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Devin Ryan

dryan@postschell.com  
717-612-6052 Direct  
717-731-1985 Direct Fax  
File #: 209995

March 13, 2026

***VIA ELECTRONIC FILING***

Matthew Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: PA Public Utility Commission, *et al.* v. PPL Electric Utilities Corporation  
Docket Nos. R-2025-3057164, *et al.***

Dear Secretary Homsher:

Enclosed for filing is the Joint Petition for Non-Unanimous Settlement of All Issues (“Settlement”) in the above-referenced proceeding. Attached to the Settlement are the following Appendices:

- Appendix A – Proof of Revenues
- Appendix B – Revenue Allocation
- Appendix C – Bill Impacts
- Appendix D – Proposed Findings of Fact
- Appendix E – Proposed Conclusions of Law
- Appendix F – Proposed Ordering Paragraphs
- Appendix G – List of Certain Compliance Retail Tariff Modifications Referenced in the Settlement
- Appendix H – Grandfathered MW Cap Allocation Process

Copies of the filing will be provided as indicated on the Certificate of Service.

Matthew Homsher, Secretary  
March 13, 2026  
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As evidenced by the Certificate of Service, this filing is being served on the inactive Complainants in this proceeding pursuant to the directions of Deputy Chief Administrative Law Judge Christopher P. Pell and Administrative Law Judge Barbara Shadie Nause (“ALJs”).

The Settlement also includes a conspicuous notice on the first page of the document that any inactive Complainant has until March 20, 2026, to file Comments or Objections regarding the Settlement and to serve any such Comments or Objections on the ALJs and the other parties.

Respectfully submitted,



Devin Ryan

DR/bfc  
Enclosures

cc: The Honorable Barbara Shadie Nause (via email w/ enclosures)  
The Honorable Christopher Pell (via email w/ enclosures)  
Legal Assistant Eric Ball (via email w/ enclosures)  
Legal Assistant Pamela McNeal (via email w/ enclosures)  
Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this filing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

### VIA E-MAIL

Michael Podskoch, Esquire  
Adam Williams, Esquire  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265  
E-mail: [mpodskoch@pa.gov](mailto:mpodskoch@pa.gov)  
E-mail: [adawilliam@pa.gov](mailto:adawilliam@pa.gov)

Rebecca Lyttle, Esquire  
Steven Gray, Esquire  
Office of Small Business Advocate  
555 Walnut Street  
Forum Place, 1<sup>st</sup> Floor  
Harrisburg, PA 17101  
E-mail: [sgray@pa.gov](mailto:sgray@pa.gov)  
E-mail: [relyttle@pa.gov](mailto:relyttle@pa.gov)

Christy M. Appleby, Esquire  
Harrison W. Breitman, Esquire  
Jacob D. Guthrie, Esquire  
Josiah B. Harmar, Esquire  
Johnathan M. Longhurst, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923  
E-mail: [cappleby@paoca.org](mailto:cappleby@paoca.org)  
E-mail: [hbreitman@paoca.org](mailto:hbreitman@paoca.org)  
E-mail: [jguthrie@paoca.org](mailto:jguthrie@paoca.org)  
E-mail: [jharmar@paoca.org](mailto:jharmar@paoca.org)  
E-mail: [jlonghurst@paoca.org](mailto:jlonghurst@paoca.org)  
E-mail: [OCA25PPLBRC@paoca.org](mailto:OCA25PPLBRC@paoca.org)

Eric Joseph Epstein  
4100 Hillsdale Road  
Harrisburg, PA 17112  
E-mail: [epstein@efmr.org](mailto:epstein@efmr.org)

Elizabeth Marx, Esquire  
Ria M. Pereira, Esquire  
John W. Street, Esquire  
Lauren N. Berman, Esquire  
Levi A. Phillips, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
E-mail: [pulp@pautilitylawproject.org](mailto:pulp@pautilitylawproject.org)  
*Counsel for CAUSE-PA*

Joseph L. Vullo, Esquire  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
E-mail: [jlvullo@bvrrlaw.com](mailto:jlvullo@bvrrlaw.com)  
*Counsel for CEO*

Daniel A. Garcia, Esquire  
Brian Pulito, Esquire  
Sarah M. Ramin, Esq  
Steptoe and Johnson, PLLC  
1 PPG Place, Suite 3300  
Pittsburgh, PA 15222  
E-mail: [daniel.garcia@steptoe-johnson.com](mailto:daniel.garcia@steptoe-johnson.com)  
E-mail: [brian.pulito@steptoe-johnson.com](mailto:brian.pulito@steptoe-johnson.com)  
E-mail: [Sarah.Ramin@Steptoe-johnson.com](mailto:Sarah.Ramin@Steptoe-johnson.com)  
*Counsel for Customer-Generator Coalition*

Brad & Jennifer Woolley  
2914 Hodle Ave  
Easton, PA 18045  
E-mail: [jwoolley4@rcn.com](mailto:jwoolley4@rcn.com)

Devin McDougall, Esquire  
Logan Welde, Esquire  
Lauren Otero, Esquire  
Earthjustice  
1617 John F. Kennedy Blvd., Suite 2020  
Philadelphia, PA 19103  
E-mail: [dmcDougall@earthjustice.org](mailto:dmcDougall@earthjustice.org)  
E-mail: [lwelde@cleanair.org](mailto:lwelde@cleanair.org)  
E-mail: [lotero@cleanair.org](mailto:lotero@cleanair.org)  
*Counsel for Energy Justice Advocates*

Alan M. Seltzer, Esquire  
John F. Povilaitis, Esquire  
Buchanan Ingersoll & Rooney PC  
409 N. Second Street, Suite 500  
Harrisburg, PA 17101  
E-mail: [alan.seltzer@bipc.com](mailto:alan.seltzer@bipc.com)  
E-mail: [john.povilaitis@bipc.com](mailto:john.povilaitis@bipc.com)  
*Counsel for Joint Solar Advocates*

Daniel B. Markind, Esquire  
Mitchell H. Kizner, Esquire (*Pro Hac Vice*)  
Flaster Greenberg, PC  
1717 Arch Street, Suite 3300  
Philadelphia, PA 19103  
E-mail: [Daniel.markind@flastergreenberg.com](mailto:Daniel.markind@flastergreenberg.com)  
E-mail: [Mitchell.Kizner@flastergreenberg.com](mailto:Mitchell.Kizner@flastergreenberg.com)  
*Counsel for Dimension PA I LLC*

Emma H. Bast, Esquire  
Jessica R. O'Neill, Esquire  
Citizens for Pennsylvania's Future  
1429 Walnut Street, Suite 701  
Philadelphia, PA 19102  
E-mail: [bast@pennfuture.org](mailto:bast@pennfuture.org)  
E-mail: [oneill@pennfuture.org](mailto:oneill@pennfuture.org)  
*Counsel for EDF, NRDC, and PennFuture*

Michael Zimmerman, Esquire  
Environmental Defense Fund  
257 Park Avenue S.  
New York, NY 10010  
E-mail: [mzimmerman@edf.org](mailto:mzimmerman@edf.org)  
*Counsel for EDF*

Deanne M. O'Dell, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8<sup>th</sup> Floor  
Harrisburg, PA 17101  
E-mail: [dodell@eckertseamans.com](mailto:dodell@eckertseamans.com)

Lauren M. Burge, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
600 Grant Street, 44<sup>th</sup> Floor  
Pittsburgh, PA 15219  
E-mail: [lburge@eckertseamans.com](mailto:lburge@eckertseamans.com)  
*Counsel for RESA*

Todd S. Stewart, Esquire  
HMS Legal LLP  
501 Corporate Circle, Suite 302  
Harrisburg, PA 17110  
E-mail: [tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)  
*Counsel for Professional Dairy Managers of Pennsylvania*

Barry A. Naum, Esquire  
Steven W. Lee, Esquire  
Spilman Thomas & Battle, PLLC  
1100 Bent Creek Boulevard, Suite 101  
Mechanicsburg, PA 17050  
E-mail: [bnaum@spilmanlaw.com](mailto:bnaum@spilmanlaw.com)  
E-mail: [slee@spilmanlaw.com](mailto:slee@spilmanlaw.com)  
*Counsel for Walmart*

Jamie L. Martines, Esquire  
Spilman Thomas & Battle, PLLC  
301 Grant Street, Suite 3440  
Pittsburgh, PA 15219  
E-mail: [jmartines@spilmanlaw.com](mailto:jmartines@spilmanlaw.com)  
*Counsel for Walmart*

Judith D. Cassel, Esquire  
Whitney E. Snyder, Esquire  
Micah R. Bucy, Esquire  
Kathryn C. Read-Fisher, Esquire  
HMS Legal LLP  
501 Corporate Circle, Suite 302  
Harrisburg, PA 17110  
E-mail: [jdcassel@hmslegal.com](mailto:jdcassel@hmslegal.com)  
E-mail: [wesnyder@hmslegal.com](mailto:wesnyder@hmslegal.com)  
E-mail: [mrbcy@hmslegal.com](mailto:mrbcy@hmslegal.com)  
E-mail: [kcr@hmslegal.com](mailto:kcr@hmslegal.com)  
*Counsel for SEF*

Susan E. Bruce, Esquire  
Rebecca Kimmel, Esquire  
McNees Wallace & Nurick LLC  
100 Pine Street, P.O. Box 1166  
Harrisburg, PA 17108-1166  
E-mail: [sbruce@mcneeslaw.com](mailto:sbruce@mcneeslaw.com)  
E-mail: [rkimmel@mcneeslaw.com](mailto:rkimmel@mcneeslaw.com)  
*Counsel for Convergent*

Adeolu A. Bakare, Esquire  
Victoria A. Geddis, Esquire  
McNees Wallace & Nurick LLC  
100 Pine Street P.O. Box 1166  
Harrisburg, PA 17108-1166  
E-mail: [abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)  
E-mail: [vgeddis@mcneeslaw.com](mailto:vgeddis@mcneeslaw.com)  
*Counsel for PPLICA*

Colonel Carlos S. Ramirez-Vazquez,  
Esquire  
John J. McNutt, Esquire (*Pro Hac Vice*)  
U.S. Army Legal Services Agency  
Office of The Judge Advocate General  
9275 Gunston Road (JALS-TCAP)  
Fort Belvoir, VA 22060  
E-mail:  
[carlos.s.ramirezvazquez.mil@army.mil](mailto:carlos.s.ramirezvazquez.mil@army.mil)  
E-mail: [John.j.mcnett.civ@army.mil](mailto:John.j.mcnett.civ@army.mil)  
*Counsel for DOD/FEA*

Renardo L. Hicks, Esquire  
Bryce R. Beard, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8<sup>th</sup> Floor  
Harrisburg, PA 17101  
E-mail: [rhicks@eckertseamans.com](mailto:rhicks@eckertseamans.com)  
E-mail: [bbeard@eckertseamans.com](mailto:bbeard@eckertseamans.com)  
*Counsel for IGS Solar*

Rik Bhattacharyya  
310 Crest Dr.  
Clarks Green, PA 18411  
E-mail: [rik.bt.66@gmail.com](mailto:rik.bt.66@gmail.com)

Stacey Kimmel-Smith  
P.O. Box 819 Nantucket Circle  
Bethlehem, PA 18015  
E-mail: [sek4278@gmail.com](mailto:sek4278@gmail.com)

Wendy S. Johnson  
112 Miller Drive  
Manheim, PA 17545  
E-mail: [Wendyj333@gmail.com](mailto:Wendyj333@gmail.com)

**VIA OVERNIGHT DELIVERY**

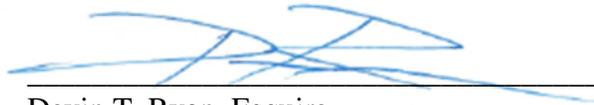
Safiyah Junaid  
216 Magic Mountain Rd.  
Henryville, PA 18332

John Gadowski  
446 Bidwell Hill Rd.  
Lake Ariel, PA 18436

Thatcher Graham  
1605 Dry Tavern Rd.  
Denver, PA 17517

Wendy S. Johnson  
112 Miller Drive  
Manheim, PA 17545  
[Wendyj333@gmail.com](mailto:Wendyj333@gmail.com)

Dated: March 13, 2026



Devin T. Ryan, Esquire  
Post & Schell, P.C.  
One Oxford Centre  
301 Grant Street, Suite 3010  
Pittsburgh, PA 15219

*Counsel for PPL Electric Utilities Corporation*





Defense and all other Federal Executive Agencies (“DOD/FEA”), Eric Joseph Epstein, the Environmental Intervenors (“EI” or “Environmental Intervenors”), the Energy Justice Advocates (“EJA”), the Joint Solar Advocates (“JSA”),<sup>1</sup> PP&L Industrial Customer Alliance (“PPLICA”),<sup>2</sup> the Retail Energy Supply Association (“RESA”), the Sustainable Energy Fund (“SEF”), and Walmart Inc. (“Walmart”), all active parties in the above-captioned proceeding (hereinafter collectively referred to as the “Joint Petitioners”), hereby file this Joint Petition for Approval of a Non-Unanimous Settlement of All Issues (“Settlement”) and respectfully request that Deputy Chief Administrative Law Judge Christopher P. Pell (“ALJ Pell”) and Administrative Law Judge Barbara Shadie Nause (“ALJ Nause”) (collectively, “ALJs”) and the Commission approve this Settlement without modification.

