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May 31, 2024

**VIA ELECTRONIC FILING**

Hon. Debbie-Anne Reese, Acting Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: PPL Electric Utilities Corporation  
Docket No. ER09-1148-000  
Informational Filing of Formula Rate True-Up Adjustment**

**Dear Secretary Bose:**

Pursuant to the Formula Rate Implementation Protocols (“Protocols”) of PPL Electric Utilities Corporation (“PPL Electric”) contained in Attachment H-8H of the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT”), PPL Electric submits its true-up adjustment (“True-Up Adjustment”) of its Annual Transmission Revenue Requirement (“ATRR”). The True-Up Adjustments sets forth PPL Electric’s under- or over-collection of its actual Net Revenue Requirement during the preceeding 2023 Rate Year.<sup>1</sup> The difference, together with interest, will be added to the ATRR used to set the rate that will be in effect for the succeeding Rate Year for the period commencing January 1, 2025 to and including December 31, 2025.<sup>2</sup>

On March 24, 2023, the Federal Energy Regulatory Commission (“Commission” or “FERC”) approved PPL Electric’s transition from a mid-year rate year (June 1 to May 31) to a calendar year rate year (January 1 to December 31),<sup>3</sup> effective April 1, 2023. The changes included specific protocols to govern the true-up process during the first year after the transition. In accordance with the Protocols, approximately seven months of the total under collection, plus interest, for the Rate Year, representing seven of twelve months of service were included in the

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<sup>1</sup> PJM, Intra-PJM Tariffs, OATT Attachment H-8H-PPL, § III.A (“Protocols”).

<sup>2</sup> Protocols § I.M.

<sup>3</sup> *PJM Interconnection, L.L.C. & PPL Elec. Utils Corp.*, 182 FERC ¶ 61,191 (2023).

True-Up for the 2022 Rate Year.<sup>4</sup> The remaining three months, plus interest, have been included in this year's True-Up Adjustment.<sup>5</sup>

Additionally, during the third quarter of the 2023 Rate Year, PPL Electric participated in a centralization initiative which resulted in a move of employees from PPL Electric to PPL Services Corporation. To ensure the correct accounting of operation and maintenance ("O&M") expenses, PPL Electric adjusted its methodology used to calculate the wages and salaries information reported on the FERC Form 1/3-Q pages 354-355, 320-323 and 324-325. For the 2023 Rate Year, PPL Electric reclassified \$54.9M of expenses to the "direct payroll" category of O&M expense inputs and reclassified \$7.6M of expenses to the "taxes and benefits to be allocated" category of O&M expense inputs. All of these changes have been included in the year end revenue accrual reported on the Income Statement of the 2023 FERC Form 1.

This submission is provided to the Commission for informational purposes only.<sup>6</sup> As required by the Protocols, PPL Electric is also providing a copy of this filing to PJM for posting on the PJM website.<sup>7</sup> Consistent with the Commission Staff's Guidance on Formula Rate Updates, PPL Electric is submitting the Template and additional exhibits in Microsoft Excel format, where required.<sup>8</sup>

## I. SUPPORTING DOCUMENTATION

PPL Electric provides supporting exhibits for additional transparency and to assist Interested Parties in their review of the True-Up Adjustment. These supporting exhibits are not required by the Protocols but track the exhibits included with PPL Electric's Annual Update informational filing. For consistency, PPL Electric uses the same Exhibit Numbers that it uses for its Annual Update informational filing. Exhibits 1, 3A, and 3B, which are included with the Annual Update filing are not relevant to the True-Up Adjustment and, therefore, are not included with this informational filing. PPL Electric includes Exhibit 2 and Exhibits 4 through 6 with its True-Up Adjustment.

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<sup>4</sup> *PPL Elec. Utils. Corp.*, Informational Filing of Formula Rate True-Up Adjustment, Docket No. ER-09-1148-000, at 1-2 (filed June 1, 2023). *See also* Protocols n.4 ("The first True-Up Adjustment will compare [the] total actual ATRR to the ATRR collected under the two formulas for that initial Rate Year.").

<sup>5</sup> The Protocols provide that if the initial use of a calendar year rate year covers only part of a rate year, the ATRR and corresponding True-Up Adjustment will be based on months that the rate is effective. Protocols n.4. In this case the 2022 Rate Year covered June through December (7 months) and the 2023 Rate-Year covered the remaining part of the True-Up Adjustment, January through March (3 months).

<sup>6</sup> *See PPL Elec. Utils. Corp.*, Docket No. ER09-1148-000 (Letter Order issued Mar. 19, 2010) (stating that PPL Electric submits its Annual Updates in Docket No. ER09-1148-000 "for informational purposes only" and, as the Commission stated, "[u]pon receipt, the Commission will not act on or notice the informational filing because the formula rate implementation protocols provide specific procedures for notice, review, and challenges to the annual updates").

<sup>7</sup> Protocols § III.C.

<sup>8</sup> *See Staff's Guidance on Formula Rate Updates* (July 17, 2014).

Exhibit 2 contains support for the relevant data not otherwise available in PPL Electric's 2023 FERC Form No. 1. Specifically, Exhibit 2 includes additional details regarding the following: (1) revenue credits (Revenue Credit Worksheet, Exhibit 2A), (2) amortized investment tax credits (Schedule of Deferred Investment Tax Credit, Exhibit 2B), and (3) Post-Employment Benefits Other Than Pensions ("PBOP") expenses (PBOP Expenses, Exhibit 2C).

Exhibit 4 provides the True-Up Adjustment.

Exhibit 5 is a copy of the annual report filed with the PA PUC on December 31, 2023, in PA PUC Docket No. M-110500.F2024ADR.

Exhibit 6 provides work papers supporting the return of excess accumulated deferred income taxes associated with the Tax Cuts and Jobs Act of 2017 and the recovery of the deferred income tax expense associated with the equity component of the Allowance for Funds Used During Construction approved by the Commission in Docket No. ER19-1145-000.<sup>9</sup>

## II. CONCLUSION

The enclosed True-Up Adjustment provides the True-Up Adjustment required by the Protocols to be submitted to the Commission and posted on PJM's website. The Protocols provide specific procedures governing notice, requests for information, review, and challenge of this True-Up Adjustment. Therefore, no action is required by the Commission regarding this True-Up Adjustment at this time. If you should have any questions regarding this True-Up Adjustment, please contact the undersigned.

Sincerely,

Steven M. Nadel  
PPL Services Corporation  
Two North Ninth Street  
Allentown, PA 18101

/s/ William M. Keyser  
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Enclosures

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<sup>9</sup> *PJM Interconnection, L.L.C.*, 167 FERC ¶ 61,083 (2019) ("April 2019 Order").