20,312</b>	<b>18,609</b>	<b>19,825</b>	<b>16,874</b>	<b>239,433</b>
<b>Income Before Extraordinary Item</b>	<b>51,341</b>	<b>44,907</b>	<b>25,104</b>	<b>40,367</b>	<b>42,677</b>	<b>41,075</b>	<b>62,820</b>	<b>45,547</b>	<b>45,438</b>	<b>41,152</b>	<b>43,985</b>	<b>35,407</b>	<b>519,820</b>
<b>Extraordinary Item, net of income taxes</b>													
<b>Net Income</b>	<b>51,341</b>	<b>44,907</b>	<b>25,104</b>	<b>40,367</b>	<b>42,677</b>	<b>41,075</b>	<b>62,820</b>	<b>45,547</b>	<b>45,438</b>	<b>41,152</b>	<b>43,985</b>	<b>35,407</b>	<b>519,820</b>
<b>Noncontrolling Interest</b>													
Minority Interest													
Preferred Stock Dividend Requirements													
<b>Net Income Attributable to Noncontrolling Interest</b>													
<b>Earnings Available for Common Stockholders</b>	<b>\$51,341</b>	<b>\$44,907</b>	<b>\$25,104</b>	<b>\$40,367</b>	<b>\$42,677</b>	<b>\$41,075</b>	<b>\$62,820</b>	<b>\$45,547</b>	<b>\$45,438</b>	<b>\$41,152</b>	<b>\$43,985</b>	<b>\$35,407</b>	<b>\$519,820</b>

- Q.2. Supply summaries of the utility's projected operating and capital budgets for the 2 calendar years following the end of the test year.
- A.2. Attachment II-E-2a provides the Company's projected operating budget for the period ending June 2028 and June 2029. Attachment II-E-2b provides the Company's capital budget for the period ending June 2028 and June 2029.

**PPL ELECTRIC UTILITIES CORPORATION**

**Projected Operating Budget <sup>(1)</sup>**  
**For the Years Ended June 30,**  
***(Thousands of Dollars)***

	<b><u>2028</u></b>	<b><u>2029</u></b>
<b>Operating Revenues</b>		
Electric Operations	\$ 3,523,351	\$ 3,568,096
Wholesale & Energy Trading	0	0
Intercompany Sales	0	0
	<hr/>	<hr/>
<b>Total Electric Operating Revenue</b>	<b><u>3,523,351</u></b>	<b><u>3,568,096</u></b>
<b>Operating Expenses</b>		
Energy Purchases - External	1,158,762	1,159,211
Energy Purchases - Internal	0	0
O&M Expense	649,103	642,551
Regulatory Debits/Credits	0	0
Depreciation	519,127	564,708
Taxes Other Than Income	160,378	171,491
Income Taxes-Federal	69,548	111,987
Income Taxes-State	11,879	21,167
Deferred Income Taxes	149,066	143,361
	<hr/>	<hr/>
<b>Total Operating Expenses</b>	<b><u>2,717,863</u></b>	<b><u>2,814,476</u></b>
<b>Operating Income</b>	<b><u>\$ 805,488</u></b>	<b><u>\$ 753,620</u></b>

<sup>1)</sup> Does not include any effect of this rate filing.



**PPL ELECTRIC UTILITIES CORPORATION**

**Projected Capital Budget  
For the Years Ended June 30,  
(Thousands of Dollars)**

<b><u>Budget Category</u></b>	<b><u>2028</u></b>	<b><u>2029</u></b>
Asset Optimization Strategy	\$ 580,556	\$ 826,154
Facilities Management	13,918	13,420
Improve System Reliability	390,513	408,382
Information Technologies	87,816	47,779
Maintain System Reliability	74,044	69,787
Other	29,036	29,156
Provide Electric Service	183,449	142,454
Respond to Customer	79,566	79,789
Substation Connectivity	7,020	3,056
Upgrade System Facilities	189,910	11,364
Total	<u>\$ 1,635,828</u>	<u>\$ 1,631,342</u>

<sup>(1)</sup> Includes tools & equipment, Independent Power Producers and other miscellaneous items