The only active parties who oppose any aspect of the Settlement are the Customer-Generator Coalition (“CGC”) and the Professional Dairy Managers of Pennsylvania (“PDMP”). Their opposition is limited to the provisions of this Settlement concerning the Maximum Registered Peak Load (“MRPL”) proposal (see Section III.J, *infra*). IGS Solar, the only other active party in this matter, does not take a position regarding the Settlement.<sup>3</sup>

As set forth and explained below, the Joint Petitioners have agreed to a settlement of all of the issues in the above-captioned proceeding. The Settlement provides for increases in rates designed to produce an annual distribution rate revenue increase of \$275.00 million. The Settlement provides for increases in rates, as set forth in the proof of revenues that attached as **Appendix A**, based upon a Fully Projected Future Test Year ending June 30, 2027 (“FPFTY”).

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<sup>1</sup> JSA supports Section III.J of the Settlement but takes no position on any other Section of the Settlement.

<sup>2</sup> PPLICA and DOD/FEA do not take a position on Paragraph 91(b)(ii) in the Large Load Interconnections section.

<sup>3</sup> There have been seven *pro se* formal complaints filed by customers opposing the proposed rate increase. These complainants were not active parties to this proceeding. A complete copy of this Settlement is being served on all formal complainants.

**Appendix B** provides the allocation among the customer classes of the base operating revenues provided for by this Settlement. The effect of the Settlement on representative customer rates (on both a total bill basis and a distribution only basis) is set forth in the tables provided in **Appendix C**. Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs are attached as **Appendices D-F**, respectively.

In support of the Settlement, the Joint Petitioners state the following:

## **II. BACKGROUND**

1. The above-captioned proceeding was initiated on September 30, 2025, when PPL Electric filed Original Tariff Electric – Pa. P.U.C. No. 202 (“Tariff No. 202”) and Original Tariff Electric – Pa. P.U.C. No. 2S (“Tariff No. 2S”) with the Commission. Tariff Nos. 202 and 2S were issued to be effective for service rendered on or after December 1, 2025. In Tariff No. 202, PPL Electric proposes a general increase in annual base electric distribution revenue of \$356,271,443. The filing was made in compliance with the Commission’s regulations and contains all supporting data and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase.

2. On October 2, 2025, the OSBA filed a Notice of Appearance.

3. On October 6, 2025, CEO filed a Petition to Intervene.

4. Also on October 6, 2025, CAUSE-PA filed a Complaint. CAUSE-PA’s Complaint was assigned Docket No. C-2025-3057844.

5. On October 9, 2025, OSBA filed a Complaint, Public Statement, and Verification. OSBA’s Complaint was assigned Docket No. C-2025-3057889.

6. Also on October 9, 2025, I&E filed a Notice of Appearance.

7. On October 14, 2025, PPL Electric was served with a Complaint filed by Brad and Jennifer Woolley at Docket No. C-2025-3057946 regarding the Company's proposed electric rate increase at Docket No. R-2025-3057164.

8. On October 16, 2025, CAUSE-PA filed a Notice of Appearance.

9. Also on October 16, 2025, CGC filed a Petition to Intervene.

10. On October 17, 2025, Eric Joseph Epstein filed a Petition to Intervene.

11. On October 23, 2025, the Commission entered an Order suspending Tariff Nos. 202 and 2S by operation of law until July 1, 2026, unless otherwise directed by Order of the Commission. Vice Chair Barrow also issued a Statement regarding the proceeding.

12. Also on October 23, 2025, an Initial Telephonic Prehearing Conference Notice was issued, which scheduled a prehearing conference in the above-captioned matter for Wednesday, November 5, 2025, at 9:00 AM before the ALJs. The ALJs also issued a Prehearing Conference Order, which, among other things, directed the parties to file Prehearing Conference Memoranda on or before Friday, October 31, 2025.

13. Further, on October 23, 2025, OCA filed a Complaint, Public Statement, and Notice of Appearance. OCA's Complaint was assigned Docket No. C-2025-3058130.

14. On October 27, 2025, JSA filed a Petition to Intervene. Also on October 27, 2025, CGC filed a Notice of Appearance.

15. On October 28, 2025, EJA filed a Petition to Intervene and Protest. Also on October 28, 2025, Dimension filed a Petition to Intervene. Further, on October 28, 2025, CAUSE-PA filed a Notice of Appearance.

16. On October 29, 2025, the Environmental Intervenors filed a Petition to Intervene. Also, CGC filed a Motion for Leave to Amend Petition to Intervene.

17. On October 31, 2025, PPL Electric filed a Notice of Entry of Appearance, JSA filed a Complaint that was assigned Docket No. C-2025-3058251, PPLICA filed a Complaint that was assigned Docket No. C-2025-3058251, Convergent filed a Complaint that was assigned Docket No. C-2025-3058300, RESA filed a Petition to Intervene, PDMP filed a Petition to Intervene, Walmart filed a Petition to Intervene, and OCA and Environmental Intervenors each filed a Notice of Appearance. Additionally, various parties filed Prehearing Memoranda in the proceeding.

18. On November 3, 2025, POWER Interfaith and Physicians for Social Responsibility Pennsylvania (“PSR PA”) filed a Petition to Intervene and Protest as part of their intent to join the EJA group.

19. On November 4, 2025, DOD/FEA filed a Petition to Intervene and a Motion for Admission *Pro Hac Vice*.

20. On November 5, 2025, SEF filed a Notice of Appearance and its Prehearing Conference Memorandum. Also on November 5, 2025, IGS Solar filed a Petition to Intervene. Further, the Prehearing Conference was held as scheduled.

21. On November 14, 2025, the ALJs issued Prehearing Order #1.

22. On November 17, 2025, the Commission issued a Notice for the in-person and telephonic public input hearings.

23. On November 25, 2025, PPL Electric was served with a Complaint filed by Rik Bhattacharyya at Docket No. C-2025-3058846 regarding the Company’s proposed electric rate increase at Docket No. R-2025-3057164.

24. On December 2, 2025, CGC filed a Second Motion for Leave to Amend Petition to Intervene. Also, PPL Electric was served with a Complaint filed by Safiya Junaid at Docket No.

C-2025-3058982 regarding the Company's proposed electric rate increase at Docket No. R-2025-3057164.

25. On December 4, 2025, the Commission issued a Notice scheduling an additional in-person public input hearing.

26. On December 9, 2025, PPL Electric was served with a Complaint filed by Stacey Kimmel-Smith at Docket No. C-2025-3059151 regarding the Company's proposed electric rate increase at Docket No. R-2025-3057164.

27. The public input hearings were held as scheduled on December 8-11 and 18, 2025.

28. On December 16, 2025, the ALJs issued Prehearing Order #2, setting a December 30, 2025, due date for supplemental direct testimony about the public input hearing testimony.

29. On December 17, 2025, the OCA filed a Notice of Entry of Appearance. Also, PPL Electric was served with a Complaint filed by John Gadomski at Docket No. C-2025-3059330 regarding the Company's proposed electric rate increase at Docket No. R-2025-3057164. Also, EI requested, and the ALJs granted, permission to file direct testimony and exhibits by December 24, 2025.

30. On December 18, 2025, the Commission issued a Notice scheduling the in-person evidentiary hearings for February 17-20, 2026, in Harrisburg, PA.

31. On December 22, 2025, written direct testimony and exhibits were served by I&E, OCA, OSBA, CAUSE-PA, CEO, CGC, Convergent, EJA, JSA, PDMP, PPLICA, RESA, SEF, and Walmart. EI timely served their written direct testimony and exhibits on December 24, 2025.

32. On January 12, 2026, the ALJs issued Prehearing Order #3, granting CGC's Motion for Leave to Amend Petition to Intervene and Second Motion for Leave to Amend Petition to Intervene.

33. Various comments have been filed by individuals in the proceeding regarding the proposed base rate increase as well.

34. On January 23, 2026, written rebuttal testimony and exhibits were served by PPL Electric, CGC, I&E, IGS Solar, JSA, OCA, OSBA, PPLICA, RESA, SEF, and Walmart.

35. On February 9, 2026, written surrebuttal testimony and exhibits were served by PPL Electric, CAUSE-PA, CGC, Convergent, EI, EJA, I&E, JSA, OCA, PDMP, PPLICA, RESA, and SEF.

36. On February 12, 2026, PPL Electric was served with a Complaint filed by Thatcher Graham at Docket No. C-2026-3060429 regarding the Company's proposed electric rate increase at Docket No. R-2025-3057164.<sup>4</sup> Also on February 12, 2026, CGC filed a Third Motion for Leave to Amend Petition to Intervene.<sup>5</sup>

37. On February 13, 2026, written rejoinder testimony and exhibits were served by PPL Electric.

38. Also, on February 13 and 14, 2026, PPL Electric and other parties exchanged emails with the ALJs about the errors identified in Mr. Castanaro's exhibits and the Company's forthcoming Motion to Sever the MRPL proposal from the base rate case.

39. On February 14, 2026, PPL Electric filed a Motion to Sever the Maximum Registered Peak Load Proposal from the Base Rate Case.

40. On February 16, 2026, PPL Electric filed the Company's Errata to PPL Electric Statement Nos. 12, 12-R, and 8-RJ.

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<sup>4</sup> More recently, on March 11, 2026, PPL Electric was served with a Complaint filed by Wendy Johnson at Docket No. C-2026-3061012 regarding the Company's proposed electric rate increase at Docket No. R-2025-3057164.

<sup>5</sup> The Third Motion was granted by the ALJs' Prehearing Order #4 issued on March 9, 2026.

41. On February 17, 2026, the first day of the evidentiary hearing commenced. The following parties, with their respective counsel, were present: PPL, I&E, OSBA, OCA, CEO, CAUSE-PA, CGC, JSA, EJA; Dimension, Environmental Intervenors, RESA, PDMP, Walmart, PPLICA, SEF, Convergent, and IGS Solar. A modified litigation schedule was adopted at the outset of the hearing, which provided for two additional rounds of pre-served testimony on the MRPL issue, and a one-day hearing on March 9, 2026.

42. Also, during the February 17, 2026, hearing, the following occurred: PPL, I&E, OCA, OSBA, CEO, CAUSE-PA, CGC, EJA, Environmental Intervenors, RESA, Walmart, PPLICA, SEF, Convergent, and IGS Solar moved for the admission of their pre-served testimony and exhibits into the record; one witness each for PPL and OCA were cross-examined; and various housekeeping matters were discussed. Included in those housekeeping matters, the parties were reminded that briefs must be filed according to the schedule established in our Prehearing Order #1, subject to modifications adopted during the evidentiary hearing.

43. On February 19, 2026, a Further Telephonic Hearing Notice was issued, which scheduled a telephonic evidentiary hearing specifically regarding PPL Electric's MRPL proposal in the above-captioned matter for Monday, March 9, 2026, at 9:00 AM before the ALJs. The ALJs also issued a Second Interim Order, which, among other things, directed the parties to file surrejoinder testimony on or before Monday, March 2, 2026, and sur-surrejoinder testimony on or before March 6, 2026.

44. On March 2, 2026, written surrejoinder testimony and exhibits were served by OSBA, CGC, and Walmart, and on March 6, 2026, written sur-surrejoinder testimony and exhibits were served by PPL Electric and CGC.

45. On March 9, 2026, the further evidentiary hearing on the MRPL was held as scheduled.

46. The parties engaged in settlement negotiations, attempting to reach a full settlement on all issues in this proceeding.

47. The Joint Petitioners have been able to agree to a settlement that resolves all issues in this matter and are in full agreement that the Settlement is reasonable and in the public interest. The Settlement is set forth in the following section.

### **III. SETTLEMENT**

48. The Joint Petitioners agree as follows:

#### **A. REVENUE REQUIREMENT**

49. PPL Electric will be permitted to submit a Supplement to PPL Electric's Tariff – Electric Pa. P.U.C. No. 202 designed to produce an annual distribution rate revenue increase of \$275.00 million, to become effective for service rendered on and after July 1, 2026. The increase in annual operating revenue is in lieu of the as filed net increase of approximately \$356.27 million. The settlement as to revenue requirement shall not be itemized, except for the following items and as further identified later in this Settlement: (1) the \$32,000,000 for reportable storm damage expenses as described below; (2) the approximately \$3,779,000 for annual amortization of the regulatory asset for the eligible storms costs in excess of the 3% cap on the Storm Damage Expense Rider ("SDER"), as set forth in Schedule D-9 of Exhibit Fully Projected Future 1; (3) \$17,291,887 annual amortization of negative net salvage based on a 10-year amortization period instead of a 5-year amortization period; (4) the approximately \$211,000 for annual amortization of the Infrastructure Investment and Jobs Act ("IIJA") regulatory asset, as set forth in PPL Electric St. No. 22 and Schedule D-10 of Exhibit Fully Projected Future 1; (5) the roll-in of the Distribution System Improvement Charge ("DSIC") capital investment and associated depreciation and tax

effects in base rates per the Company’s proposal, the Tax Cuts and Jobs Act (“TJCA”) rider, and the Smart Meter Rider – Phase 2 (“SMR-2”); and (6) the return on equity (“ROE”) for purposes of the DSIC will be set by and equivalent to the ROE set forth in the Commission’s Quarterly Report on the Earnings of Jurisdictional Utilities.

50. Additional changes to PPL Electric’s distribution base rates may not go into effect until two years after the effective date of rates in this proceeding.

51. On or before October 1, 2026, PPL Electric will provide all active parties an update to PPL Electric Exhibits JJS-2 and JJS-3, which will include actual capital expenditures, plant additions, and retirements by month for the 12 months ending June 30, 2026. On or before October 1, 2027, PPL Electric will update PPL Electric Exhibits JJS-2 and JJS-3 filed in this proceeding for the 12 months ending June 30, 2027. In PPL Electric’s next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the 12 months ended June 30, 2027, to its projections in this case. However, it is recognized that this Settlement is a compromise of the parties’ positions on various issues.

## **B. REVENUE ALLOCATION**

52. The Allocated Cost of Service Study (“ACOSS”) as included in **Appendix B** shall be used for allocating revenues to the rate classes.

53. The revenue allocation will be proportionally scaled back to reflect the adopted distribution rate revenue increase set forth in Paragraph 49, *supra*.

## **C. RATE DESIGN**

54. The parties agree that, based on the revenue number identified in Paragraph 49, *supra*, the proposed fixed residential customer charge shall increase to \$15.00 per month.

55. The proposed Rate LP-4 customer charge shall not be subject to scaleback.

56. The proposed Rate GS-3 customer charge shall not be subject to scaleback.

57. PPL Electric will not eliminate Rate RTS in this base rate case and will maintain the current fixed customer charge for Rate RTS.

58. The remaining rates shall be designed consistent with the revenue allocation and rate design parameters outlined in Paragraphs 54 through 57, *supra*.

**D. DISTRIBUTION SERVICE IMPROVEMENT CHARGE (“DSIC”)**

59. The DSIC capital investment and associated depreciation and tax effects will be rolled into base rates per PPL Electric’s proposal, and the DSIC will be reset to 0% upon implementation of new base rates.

60. DSIC Eligible Plant. As of the effective date of rates in this proceeding, PPL Electric will be eligible to include plant additions in the DSIC at the later of (1) the end of the FPFTY at June 30, 2027, or (2) once the net electric plant in service as identified in Schedule C-1, line 3 of PPL Electric Rebuttal Exhibit No. 1 exceeds the \$6,945,908,000 projected by PPL Electric at June 30, 2027. The foregoing provision is included solely for purposes of calculating the DSIC and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing.

61. DSIC Equity Return. For purposes of calculating its DSIC, PPL Electric shall use the equity return rate for electric utilities contained in the Commission’s most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1).

**E. STORM DAMAGE EXPENSE RIDER (“SDER”)**

62. Under the SDER, the R Factor for July 1, 2026, and thereafter, unless modified by the Commission in a subsequent base rate case, shall equal \$32,000,000, which for purposes of

this SDER constitutes the amount of expense from reportable storms currently recovered through base rates.

63. To the extent that actual eligible storm damage expenses associated with reportable storms are more or less than the \$32,000,000 that PPL Electric is recovering through base rates, this over/under collection will be refunded/recouped during the applicable SDER recovery period.

64. The SDER rate effective July 1, 2026, shall continue to reflect and be designed to recover the amortizations of extraordinary storm events, including the two extraordinary storm events from 2024.

65. As part of its compliance Retail Tariff filing, PPL Electric will revise the SDER tariff language to clarify what costs can be amortized and the methodology through which those amortization amounts will be recovered, as specified in **Appendix G**.

**F. CUSTOMER SERVICE, LOW INCOME AND UNIVERSAL SERVICE ISSUES**

66. By July 1, 2027, PPL Electric will revise its written training materials for new field technicians to include personal contact requirements and to be consistent with its 2016 remote involuntary termination settlement at Docket No. P-2016-2524581, Order (Jan. 19, 2017), regarding when the metering system may be used to remotely terminate service. The Company will revise its training and training materials to be consistent with the terms of the settlement.

67. By July 1, 2027, PPL Electric will update its call scripting and training materials for the customer service representatives and revise these documents so that PPL Electric's representatives are correctly informing customers that they may continue to renew their medical certificates past two renewals if they are able to pay their current charges and will direct customers seeking medical protections to where they can find additional informational materials (as developed pursuant to this paragraph) on the Company's website. PPL Electric will also develop

Plain Language<sup>6</sup> informational materials for households protected by a medical certificate, which will be posted on the Company's website. These informational materials will include a summary of the rights and obligations while protected by a medical certificate, and a sample bill that shows where the customer can locate the amount of their bill that constitutes their current charges that need to be paid in order to continue to renew their medical certificate. Within 180 days of the effective date of rates, PPL Electric will provide a draft of its revised call scripting, training materials, and informational materials to the parties to this proceeding, and will evaluate recommendations received from the parties on a good faith basis.

68. By January 1, 2028, PPL Electric will conduct a review of and update its third party call center vendor provided training materials to ensure that they reflect the most current Pennsylvania policies and other reforms reflected in the Settlement.

69. Beginning January 1, 2027, the Company will, in good faith, endeavor to operate its call center to reduce the level of abandoned calls to no more than 9% annually and to answer no less than 80% of its calls within 30 seconds. To the extent that PPL Electric is unable to achieve this level of performance, PPL Electric agrees to promptly meet with the parties to discuss those areas of challenge and its plan to improve service levels.

70. Consistent with the reporting of the other major electric utilities in Pennsylvania, the Company's performance in these areas relative to the prior provision shall include the call data for interactive voice response ("IVR") calls.

71. Prior to the Company's next base rate case, but not sooner than 12 months following the entry of the Commission's Final Order in this proceeding, the Company shall conduct a single root cause analysis of its internally resolved customer disputes and complaints filed with the

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<sup>6</sup> As utilized in this Settlement, the term "Plain Language" is intended to refer to the Commission's policy statement on plain language guidelines. See 52 Pa. Code § 69.251.

Commission that were initiated on or after January 1, 2026, to identify trends, potential underlying causes, and potential reforms such as modifications to training materials and other potential actions to respond to complaint trends and underlying causes. This root cause analysis shall be included in the filing of the next base rate case. In the Company's next base rate case, the Company will make available to I&E, OCA, OSBA, and CAUSE-PA the findings of the root cause analysis, including any data summaries, identified trends, root causes, and recommended reforms or corrective actions, including implementation timelines and responsible departments for such actions.

72. PPL Electric will define a "confirmed low income customer" to also include any customer who has received a Low Income Home Energy Assistance Program ("LIHEAP") grant within the current or immediately preceding two LIHEAP program years, as well as any customer who has participated in its Customer Assistance Program ("CAP") within the last 12 months.

73. Beginning January 1, 2027, before PPL Electric enters into a deferred payment arrangement ("DPA") with a customer which the Company either: (1) knows to be a Confirmed Low-Income customer; or (2) has generated information through the DPA process documenting that the customer is in the Tier 1 income range (at or below 150% of the FPL), PPL Electric will provide the customer with Plain Language information on CAP and an explanation of the advantages of CAP's arrearage forgiveness benefits. PPL Electric will develop this Plain Language notice in collaboration with its Universal Service Advisory Committee ("USAC").

74. Beginning January 1, 2027, PPL Electric will increase its maximum CAP credits as follows:

<b>FPL Tier</b>	<b>Account Classification</b>	<b>12-Month Maximum Credit Limit</b>
0% to 50%	Electric Heat	\$5,040
51% to 100%	Electric Heat	\$4,000
101% to 150%	Electric Heat	\$3,440
0% to 50%	Non-Electric Heat	\$3,120
51% to 100%	Non-Electric Heat	\$2,400
101% to 150%	Non-Electric Heat	\$2,000

75. In the earlier of its next filed rate case or its next default service petition, PPL Electric will propose an adjustment to the maximum CAP credit thresholds to account for proposed adjustments in generation and distribution rates in the interim or will explain why it does not believe any such adjustment is necessary.

76. Beginning January 1, 2027, PPL Electric will increase its Low Income Usage Reduction Program (“LIURP”) annual budget by \$1.5 million for a total of \$13.5 million. PPL Electric also agrees to roll over any unspent budgeted amounts in any year to the next year’s LIURP budget.

77. By July 1, 2027, PPL Electric will develop and implement a process to screen:
- a. New and moving customers for income level at the time their service is established to determine whether the customer should be:
    - i. Classified as a confirmed low income customer; and
    - ii. Referred to the CAP application process and any other universal service programs; and

- b. Existing customers for income level on any non-emergency calls, if that customer has not been screened within the past six (6) months and has not previously opted out of providing such information, to determine whether the customer should be:
  - i. Classified as a confirmed low income customer; and
  - ii. Referred to the CAP application process and any other universal service programs.

78. PPL Electric's proposal to eliminate the \$100 Universal Service Rider ("USR") CAP cost recovery offset is withdrawn without prejudice. Further, the CAP participation threshold used for determining when to start applying the \$100 credit shall be increased from 44,000 to 75,000.

79. PPL Electric will streamline enrollment in CAP in the following ways:

- a. As of the effective date of rates, PPL Electric will continue to place a temporary hold once per year on termination of accounts that are referred to CAP to allow time for the household to enroll in CAP. PPL Electric will inform customers that they have placed this hold on their accounts. PPL Electric will continue this temporary hold for 21 days. If the customer submits a CAP application within this 21-day period, PPL Electric will extend the hold until the CAP application is fully processed. If the CAP application is approved, PPL Electric will cancel the termination.
- b. By July 1, 2027, customers who have had their service terminated but have not yet reverted to the status of an applicant (i.e., they are within the 30 day window before their final bill becomes past due), may reconnect service without upfront

payment of arrears or a reconnection fee upon the successful enrollment into PPL Electric's CAP. PPL Electric will revise its policies, procedures, and call scripting to ensure that customers seeking to reconnect service will be screened for CAP eligibility and informed of the option to reconnect by successfully enrolling in CAP.

- c. By July 1, 2027, PPL Electric will begin utilizing LIHEAP data for the purpose of processing CAP applications and recertifications without requiring additional affirmative customer consent and will begin allowing applicants to enroll in CAP by phone if their income and household composition information is available through the LIHEAP data.

80. Within 120 days of the effective dates of rates, PPL Electric will modify its monthly CAP bill review process to review rates for all CAP customers, including those receiving the average bill and percentage of income payment ("PIP") CAP rate, to ensure they are always receiving the lesser of their applicable PIP rate or their average bill whichever is most advantageous available rate.

81. Within 120 days of the effective date of rates, PPL Electric will revise its policies and procedures for issuing payment arrangements through IVR systems to ensure that low income customers are provided with the opportunity to be transferred to a live customer service representative. Customers who provide income information indicating low-income status will be informed of the benefits of CAP and hardship funds and provided with the opportunity to apply during the call.

82. PPL Electric's proposal to recover USECP employees' salaries and wages through the USR is withdrawn without prejudice.

83. The USR rate filing will change from occurring once per year in January to three times per year in January, May, and September. This change will be incorporated in PPL Electric's compliance Retail Tariff filing.

84. Beginning July 1, 2027, PPL Electric agrees to waive reconnection fees for all customers who have household income at or below 150% of the federal poverty level.

85. By July 1, 2027, PPL Electric will revise its security deposit policies to reflect that if a customer has previously paid a security deposit and subsequently demonstrates that they are income-eligible for PPL Electric's CAP, PPL Electric will return the security deposit to the customer and will not apply the security deposit to the customer's bill unless the customer specifically agrees that it may be applied to the customer's bill. Upon implementation of this revised policy, PPL Electric will review all customer accounts for which it currently holds a security deposit to determine whether the low income security deposit exemption applies and will make the necessary refunds. PPL Electric will also update all applicable policies, procedures, and training materials to ensure that security deposits are automatically released when a customer enrolls in CAP, receives a LIHEAP grant, or provides other information indicating that they are low income.

86. PPL Electric will amend its tariff and modify its implementing practices and procedures, to better align with the Commission regulation regarding low-income exemptions from deposits (see, 52 Pa. Code § 56.32(e)). Specifically, PPL Electric will clarify that it will not require a cash deposit from applicant who, based upon household income, is confirmed to be eligible for a customer assistance program. Pursuant to Section 56.32(e) of the Commission's regulations, an applicant is confirmed to be eligible for a customer assistance program by the Company if the applicant provides income documents or other information attesting to his or her

eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility's customer assistance programs. Customers and applicants who are currently participating in PPL Electric's CAP or have received a LIHEAP grant within the current or prior LIHEAP program year will not be assessed a security deposit and, in turn, will not be required to provide further information or documentation of low income status to qualify for the security deposit exemption. PPL Electric will amend its call center scripts and training materials to ensure that applicants and customers are informed of the low income security deposit exemption and the required qualifications, and afforded an opportunity to provide the necessary income information at the time a deposit is assessed.

#### **G. VEGETATION MANAGEMENT**

87. PPL Electric withdraws without prejudice its request for capitalized treatment of the costs associated with first removal of hazard and danger trees after the acquisition of additional rights-of-way to address off-right-of-way trees.

#### **H. RELIABILITY**

88. PPL Electric is required to file an annual reliability accountability report in this docket that tracks the Company's approved reliability programs in relation to the Commission's existing reliability metric targets, and includes program-level reporting addressing spending, work completed, locations targeted, justification, and reliability outcomes. This reporting will continue until the next base rate proceeding.

89. PPL Electric will continue planning and executing Inspection, Maintenance, Repair, and Replacement ("I&M") Plan work based on system risk and need, rather than the cycle length alone.

90. PPL Electric will file an annual report describing the vegetation management program and detailing measures such as the extent of expanded rights-of-way ("ROWS") obtained,

the scope of associated tree removal, and estimated changes in relevant reliability metrics attributable to the expanded ROWs.

## **I. LARGE LOAD INTERCONNECTIONS**

91. As part of its compliance Retail Tariff filing, PPL Electric will adopt the LP-6 tariff schedule governing the rates, terms and conditions of service to large load (data center) customers, consistent with the Company's rebuttal testimony of PPL Electric Witness Joseph Lookup:

a. Including:

i. Electric Service Agreements ("ESAs") shall include, at a minimum, the following terms:

1. Initial term of not less than ten (10) years;
2. Customer shall provide an initial load ramp schedule for up to the first five (5) years of the initial term (for the avoidance of doubt, this requirement is not intended to prohibit and does not prohibit the use of an initial load ramp schedule for a period that does not exceed the initial term of the ESA);
3. Customer shall provide a revenue guarantee in the amount of the line extension costs that customer was not directly charged, the customer's Rate Base Security Obligation, defined *infra*;
4. Until the customer's Rate Base Security Obligation, defined *infra*, is satisfied, the customer shall pay applicable rates based on the greater of actual peak demand values, or 80% of the load provided in the load ramp schedule;
5. After the customer's Rate Base Security Obligation, defined *infra*, is satisfied, the customer shall pay applicable rate based

on the greater of actual peak demand values, or 80% of the load provided in the load ramp schedule for the first (5) years of the initial term and 50% for the second five (5) years of the initial term.

6. Customer's revenue guarantee shall be satisfied when the Company has received transmission revenue from the customer equaling the Rate Base Security Obligation, defined *infra*;
  7. Customer shall provide security in the form of a letter of credit, parent guarantee, or other security instrument acceptable to the Company for the amount of the outstanding revenue guarantee;
  8. In the event of default, the Company shall draw on the security instrument in the amount of the outstanding revenue guarantee and apply the funds to the remaining cost of the line extension that was not directly charged to the customer; and
  9. The ESA shall contain an exit fee, the amount of which is defined *infra*.
- ii. The Customer may elect a voluntary interruptible option, which if chosen would reduce the minimum load guarantee to 60% for the first five years, and 30% for the second five years.
- b. Subject to the following modifications:
- i. The LP-6 Rate Schedule will be applicable to a customer if the customer's service commenced on or after October 1, 2025;

- ii. The LP-6 Rate Schedule will be applicable to a customer if the customer has a peak electric demand of 50 MW or greater at a single facility or at least equal to 75 MW in the aggregate among facilities taking service from PPL Electric at or above 69 kV within a 10-mile radius; provided, however, that if (1) the customer has a peak electric demand equal to or greater than 50 MW at a single facility but less than or equal to 75 MW at a single facility that takes service from PPL Electric at or above 69 kV, and (2) the customer's interconnection and service requirements do not cause PPL Electric to incur transmission network upgrade costs, then PPL Electric may file a petition with the Commission requesting, subject to Commission review and approval, that the customer's facility be classified under Rate LP-5 and that the customer's peak demand for that single facility not be counted toward the peak demand in the aggregate among the customer's facilities taking service from PPL Electric at or above 69 kV within a 10-mile radius. Any petition filed under this section requesting a customer to be classified as a Rate LP-5 customer shall be served on all the parties to this base rate proceeding;
- iii. As a condition of receiving distribution utility service under the LP-6 Rate Schedule, each LP-6 customer must execute an ESA governing the customer's interconnection to the transmission system at voltages equal to or greater than 69 kV, including the constructing, maintaining, and operating of transmission facilities;

92. The ESA must be entered into pursuant to and consistent with the terms and conditions of the LP-6 rate schedule as specified herein;
- i. The ESA will require the LP-6 customer to provide security in an amount equal to the cost of upgrades needed to serve the customer, including, but not limited to, the costs that the Company would not have incurred but for the interconnection of the customer, that are placed into rate base and recovered through transmission rates (such amount is referred to as the “Rate Base Security Obligation”);
  - ii. The ESA will contain an exit fee that is equal to the remaining minimum load guarantee obligation during the ESA term at the time the customer terminates the ESA, or the remaining amount of the Rate Base Security Obligation, whichever is greater;
  - iii. The ESA will require a contribution in aid of construction (“CIAC”) as up-front milestone payments ahead of work performed for the cost of directly assignable transmission and distribution upgrades; and
- b. To the extent that there is critical load, the ESA shall require the LP-6 customer to engineer the substation and other distribution- side and customer-side infrastructure to enable the large load customer, during load shedding, to segment and separate critical load from non-critical load, as such terms are defined in PPL Electric’s load control and emergency conservation procedures developed pursuant to 52 Pa. Code § 57.52(b), and that the substation, other distribution-side infrastructure, and customer-side infrastructure be operated

such that non-critical load at the point of interconnection can be shed without affecting the operations of the critical load.

93. The exit fee will first be applied to the Rate Base Security Obligation as a reduction to the Company's transmission rate base, and the remainder of the exit fee will be as a credit to the Company's Federal Energy Regulatory Commission ("FERC") Transmission Formula Rate revenue requirement.

94. PPL Electric will submit compliant ESAs and a breakdown of the allocation of system upgrade costs to the Commission for transparency and information and will serve the same on the statutory advocates. PPL Electric will provide notice to the Commission and statutory advocates in the event that a Rate LP-6 customer voluntarily terminates the service contract before the contract has elapsed, including reporting if and when the customer's exit fee was provided as a credit to PPL Electric's transmission rate base balance.

95. PPL Electric will submit annual load forecasts to the Commission, along with a breakdown of forecasted load based on requests of customers with ESAs, Letters of Authorization ("LOAs"), and inquiries and shall include such breakdown along with forecasts submitted to PJM Interconnection, LLC ("PJM"). PPL Electric's requirements under this paragraph will be consistent with its obligations under Act 45 of 2025 regarding Electric Load Forecast Accountability, Sections 1801-B through 1806-B, and any information not covered by this paragraph but required by the Act must still be submitted by PPL Electric to the Commission.

96. Beginning January 1, 2027, PPL Electric will allocate \$11 million of USR costs annually to the new LP-6 rate class. Such costs will be allocated amongst the LP-6 rate class and recovered from the LP-6 customers through a non-bypassable customer charge assessed to those customers under Rate Schedule LP-6. PPL Electric will propose an increased allocation of costs

to the LP-6 class in its next filed rate case or will explain why it has not proposed to increase this allocation.

97. The Parties agree that the LP-6 tariff schedule in the Company's rebuttal position does not fully address the issues and concerns raised by various parties through the course of the proceeding, as fully substantiated by the testimony of OCA Witness Matthew Hoyt, CAUSE-PA Witness Benjamin Havumaki, EJA Witness Karl Rábago, EI Witness Ron Nelson, and PPLICA Witness Billie LaConte. The Parties also agree that certain of the issues and concerns identified by the parties are currently pending a determination by the Commission in the large load model tariff statewide proceeding at Docket No. M-2025-3054271 and that the Parties reserve all rights with respect to the proceeding at Docket No. M-2025-3054271. The Parties agree that, following any final order of the Commission in the Docket No. M-2025-3054271 proceeding, any Party to this Settlement may make a filing before the Commission proposing to modify the LP-6 rate schedule to be consistent with the Commission's determination in the statewide proceeding at Docket No. M-2025-3054271 and that such a filing would not be construed as breaking this Settlement. All Parties reserve all rights with respect to such a filing made pursuant to this provision.

**J. MAXIMUM REGISTERED PEAK LOAD**

98. The MRPL proposal shall be approved as modified by the following terms and conditions, consistent with the Joint Stipulation and Settlement filed on March 5, 2026:

99. The following customer-generators shall be grandfathered into their existing default service rate for a period of 10 years (i.e., until December 31, 2036), at which time they will become subject to classification pursuant to the terms of PPL Electric's default service rate classifications that are in place on or after January 1, 2037, in the following order:

- a. Customer-generators who submitted to PPL Electric an interconnection application on or before September 30, 2025,<sup>7</sup> which is the date on which PPL Electric filed the instant rate case, and whose generating facilities either (i) receive a Permission to Operate<sup>8</sup> (“PTO”), or (ii) provide to PPL Electric a completed copy of their Certificate of Completion<sup>9</sup> on or before December 31, 2026, which is 15 months from the instant rate case application date; then
- b. Customer-generators who submitted to PPL Electric an interconnection application on or before September 30, 2025, up to the “Cap” defined below, based sequentially on the date of their signed *original* Notification of Customer Intent (“NOCI”).<sup>10</sup> PPL Electric will utilize the process set forth in **Appendix H** to this Settlement to (1) notify customer-generators who submitted to PPL Electric an interconnection application on or before September 30, 2025 of their eligibility for a capacity allocation under the Cap, and (2) track remaining Cap capacity information and regularly publish such information on its website.

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<sup>7</sup> Under this Settlement, the date of the applicant’s submission of an interconnection application to PPL Electric will be determined by when it has received approval for its submitted one-line diagram, it has paid the interconnection application fee, and the Company has concluded that the interconnection application is complete.

<sup>8</sup> “Permission to Operate” or “PTO” is the letter or other communication from PPL Electric to a customer-generator granting authorization to operate a generating facility. If partial PTO is granted, then the full nameplate of the customer generator application is applied to the 140 MW Cap.

<sup>9</sup> A Certificate of Completion, as defined in 52 Pa. Code § 75.22, is a certificate in a form approved by the Commission containing information about the interconnection equipment to be used, its installation and local inspections.

<sup>10</sup> A “Notification of Customer Intent” or “NOCI” is a formal document indicating the customer-generator’s agreement to the scope of work required to interconnect the project, as provided by PPL Electric, and advance the engineering and design work required to bring the project online.

100. No additional customer-generators shall be grandfathered under Paragraph 99, *supra*, once the total amount of nameplate AC capacity for Rate GSC-1 customer-generator systems that receive PTO reaches 140 MW-AC (“Cap”).

101. PPL Electric shall provide the parties to this Settlement with written notification on when the remaining Cap capacity information is updated on the Company’s website and when the Cap has been met.

102. For purposes of determining compensation for net excess generation for customer-generators taking service under Rate GSC-2, such compensation shall include (i) the capacity portion of Rate GSC-2 as defined hereafter, (ii) line losses; and (iii) a gross-up of the generation component for the Gross Receipts Tax (“GRT”). The capacity portion shall equal the PJM Reliability Pricing Model price expressed in dollars per kW-Day, as reported by PJM for the PL Zone, multiplied by the total obligation peak load for the Large Commercial & Industrial (“Large C&I”) class<sup>11</sup> for the applicable GSC-2 period, divided by the total forecasted Large C&I kWh load for the applicable GSC-2 period.

103. Other than the specific terms and conditions contained herein, the Joint Petitioners propose no other modifications to PPL Electric’s proposed changes to GSC-1 and GSC-2 and its proposal to introduce the MRPL into PPL Electric’s determination of eligibility for participation in Rate Schedules GSC-1 and GSC-2.

104. For the remainder of the grandfathering period ending December 31, 2036, PPL Electric will not propose, as part of any Commission proceeding, to modify the grandfathered rights for customer-generators set forth in Paragraph 99, *supra*. Through the period ending

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<sup>11</sup> The Large C&I customer class consists of distribution Rate Schedules GS-3 (>100 kW), LP-4 (>=100 kW), and LP-5.

December 31, 2041, PPL Electric will not propose, as part of any Commission proceeding, to make any changes to the structural components of Rate GSC-2 as described in Paragraph 105, *infra*, that would result in different components being used for calculating the Rate GSC-2 rate paid by non-customer-generators and the Rate GSC-2 rate used to determine the net metering compensation for customer-generators.

105. PPL Electric shall compensate each customer-generator taking service under Rate GSC-2 for excess generation produced by that customer-generator based on all of the following components:

- a. Energy, based on an average of actual daily, real-time Locational Marginal Prices at the PPL Residual Aggregate Node as reported by PJM over the most recent previous 6-month period.
- b. HP Adder, which is the supplier's winning bid in PPL Electric's most recent solicitation for supply of default service to customers in the Large C&I Customer Class. The supplier's charges may include, but are not limited to, the costs of transmission service (other than non-market-based transmission service charges), ancillary services, congestion management costs, and such other services or products that are required to supply hourly default service to customers in the Large C&I Customer Class, including Alternative Energy Credits.
- c. Capacity, as determined by Paragraph 102, *supra*.
- d. E-Factor, which adjusts the Rate GSC-2 for the net over or undercollection of the Rate GSC-2 rate components as of the end of the 12-month period ending

March 31 immediately preceding the computation period, including applicable interest as set forth in Rate GSC-2 of the Retail Tariff.

- e. Administrative Charges, based on PPL Electric's portion of administrative charges expressed in cents per kWh times the customer's actual energy use, adjusted for losses, during each hour of the billing month.
- f. Transmission, as defined as follows:

- i. For purposes of compensation for net excess generation, Rate GSC-2 customer generators on distribution Rate LP-4, the transmission compensation is converted from a kW rate to a kWh rate by taking the Large C&I – Primary Billing Demand Rate (\$/kW) (w/GRT) from the PPL Transmission Service Charge (“TSC”) filing, multiplying by the Large C&I - Primary Bill Demand kW reported in the TSC filing, and then dividing by the Large C&I – Primary Projected Total Retail KWH Sales to Customers reported in the TSC filing. The estimated kW and kWh in the TSC filing are derived from PPL Electric's load forecast. The rate for the current six-month period is calculated from the rate in effect during the prior six-month period.

- ii. For GSC-2 customer generators on distribution Rate GS-3, transmission compensation is the Small C&I TSC rate in effect during the prior six-month period.

**K. ELECTRIC VEHICLE (“EV”) TIME-OF-USE (“TOU”) CHARGING REBATE PROGRAM AND DIRECT CURRENT FAST CHARGER (“DCFC”) RATE**

106. PPL Electric's EV TOU Charging Rebate Program proposal is approved subject to the following modifications in this section.

107. The EV TOU Charging Rebate Program shall run from July 1, 2026, until June 30, 2030. This term shall not prohibit PPL Electric from proposing a continuation or expansion of the EV TOU Charging Rebate Program, subject to Commission review and approval, in a future Commission proceeding.

108. Each “Program Year” under the EV TOU Charging Rebate Program shall run from June 1 of one year to May 30 of the following year (e.g., Program Year 1 would be July 1, 2026, to May 30, 2027).

109. The EV TOU Charging Rebate Program’s applicable On-Peak and Off-Peak time frames shall be modified to align with PPL Electric’s residential TOU program On-Peak and Off-Peak time frames. No rebates will be paid to program participants in the six shoulder months.

110. PPL Electric will modify the proposed tariff language for the EV TOU Charging Rebate Program to explicitly indicate the program is temporary and will be reevaluated prior to its continuation beyond 2030.

111. PPL Electric will share with interested stakeholders the proposed application form, customer communications with the requirements and program rules, and marketing materials as well as the proposed areas where the marketing will be conducted. PPL Electric will provide a collaborative for discussion of the proposed materials and offer the opportunity for interested stakeholders to provide feedback to the Company on the materials and proposed marketing targets.

112. PPL Electric will develop an evaluation plan with detailed objectives that will be utilized in the evaluation of the EV TOU Charging Rebate Program during the duration of the program and at the end of its initial term. The evaluation plan will clearly identify all relevant evaluation metrics and key performance indicators (“KPIs”) along with their respective targets and the data used to measure each metric of KPI. This full evaluation plan will include milestones tied

to the distinct start and end dates. PPL Electric shall be authorized to use internal personnel to conduct the evaluation of the EV TOU Charging Rebate Program and shall not be required to contract with a third party to perform such evaluation.

113. The evaluation plan will also describe how the Company will compare the data derived from the Proposed EV TOU Charging Rebate Program with the data obtained from the Phase V Act 129 Energy Efficiency and Conservation (“EE&C”) Plan’s EV Program customers and customers not participating in either program, as well as how the Company intends to collect the data from customers not participating in either program.

114. Within 60 calendar days following the end of each Program Year, PPL Electric shall file and serve a report at this docket providing the following information: (a) number of customers who participated; (b) total rebates awarded to participating customers; (c) customers’ charging behavior metrics; and (d) customer satisfaction. Any individualized customer information provided in the report will be anonymized.

115. In advance of the EV TOU Charging Rebate Program’s launch on July 1, 2026, PPL Electric will finalize the customer communications, program descriptions, and enrollment materials and share them with the active parties in this proceeding.

116. Any decisions to continue the program will be subject to Commission review as part of a standalone regulatory proceeding, base rate case, or in conjunction with the Commission’s evaluation of a future Act 129 EE&C Plan. Stakeholders shall be afforded an opportunity to participate in the applicable proceeding.

117. Within 180 days of the Commission’s entry of a final order in this proceeding, PPL Electric will initiate work with interested stakeholders to develop new EV distribution rates for each of the following: (1) third-party owned public-facing EV DCFCs; and (2) residential

customers. PPL Electric will make a proposal in its next base rate case to establish EV distribution rates for third-party public-facing EV DCFCs and residential customers.

**L. IT UPGRADES**

118. PPL Electric is permitted to capitalize the costs associated with its planned Information Technology (“IT”) upgrades, as set forth in PPL Electric St. No. 19. Parties retain the right to challenge the reasonableness and prudence of any such capitalized expenditures in future base rate cases. PPL Electric agrees to engage in communications with the EGSs regarding planned changes to its IT systems which have the potential to impact the Supplier Portal before such changes are implemented. The Company agrees to review in good faith any feedback provided by EGSs regarding such planned IT system changes. However, PPL Electric retains ultimate discretion regarding the design and implementation of its IT systems and shall be under no obligation to incorporate the EGSs’ suggestions.

119. To the extent that PPL Electric must develop a DER Orchestration Plan under the Commission’s Order at Docket No. P-2024-3049223, PPL Electric agrees to hold one stakeholder working group with the Parties to this proceeding before filing its DER Orchestration Plan with the Commission. During the stakeholder working group meeting, the Company shall provide substantive updates regarding the process and anticipated content of such Plan, address stakeholder questions, and solicit stakeholder feedback. PPL Electric commits to considering any such stakeholder feedback in good faith as part of the Company’s finalization of the DER Orchestration Plan before filing with the Commission.

**M. RETAIL TARIFF**

120. PPL Electric’s proposal to eliminate third party payment fees and roll these costs into rates is adopted. The amount rolled into rates is included in the overall revenue requirement increase agreed to by the parties in Paragraph 49.

121. PPL Electric’s Opportunity Pennsylvania Program costs will not be recovered through base rates in this proceeding.

122. As part of its compliance Retail Tariff Filing, PPL Electric shall make the following modifications, many of which are identified in PPL Electric St. Nos. 8-R and 14-R, as set forth fully in **Appendix G**: (a) clarify that the Rule 6 capacity reservation charge is limited to distribution demand charges; (b) incorporate corrected back-up power reservation charges in Rule 6 that are equal to 30% of the applicable standard distribution demand charge under Rate Schedule GS-3, LP-4, or LP-5; (c) remove the Alternative Energy Credit (“AEC”) ownership language in the Net Metering for Renewable Customer Generators section; (d) revise the definition of “tenant” as specified on pages 2-3 of PPL Electric St. No. 14-R and as further modified on page 48, lines 16-26 of CAUSE-PA St. No. 1-SR; (e) revise Rule 5(E)(1) as set forth on pages 4-5 of PPL Electric St. No. 14-R; (f) add a Rule 5(E)(4) as set forth on pages 5-6 of PPL Electric St. No. 14-R; (g) add a Rule 9(I) that provides PPL Electric with the discretion to enter into a flexible payment arrangement of up to 6 months with Rate GS-1 and GS-3 customers under terms acceptable to the Company; and (h) modify proposed paragraph headed “CUSTOMER TRANSFORMATION EQUIPMENT” in Rate Schedule LP-5 to apply to customers with a peak demand of less than 50 MW and facilities for which the Commission has approved an exemption under Paragraph 91(b)(ii). The Company will include provisions in its agreement with the customer that ensure that no costs associated with owning, operating, and maintaining the customer transformation equipment will be recovered from other customers.

**N. SUPPLIER TARIFF**

123. As part of its compliance Supplier Tariff filing, PPL Electric shall make the following modifications: (a) remove Rule 3.1(f) and renumber subsequent provisions accordingly; (b) clarify the Load Data Supply Charge section as stated on page 73 of PPL Electric St. No. 18-

R; (c) include the definition of “Bill Ready” as set forth on page 75 of PPL Electric St. No. 18-R; (d) revise the Competitive Billing Specifications Rider to address a Rate Ready billing scenario as specified on page 76 of PPL Electric St. No. 18-R; (e) delete the credit requirements detailed in Rule 4.14; (f) revise Rule 4.18 to remove the recovery of “EDI Transaction Fees” from the Coordination Service Charges; (g) revise Rule 4.18 to institute a January 1, 2027 effective date for the inclusion of “DUNS Testing Fees” in the Coordination Service Charges; and (h) update the rate classes in Rule 12.9 for the Purchase of Receivables (“POR”) Program to reflect the relevant rate classes approved in this proceeding. PPL Electric further agrees that all EGSs currently registered and operating in its service territory will be allowed to continue service on an uninterrupted basis regardless of the changes to Rule 3.1 (and subsections thereof) of the Supplier Tariff until January 1, 2028. The EGSs currently registered and operating in the Company’s service territory will need to provide the information and materials required under Rule 3.1 (and subsections thereof) no later than January 1, 2028, to continue operating in PPL Electric’s service territory. PPL Electric agrees that EGSs can satisfy applicable requirements under Rule 3.1 (and subsections thereof) through affiliates. The Company will communicate the requirements under Rule 3.1 to all EGSs currently registered in the Company’s service territory within 60 days of the entry date of the Commission’s Final Order in this proceeding.

**O. BEHIND-THE-METER NON-EXPORTING BATTERY ENERGY STORAGE SYSTEMS**

124. PPL Electric agrees to review within 120 days of the entry date of the Commission’s Final Order any behind-the-meter non-exporting battery energy storage projects currently being reviewed for interconnection behind a customer’s meter to determine if the requirements being imposed are in line with industry best practices and available studies.

**P. MISCELLANEOUS TERMS**

125. Each term and condition set forth in this Settlement, whether or not set out in a numbered paragraph, shown in a table or other graphic presentation, bolded, italicized, or otherwise emphasized, or set forth in the body, a footnote, a parenthetical, an appendix, an exhibit, or otherwise, is material consideration to the entry into this Settlement by the signatory parties.

126. Unless otherwise expressly indicated, all terms and conditions contained herein shall take effect upon the effective date of rates in this proceeding, without the need or requirement for additional Commission review or approval.

127. This Settlement is conditioned upon the Commission's approval of the terms and conditions contained herein without modification. If the Commission modifies the Partial Settlement, then any Joint Petitioner may elect to withdraw from this Settlement and may proceed with litigation and, in such event, this Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Joint Petitioners within five (5) business days after the entry of an order modifying the Partial Settlement. The Joint Petitioners acknowledge and agree that this Settlement, if approved, shall have the same force and effect as if the Joint Petitioners had fully litigated this proceeding and that the rates established hereunder are Commission-made, just and reasonable rates.

128. This Settlement is proposed by the Joint Petitioners to settle all of the issues in the instant proceeding. If the Commission does not approve the Settlement and the proceedings continue to further hearings, the Joint Petitioners reserve their respective rights to present additional testimony and to conduct full cross-examination, briefing and argument. The Settlement is made without any admission against, or prejudice to, any position which any Joint Petitioner may adopt in the event of any subsequent litigation of this proceeding.

129. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

130. This Settlement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner which is fair and reasonable. The Settlement is the product of compromise. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Joint Petitioners may advance in the future on the merits of the issues in future proceedings except to the extent necessary to effectuate the terms and conditions of this Settlement. This Settlement does not preclude the Joint Petitioners from taking other positions in proceedings of other public utilities under Section 1308 of the Public Utility Code, 66 Pa. C.S. § 1308, or any other proceeding.

131. If the ALJs adopt the Settlement without modification, the Joint Petitioners waive their rights to file Exceptions with regard to the Settlement; provided, however, that the Joint Petitioners would retain their rights to file Replies to Exceptions if any Exceptions are filed by other parties in this proceeding.

132. The Joint Petitioners' Statements in Support setting forth the bases upon which they believe the Settlement is fair, just, and reasonable and is, therefore, in the public interest will not be attached to this Joint Settlement as Appendices; rather, the Statements in Support will be filed by the Reply Brief due date, which is March 20, 2026, pursuant to the ALJs' direction.<sup>12</sup>

#### **IV. VICE CHAIR BARROW'S OCTOBER 23, 2025 STATEMENT**

133. The ALJs directed that the Joint Petition and the Statements in Support address the items set forth in Vice Chair Barrow's Statement dated October 23, 2025.

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<sup>12</sup> It is noted that, because certain Joint Petitioners only participated with regard to certain issues in this proceeding, some of the Statements in Support may be limited in the scope of issues addressed.

134. The Joint Petitioners respond to each of those items below and as may be more fully addressed in their Statements in Support that will be filed by March 20, 2026.

135. First, Vice Chair Barrow stated:

**Extended Stay Out:** PPL's last rate increase request was over 10 years ago in 2015. This extended stay out coupled with the Commission's recent approval of the waiver of PPL's DSIC from 5% to 7.5%, including the increase from the instant rate request has the potential to cause rate shock for PPL's customers, especially low-income customers in PPL's service territory. Therefore, I implore the parties to critically review the impact of the aforementioned factors and how they can be addressed in this proceeding and going forward.

(Vice Chair Barrow Statement, p. 1) (footnote omitted).

136. These issues, including the alleged rate shock from the Company's as-filed base rate increase and the allocation of said revenue increase, were fully investigated in discovery and addressed in the parties' testimony.

137. The Settlement includes a reduced revenue requirement than the one requested by PPL Electric as well as a two-year rate case stay-out. (*See* Section III.A, *supra*.)

138. The Settlement also addresses the allocation of the revenue increase among the Company's customer classes. (*See* Section III.B, *supra*.)

139. The average bill impacts are set forth in **Appendix C**.

140. The Settlement also contains several provisions designed to address affordability concerns, including the waiver of reconnection fees, increases in the maximum CAP credit limits, and a \$1.5 million increase in the Company's annual LIURP budget. (*See* Section III.F, *supra*.)

141. The Settlement also provides that the DSIC shall be reset to zero upon implementation of the new base rates. (*See* Section III.D, *supra*.)

142. Second, Vice Chair Barrow averred:

**Capital Structure:** On several occasions, regulated utilities have requested to be awarded common equity ratio and debt capital outside of the apparently reasonable 50% equity and 50% debt capital structure, along with their requested return on equity (ROE). These deviations result in millions of dollars that go into the rates of utility customers as higher common-equity ratio results in higher rates for public utility services. Therefore, a careful and detailed review of PPL's claimed capital structure and ROE, is warranted.

(Vice Chair Barrow Statement, pp. 1-2) (footnote omitted).

143. The Company's proposed capital structure and return on equity ("ROE") were the subject of extensive discovery and testimony in this proceeding.

144. The Joint Petitioners' positions on these issues were duly considered when determining the agreed-upon increase in the Company's revenue requirement.

145. Third, Vice Chair Barrow stated:

**Tracking Capital from Parent Company:** I understand that utilities often file existing or relevant affiliated interest agreements involving financial transactions between or among them and their parent companies or subsidiaries/affiliates with the Commission. However, it is also important to note that often times these transactions may result in costs being inadvertently shifted to the utilities and ultimately gets passed to their ratepaying customers thereby negatively impacting such customers. Therefore, I implore the parties to critically review these transactions between PPL and its parents/affiliates in this investigation.

(Vice Chair Barrow Statement, p. 2.)

146. Parties investigated the Company's transactions with its affiliates, including the services provided by PPL Services Corporation to PPL Electric and the allocation of PPL Services Corporation's costs among its affiliates.

147. Parties also examined the Joint Venture announced by PPL Corporation and Blackstone Infrastructure and raised issues concerning the appropriate protections against potential conflicts of interest.

148. Fourth, Vice Chair Barrow asked the parties to address the following:

**Customer Service Issues & Impact on ROE:** The Commission recently addressed a settlement involving PPL's system-wide customer billing issues due to failure of PPL's meter data collection system. Due to the failure, 48,168 PPL accounts, inter alia, did not receive a bill during one or more of their billing periods from December 2022 through April 2023. Settlement Order at 5. Good customer service is an important part of a utility's performance. That performance is a direct component of a just and reasonable ROE. The parties should assess this connection in the award of PPL's requested ROE.

(Vice Chair Barrow Statement, p. 2) (footnote omitted).

149. Parties engaged in extensive discovery about PPL Electric's customer service and presented a significant amount of testimony and exhibits on the matter.

150. The Settlement addresses issues and proposals raised by parties about the Company's customer service. (*See* Section III.F, *supra*.)

151. Further, the Joint Petitioners' positions on these issues were duly considered when determining the agreed-upon increase in the Company's revenue requirement.

152. Fifth, Vice Chair Barrow stated:

**Cost Allocation:** Our grid is in the midst of major change. It is becoming more distributed, with new ordinary customer loads like building electrification and electric vehicles. At the same time, city-sized loads are placing new stresses on the system and driving new capital projects. Customers should pay for the facilities built to benefit them. Likewise, cost allocation for distribution system upgrades needs to ensure that no customers disproportionately benefit from a particular cost allocation system. Some of our methods may be outdated, with sophisticated customers able to avoid consumption in a few peak hours to avoid their entire contribution. Peak avoidance should be encouraged but, we should measure beyond just the top few peak hours to determine the true benefits that particular customers and customer classes receive from the system.

(Vice Chair Barrow Statement, p. 2.)

153. In this proceeding, parties devoted a significant amount of time and attention to these issues concerning the appropriate allocation of costs for large load interconnections.

154. The Settlement provides several terms and conditions that are designed to address those issues with large load interconnections. (*See* Section III.I, *supra*.)

155. The Settlement also would approve PPL Electric's new Rule 6 for standby charges, as modified by the Settlement. (*See* Section III.M, *supra*.)

156. Sixth, Vice Chair Barrow averred:

**Universal Service:** Large load additions and forecasts have substantially increased capacity prices in the last two PJM auctions. According to PJM's market monitor, 55% of the increase in capacity prices is attributable to large load growth. That is over \$7 billion dollars. Those costs have begun to flow down to customers' bills. The change in rates as of June 1, 2025, will increase the cost paid by residential customers to support the CAP program by \$37 million a year. This translates to increases ranging from 5 to 41% on a customer bill. I ask the Parties to address whether, consistent with the ratemaking principle of cost causation, whether cost causers should be allocated a share of the universal services charges, currently only charged to the residential rate class.

(Vice Chair Barrow Statement, p. 2.)

157. This issue was fully investigated by the parties in this proceeding.

158. Under the Settlement, \$11 million in USR costs will be allocated to the new Rate LP-6 class. (*See* Paragraph 96, *supra*.)

**VI. CONCLUSION**

WHEREFORE, the Joint Petitioners respectfully request that Deputy Chief Administrative Law Judge Christopher P. Pell and Administrative Law Judge Barbara Shadie Nause recommend approval approve of and that the Pennsylvania Public Utility Commission approve this Joint Petition for Approval of Non-Unanimous Settlement of All Issues in its entirety and without modification.

Respectfully submitted,



Date: March 13, 2026

Devin T. Ryan, Esquire  
Alice A. Wade, Esquire  
Hayley E. Wilburn, Esquire  
Post & Schell, P.C.  
One Oxford Centre  
301 Grant Street, Suite 3010  
Pittsburgh, PA 15219

David B. MacGregor, Esquire  
Garrett P. Lent, Esquire  
Anthony C. DeCusatis, Esquire  
Erin R. Kawa, Esquire  
Post & Schell, P.C.  
17 North Second Street, 12<sup>th</sup> Floor  
Harrisburg, PA 17101

Kimberly A. Klock, Esquire  
Michael J. Shafer, Esquire  
PPL Services Corporation  
645 Hamilton Street, Suite 700  
Allentown, PA 18104

*Counsel for PPL Electric Utilities Corporation*

/s/ Adam Williams  
Michael Podskoch, Esquire  
Adam Williams, Esquire  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265

Date: March 13, 2026

*Counsel for I&E*

/s/ Christy M. Appleby  
Christy M. Appleby, Esquire  
Harrison W. Breitman, Esquire  
Jacob D. Guthrie, Esquire  
Josiah B. Harmar, Esquire  
Johnathan M. Longhurst, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Date: March 13, 2026

*Counsel for OCA*

/s/ Steven C. Gray  
Steven C. Gray, Esquire  
Office of Small Business Advocate  
555 Walnut Street  
Forum Place, 1<sup>st</sup> Floor  
Harrisburg, PA 17101

Date: March 13, 2026

*Counsel for OSBA*

/s/ Elizabeth Marx                  

Elizabeth Marx, Esquire  
Ria M. Pereira, Esquire  
John W. Street, Esquire  
Lauren N. Berman, Esquire  
Levi A. Phillips, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

*Counsel for CAUSE-PA*

Date:           March 13, 2026          

                  /s/ Joseph L. Vullo                  

Joseph L. Vullo, Esquire  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704

*Counsel for CEO*

Date:           March 13, 2026          

                  /s/ Eric Joseph Epstein                  

Eric Joseph Epstein  
4100 Hillsdale Road  
Harrisburg, PA 17112

Date:           March 13, 2026          

                  /s/ Devin McDougall                  

Devin McDougall, Esquire  
Earthjustice  
1617 John F. Kennedy Blvd., Suite 2020  
Philadelphia, PA 19103

*Counsel for EJA*

Date:           March 13, 2026

/s/ Deanne M. O’Dell            
Deanne M. O’Dell, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8th Floor  
Harrisburg, PA 17101

Date:           March 13, 2026          

Lauren M. Burge, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
600 Grant Street, 44th Floor  
Pittsburgh, PA 15219

*Counsel for RESA*

          /s/ Alan M. Seltzer            
Alan M. Seltzer, Esquire  
John F. Povilaitis Esquire  
Buchanan Ingersoll & Rooney PC  
409 N. Second Street, Suite 500  
Harrisburg, PA 17101

Date:           March 13, 2026          

*Counsel for JSA*

          /s/ Daniel B. Markind            
Daniel B. Markind, Esquire  
Mitchell H. Kizner, Esquire (Pro Hac Vice)  
Flaster Greenberg, PC  
1717 Arch Street, Suite 3300  
Philadelphia, PA 19103

Date:           March 13, 2026          

*Counsel for Dimension*



/s/ Susan E. Bruce  
Susan E. Bruce, Esquire  
Rebecca Kimmel, Esquire  
McNees Wallace & Nurick LLC  
100 Pine Street, P.O. Box 1166  
Harrisburg, PA 17108-1166

*Counsel for Convergent*

Date: March 13, 2026

/s/ John J. McNutt  
Colonel Carlos S. Ramirez-Vazquez, Esquire  
John J. McNutt, Esquire (Pro Hac Vice)  
U.S. Army Legal Services Agency  
Office of The Judge Advocate General  
9275 Gunston Road (JALS-TCAP)  
Fort Belvoir, VA 22060

*Counsel for DOD/FEA*

Date: March 13, 2026

/s/ Adeolu A. Bakare  
Adeolu A. Bakare, Esquire  
Victoria A. Geddis, Esquire  
McNees Wallace & Nurick LLC  
100 Pine Street P.O. Box 1166  
Harrisburg, PA 17108-1166

*Counsel for PPLICA*

Date: March 13, 2026

# **Appendix A**

## **Proof of Revenues**

**Appendix A  
Proof of Revenues**

**Revenue Proof**

	Current Revenue		FPFTY Base	Allocated vs
	Base Rates + SMR2, CER, TCJA, & DSIC	ACOSS Results	Rate Revenue	Proposed
Residential	\$778,881,634	\$913,865,207	\$913,855,616	(\$9,590)
Residential Thermal Storage	\$8,761,114	\$10,816,549	\$10,816,517	(\$32)
Small General Service - Sec. Voltage	\$87,727,729	\$105,068,601	\$105,067,550	(\$1,051)
Large General Service - Sec. Voltage	\$138,133,284	\$167,418,529	\$167,414,235	(\$4,294)
Large General Service - 12 KV	\$42,497,721	\$52,909,785	\$52,906,541	(\$3,245)
Large General Service - 69 KV or Higher	\$2,069,447	\$1,991,517	\$1,991,520	\$3
Street Lighting/Area Lighting	\$25,593,079	\$29,519,304	\$29,523,152	\$3,848
<b>Total</b>	<b>\$1,083,664,008</b>	<b>\$1,281,589,492</b>	<b>\$1,281,575,130</b>	<b>(\$14,362)</b>

# **Appendix B**

## **Revenue Allocation**

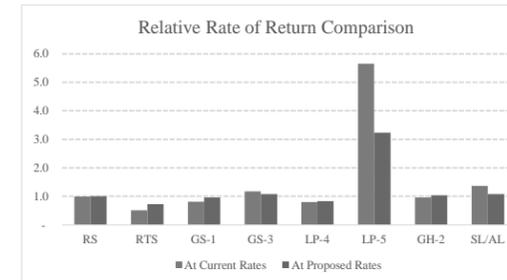
## Appendix B Revenue Allocation

**Allocated Cost of Service Study  
Settlement Revenue Allocation (Mitigation)  
Fully Projected Future Test Year**

1.3

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)
Ln No.	Class	Current Base Rate Revenue	Proposed Base Rate Revenue at Equal Rates of Return	ACOSS Proposed Increase (Decrease) @ 7.57% ROR	ACOSS Rate Increase	Settlement Increase Distribution (%) [80/20 Agreed Distribution]	Settlement Increase (\$)	Initial Settlement Increase (%)	Initial Settlement Increase / System Increase	Cap RTS and LP-4 to 1.3x System Increase	Over Cap Amount for RTS and LP-4	Provide Mitigation	Mitigation	Revised Settlement Increase (Decrease)	Final Settlement Increase (%)	Final Settlement Increase / System Increase	Proposed Mitigated Revenue	ROR @ Proposed Increase	Revenue to Cost Ratio	Final % Increase Minus ACOSS % Increase	
1	<b>System Total</b>	<b>\$ 1,006,589,465</b>	<b>\$ 1,281,589,492</b>	<b>\$ 275,000,028</b>	<b>27.32%</b>	<b>100.00%</b>	<b>\$ 275,000,027</b>	<b>27.32%</b>										<b>\$ 1,281,589,492</b>	<b>7.58%</b>	<b>1.00</b>	<b>0.00%</b>
2	<b>Residential</b>	<b>RS</b>	<b>\$ 723,510,477</b>	<b>\$ 913,169,884</b>	<b>\$ 189,659,407</b>	<b>26.21%</b>	<b>68.61%</b>	<b>\$ 188,677,680</b>	<b>26.08%</b>	<b>0.95</b>											
3	<b>Residential-Thermal Storage</b>	<b>RTS</b>	<b>7,981,752</b>	<b>12,534,043</b>	<b>4,552,290</b>	<b>57.03%</b>	<b>1.17%</b>	<b>3,212,070</b>	<b>40.24%</b>	<b>1.47</b>	<b>2,834,797</b>	<b>377,273</b>	<b>0</b>	<b>\$ 1,677,050</b>	<b>\$ 190,354,730</b>	<b>26.31%</b>	<b>0.96</b>	<b>\$ 913,865,207</b>	<b>7.59%</b>	<b>1.00</b>	<b>0.10%</b>
4	<b>Small General Service - Sec. Voltage</b>	<b>GS-1</b>	<b>78,914,440</b>	<b>105,163,778</b>	<b>26,249,338</b>	<b>33.26%</b>	<b>8.81%</b>	<b>24,227,392</b>	<b>30.70%</b>	<b>1.12</b>			<b>1</b>	<b>193,135</b>	<b>24,420,527</b>	<b>30.95%</b>	<b>1.13</b>	<b>10,816,549</b>	<b>5.45%</b>	<b>0.86</b>	<b>-21.52%</b>
5	<b>Large General Service - Sec. Voltage</b>	<b>GS-3</b>	<b>129,383,893</b>	<b>160,661,313</b>	<b>31,277,420</b>	<b>24.17%</b>	<b>13.72%</b>	<b>37,739,579</b>	<b>29.17%</b>	<b>1.07</b>			<b>1</b>	<b>295,057</b>	<b>38,034,636</b>	<b>29.40%</b>	<b>1.08</b>	<b>167,418,529</b>	<b>8.17%</b>	<b>1.04</b>	<b>5.22%</b>
6	<b>Large General Service - 12 KV</b>	<b>LP-4</b>	<b>39,043,210</b>	<b>58,759,272</b>	<b>19,716,063</b>	<b>50.50%</b>	<b>5.71%</b>	<b>15,712,030</b>	<b>40.24%</b>	<b>1.47</b>	<b>13,866,576</b>	<b>1,845,454</b>	<b>0</b>	<b>(1,845,454)</b>	<b>13,866,576</b>	<b>35.52%</b>	<b>1.30</b>	<b>52,909,785</b>	<b>6.29%</b>	<b>0.90</b>	<b>-14.98%</b>
7	<b>Large General Service - 69 KV or Higher</b>	<b>LP-5</b>	<b>1,989,146</b>	<b>1,290,670</b>	<b>(698,476)</b>	<b>-35.11%</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>0.00</b>			<b>1</b>	<b>2,370</b>	<b>2,370</b>	<b>0.12%</b>	<b>0.00</b>	<b>1,991,517</b>	<b>24.46%</b>	<b>1.54</b>	<b>35.23%</b>
8	<b>Separate Meter General Space Heating Service</b>	<b>GH-2</b>	<b>1,308,731</b>	<b>1,704,468</b>	<b>395,736</b>	<b>30.24%</b>	<b>0.15%</b>	<b>421,773</b>	<b>32.23%</b>	<b>1.18</b>			<b>1</b>	<b>3,130</b>	<b>424,903</b>	<b>32.47%</b>	<b>1.19</b>	<b>1,733,635</b>	<b>7.85%</b>	<b>1.02</b>	<b>2.23%</b>
9	<b>Street Lighting/Area Lighting</b>	<b>SL/AL</b>	<b>24,457,815</b>	<b>28,306,065</b>	<b>3,848,250</b>	<b>15.73%</b>	<b>1.82%</b>	<b>5,009,504</b>	<b>20.48%</b>	<b>0.75</b>			<b>1</b>	<b>51,985</b>	<b>5,061,489</b>	<b>20.69%</b>	<b>0.76</b>	<b>29,519,304</b>	<b>8.18%</b>	<b>1.04</b>	<b>4.96%</b>
10											<b>\$ 2,222,727</b>		<b>\$ 0</b>	<b>\$ 275,000,027</b>	<b>27.32%</b>						

Class	At Current Rates	At Proposed Rates
RS	0.99	1.00
RTS	0.51	0.72
GS-1	0.81	0.96
GS-3	1.17	1.08
LP-4	0.80	0.83
LP-5	5.65	3.23
GH-2	0.96	1.04
SL/AL	1.36	1.08



# **Appendix C**

## **Bill Impacts**

# Appendix C Bill Impacts

Residential Rates	Current With		Proposed	Change From Current	Change from Current with Riders
	Current	Riders			
Customer Charge	\$14.09/month	\$15.58/month	\$15.00/month	6.5%	-3.7%
Energy Charge	\$0.0353/kWh	\$0.0505/kWh	\$0.0478/kWh	35.3%	-5.3%

## SETTLEMENT Average Bill Impacts

	Total Distribution		Total Bill	Direct
	Base Rates	Rates		
Residential	26.5%	13.9%	4.9%	7.0%
RTS	29.2%	17.0%	5.1%	
GS-1	29.9%	18.8%	5.5%	6.8%
GS-3	29.5%	19.0%	2.5%	2.8%
LP-4	35.7%	17.7%	1.6%	2.6%
LP-5	0.5%	-0.5%	0.0%	0.0%
SA - HPS	14.0%	14.6%	9.4%	
SA - LED	14.0%	15.2%	13.6%	
SM(R) MV, OH, Wood- 3,350 Lumens	14.0%	14.7%	10.1%	
SM(R) MV, UG, Low- 3,350 Lumens	14.0%	15.0%	11.8%	
SHS HPS, OH, Wood- 5,800 Lumens	14.0%	15.0%	11.8%	
SHS HPS, UG, Low- 9,500 Lumens	14.0%	15.0%	12.2%	
SLE LED, OH, Wood- 4,900 Lumens	13.9%	15.0%	12.5%	
SLE LED, UG, Low- 3,800 Lumens	13.9%	15.1%	14.2%	
SE Company Owned Poles	15.1%	14.9%	7.1%	
SE Customer Owned Poles	15.8%	14.6%	5.1%	
TS (R)	15.1%	14.9%	7.0%	
Lighting Min	13.9%	14.6%	5.1%	6.5%-18.3%
Lighting Max	15.8%	15.2%	14.2%	

REBUTTAL Average Bill Impacts	Total			Direct
	Base Rates	Distribution Rates	Total Bill	
Residential	37.2%	21.9%	7.7%	7.0%
RTS	69.0%	45.1%	13.2%	
GS-1	43.2%	30.7%	8.8%	6.8%
GS-3	36.8%	25.1%	3.4%	2.8%
LP-4	56.3%	31.6%	2.8%	2.6%
LP-5	0.4%	-0.6%	0.0%	0.0%
SA - HPS	19.5%	20.1%	12.8%	
SA - LED	19.5%	20.8%	18.5%	
SM(R) MV, OH, Wood- 3,350 Lumens	19.5%	20.3%	13.9%	
SM(R) MV, UG, Low- 3,350 Lumens	19.6%	20.5%	16.1%	
SHS HPS, OH, Wood- 5,800 Lumens	19.5%	20.6%	16.2%	
SHS HPS, UG, Low- 9,500 Lumens	19.6%	20.6%	16.7%	
SLE LED, OH, Wood- 4,900 Lumens	19.4%	20.6%	17.1%	
SLE LED, UG, Low- 3,800 Lumens	19.5%	20.7%	19.3%	
SE Company Owned Poles	20.7%	20.4%	9.7%	
SE Customer Owned Poles	21.5%	20.0%	6.9%	
TS (R)	20.7%	20.5%	9.6%	
Lighting Min	19.4%	20.0%	6.9%	6.5%-18.3%
Lighting Max	21.5%	20.8%	19.3%	

Total Revenues	Current Revenue			Allocated vs Proposed	
	Base Rates + SMR2, CER, TCJA, & DSIC	ACOSS Results	FFTY Base Rate Revenue		
Residential	\$778,881,634	\$913,865,207	\$913,855,616	(\$9,590)	-0.001%
Residential Thermal Storage	\$87,611,114	\$10,816,549	\$10,816,517	(\$32)	0.000%
Small General Service - Sec. Voltage	\$87,727,729	\$105,068,601	\$105,067,550	(\$1,051)	-0.001%
Large General Service - Sec. Voltage	\$138,133,284	\$167,418,529	\$167,414,235	(\$4,294)	-0.003%
Large General Service - 12 KV	\$42,497,721	\$52,909,785	\$52,906,541	(\$3,245)	-0.006%
Large General Service - 69 KV or Higher	\$2,069,447	\$1,991,517	\$1,991,520	\$3	0.000%
Street Lighting/Area Lighting	\$25,593,079	\$29,519,304	\$29,523,152	\$3,848	0.013%
Total	\$1,083,664,008	\$1,281,589,492	\$1,281,575,130	(\$14,362)	-0.001%

## Residential Bill Impacts

FFTY Average Use	911 kWh		
	Current Rates	Proposed Rates	
Customer Charge	\$14.09	\$15.00	6.5%
Energy Charge	\$32.20	\$43.57	35.3%
TCJA	-\$3.70		-100.0%
SMR 2	\$1.50		-100.0%
CER	-\$0.01		-100.0%
DSIC	\$4.34		-100.0%
Base Rate Subtotal	\$48.42	\$58.57	21.0%
ACR 4	\$2.00	\$2.00	0.0%
USR	\$10.12	\$10.12	0.0%
SDER	\$1.68	\$0.00	-100.0%
Distribution Subtotal	\$62.22	\$70.69	13.6%
GSC-1	\$83.51	\$83.51	0.0%
TSC	\$30.28	\$30.28	0.0%
MFC	\$0.00	\$0.00	#DIV/0!
Subtotal	\$176.01	\$184.49	4.8%
State Tax Adjustment	-17.307%	0.114%	-100.7%
Total Bill	\$175.84	\$184.49	4.9%

## GS-1 Bill Impacts

FFTY Average - Energy FFTY Average - Demand	1,045 kWh 5.3 kW		
	Current Rates	Proposed Rates	
Customer Charge	\$22.00	\$27.22	23.7%
Demand Charge	\$22.97	\$31.20	35.8%
TCJA	-\$3.60		-100.0%
SMR 2	\$3.03		-100.0%
CER	-\$0.01		-100.0%
DSIC	\$3.53		-100.0%
Base Rate Subtotal	\$47.93	\$58.42	21.9%
ACR 4	\$1.73	\$1.73	0.0%
USR	\$0.00	\$0.00	0.0%
SDER	\$0.96	\$0.00	-100.0%
Distribution Subtotal	\$50.62	\$60.15	18.8%
GSC-1	\$93.60	\$93.60	0.0%
TSC	\$33.01	\$33.01	0.0%
MFC	\$0.00	\$0.00	0.0%
Subtotal	\$177.23	\$186.76	5.4%
State Tax Adjustment	-14.048%	0.127%	-100.9%
Total Bill	\$177.09	\$186.76	5.5%

## GS-3 Bill Impacts

FFTY Average - Energy FFTY Average - Demand	17,241 kWh 52.8 kW		
	Current Rates	Proposed Rates	
Customer Charge	\$60.00	\$78.00	30.0%
Demand Charge	\$210.41	\$350.23	66.5%
TCJA	-\$21.63		-100.0%
SMR 2	\$3.03		-100.0%
CER	-\$0.01		-100.0%
DSIC	\$22.22		-100.0%
Base Rate Subtotal	\$274.01	\$350.23	27.8%
ACR 4	\$28.62	\$28.62	0.0%
USR	\$0.00	\$0.00	0.0%
SDER	\$15.86	\$0.00	-100.0%
Distribution Subtotal	\$318.50	\$378.85	19.0%
GSC-1	\$1,544.07	\$1,544.07	0.0%
TSC	\$544.46	\$544.46	0.0%
MFC	\$0.00	\$0.00	0.0%
Subtotal	\$2,407.03	\$2,467.38	2.5%
State Tax Adjustment	-87.090%	2.089%	-102.4%
Total Bill	\$2,406.15	\$2,467.40	2.5%

**Appendix D**  
**Proposed Findings of Fact**

**Appendix D**  
**Proposed Findings of Fact**

1. PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) is a “public utility” and “electric distribution company” as those terms are defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa. C.S. §§ 102, 2803, subject to the regulatory jurisdiction of the Pennsylvania Public Utility Commission (“Commission”).

2. On September 30, 2025, PPL Electric filed Original Tariff Electric – Pa. P.U.C. No. 202 (“Tariff No. 202”) and Original Tariff Electric – Pa. P.U.C. No. 2S (“Tariff No. 2S”) with the Commission to be effective for serve rendered on or after December 1, 2025. In Tariff No. 202, PPL Electric proposed a general increase in annual base electric distribution revenue of \$356,271,443.

3. The filing was made in compliance with the Commission’s regulations and contained all supporting data and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase.

4. The filing consisted of 17 volumes and totaled 3,683 pages.

5. On February 17, 2026, and March 9, 2026, Deputy Chief Administrative Law Judge Christopher P. Pell and Administrative Law Judge Barbara Shadie Nause (“ALJ Nause”) (collectively, “ALJs”) held evidentiary hearings for the cross-examination of certain witnesses and the admission of testimony and exhibits.

6. The March 9, 2026 evidentiary hearing was limited to the Company’s Maximum Registered Peak Load (“MRPL”) proposal.

7. The parties held several settlement conferences in this proceeding and, through their collective efforts, were able to achieve a non-unanimous settlement in principle of all the issues in this proceeding (“Settlement”).

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**Proposed Findings of Fact**

8. On March 5, 2026, the Joint Petitioners advised the ALJs of the non-unanimous settlement in principle of all issues and requested that the ALJs establish March 10, 2026, as the deadline for the Joint Petitioners to file a Joint Petition for Approval of Non-Unanimous Settlement of All Issues, including proposed findings of fact, conclusions of law, and ordering paragraphs, and March 20, 2026, as the deadline for parties to file Statements in Support or Opposition of the Settlement.

9. The Settlement is supported by most of the active parties in this case: PPL Electric the Commission’s Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Commission on Economic Opportunity (“CEO”), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), Convergent Energy and Power LP (“Convergent”), Dimension PA 1 LLC (“Dimension”), U.S. Department of Defense and all other Federal Executive Agencies (“DOD/FEA”), Eric Joseph Epstein, the Environmental Intervenors (“EI” or “Environmental Intervenors”), the Energy Justice Advocates (“EJA”), the Joint Solar Advocates (“JSA”), PP&L Industrial Customer Alliance (“PPLICA”),<sup>1</sup> the Retail Energy Supply Association (“RESA”), the Sustainable Energy Fund (“SEF”), and Walmart Inc. (“Walmart”), (collectively, “Joint Petitioners”).

10. The only active parties who oppose any aspect of the Settlement are the Customer-Generator Coalition (“CGC”) and the Professional Dairy Managers of Pennsylvania (“PDMP”).

11. CGC and PDMP solely oppose the MRPL-related provisions of the Settlement.

12. IGS Solar, the only other active party in this matter, does not take a position regarding the Settlement.

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<sup>1</sup> PPLICA and DOD/FEA do not take a position on Paragraph 91(b)(ii) in the Large Load Interconnections section.

**Appendix D**  
**Proposed Findings of Fact**

13. I&E is the prosecutory bureau within the Commission established for purposes of representing the public interest in ratemaking and service matters before the Office of Administrative Law Judge and for enforcing compliance with the state and federal motor carrier safety and gas safety laws and regulations. *Implementation of Act 129 of 2008 Organization of Bureau and Offices*, Docket No. M-2008-20071852 (Order entered August 11, 2011).

14. The OCA is authorized to represent the interests of consumers before the Commission. Act 161 of 1976, 71 P.S. § 309-2.

15. The OSBA is authorized to represent the interests of small business consumers of utility service in Pennsylvania under the provisions of the Small Business Advocate Act. Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50.

16. CAUSE-PA is an unincorporated association of low-income representatives that advocates on behalf of its members to enable consumers of limited economic means to connect to and maintain affordable water, electric, heating and telecommunications services.

17. CEO is a not-for-profit corporation organized and existing under the laws of the Commonwealth of Pennsylvania which serves as an advocate for the low-income population of Luzerne County.

18. Convergent specializes in energy storage development, construction, and operation, focusing on customer-side, non-exporting behind-the-meter battery energy storage systems (“Non-exporting Battery Storage”) in PPL Electric service territory and throughout the Commonwealth.

19. Dimension is the parent of many special purpose entity limited liability companies (“SPEs”) that are engaged in the development, ownership, and operation of solar photovoltaic power generation throughout the Commonwealth, including within PPL Electric’s service territory.

## **Appendix D Proposed Findings of Fact**

20. DOD/FEA consists of certain agencies of the United States Government which have offices, facilities, or installations in the service area of PPL Electric.

21. Environmental Intervenors consist of the Environmental Defense Fund (“EDF”), Natural Resources Defense Council (“NRDC”), and Citizens for Pennsylvania’s Future (“PennFuture”). EDF is a nonprofit corporation whose mission is to preserve the natural systems on which all life depends. NRDC is an international nonprofit, membership-based environmental organization founded in 1970 that is dedicated to protecting the world’s natural resources, public health, and the environment. PennFuture is a Pennsylvania non-profit organization whose mission includes protecting air, water, and land and empowering citizens to build sustainable communities for future generations.

22. EJA’s members are the Clean Air Council, Vote Solar, and the Union of Concerned Scientists. Clean Air Council, founded in 1976, is a Pennsylvania not-for-profit public interest advocacy organization that is dedicated to protecting everyone’s right to a healthy environment, including everyone’s right to breathe clean air. Vote Solar is a not-for-profit public interest advocacy organization that works to achieve a 100% clean energy future. Union of Concerned Scientists is a national nonprofit organization, whose mission is to put rigorous, independent science into action, developing solutions and advocating for a healthy, safe, and just future.

23. The Joint Solar Advocates consist of the Solar Energy Industries Association (“SEIA”) and the Coalition for Community Solar Access (“CCSA”).

24. PPLICA is an *ad hoc* association of energy-intensive industrial customers receiving electric service in PPL Electric’s service territory. PPLICA’s members receive electric service from PPL Electric primarily under Rate Schedules LP-4 and LP-5 as well as available riders.

**Appendix D**  
**Proposed Findings of Fact**

25. RESA is a trade association of retail energy suppliers who are licensed to sell electric energy in the markets of Pennsylvania’s major electric distribution companies (“EDCs”), including in PPL Electric’s service territory.

26. Walmart is an electric service customer of PPL Electric that provides retail services in the Commonwealth of Pennsylvania through 116 Supercenters, 19 Discount Stores, 24 Sam’s Clubs, and 11 Supply Chain Facilities.

27. IGS Solar is licensed by the Commission to sell electric energy to homes and businesses in several of the markets of Pennsylvania’s major EDCs, including in the Company’s service territory. IGS Solar provides solar photovoltaic (“PV”) sited behind a residential or commercial customer’s meter.

28. CGC is an *ad hoc* group of various customer-generators engaged in the development, ownership, and operation of solar PV power generation throughout the Commonwealth, including within the Company’s service territory. CGC consists of Aspen Power Partners LLC, 38 Degrees North, Bollinger Solar, CEP Renewables, LLC, CVE North America, Dynamic Energy Solutions, LLC, EDPR NA Distributed Generation LLC, Encore Renewable Energy, GS Power Partners, Prospect14 LLC, Radial Power LLC, Reading Anthracite Company, Scale Microgrids, Schuylkill Reclamation Corporation, Solar Renewable Energy, LLC, SR1 Captura Sage Holdco I, LLC, and Syncarpha Capital, LLC.

29. PDMP is a non-profit membership organization seeking to promote and preserve the efficient and sustainable operation of Pennsylvania’s dairy farms.

30. Customers also filed *pro se* formal complaints opposing the proposed rate increase, namely: (1) Brad and Jennifer Wooley at Docket No. C-2025-3057946; (2) Rik Bhattacharyya at Docket No. C-2025-3058846; (3) Safiya Junaid at Docket No. C-2025-3058982; (4) Stacey

**Appendix D**  
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Kimmel-Smith at Docket No. C-2025-3059151; (5) John Gadomski at Docket No. C-2025-3059330; (6) Thatcher Graham at Docket No. C-2026-3060429; and (7) Wendy Johnson at Docket No. C-2026-3061012.

31. The parties conducted a detailed examination of the Company's rate case filing and proposals and engaged in extensive discovery, with PPL Electric answering over 100 sets of discovery requests that totaled over 1,500 individual discovery requests not counting subparts.

32. The Joint Petitioners are in full agreement that the Settlement is reasonable and in the public interest. (Settlement ¶ 47.)

**A. REVENUE REQUIREMENT**

33. The Company argued that its existing electric distribution base rates do not provide it with a reasonable opportunity to earn a fair rate of return on its investments made to provide adequate, efficient, safe, reliable, and reasonable electric service. (PPL Electric St. No. 1, pp. 15-16; Exhibit Fully Projected Future 1, Schedule A-1.)

34. As filed, PPL Electric proposed an increase in annual distribution base rate revenue of approximately \$356.3 million, based on the testimony, exhibits, and supporting financial documents submitted as part of its base rate case filing. (PPL Electric St. No. 1, p. 8; *see, e.g.*, Exhibit Fully Projected Future 1.)

35. In direct, I&E and OCA recommended that the Company receive an increase in annual distribution base rate revenue of approximately \$258.9 million and \$150.04 million, respectively. (I&E St. No. 1, pp. 3-4; OCA St. 1, p. 7; OCA Exhibit LKM-1, p. 1.)

36. In rebuttal, PPL Electric explained that its proposed increase in its distribution base rate revenues would be approximately \$384.5 million, after accounting for the Company's

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corrections along with the other parties' recommended adjustments that the Company accepted as part of its rebuttal case. (PPL Electric St. No. 1-R, p. 6.)

37. One of those corrections the Company identified was approximately \$34 million for the annual amortization of negative net salvage that was not included in the Company's original calculation of its proposed increase in its revenue requirement. (PPL Electric St. No. 1-R, p. 2.)

38. In surrebuttal, I&E and OCA updated their recommended increases in annual distribution base rate revenue to approximately \$298.1 million and \$186.8 million, respectively. (I&E St. No. 1-SR, p. 4; OCA St. 1, p. 2.)

39. Both I&E and OCA incorporated the approximately \$34 million for the annual amortization of negative net salvage in their surrebuttal positions on revenue requirement. (I&E St. No. 1-SR, pp. 4-5; OCA St. 1SR, p. 2; OCA St. 3SR, p. 12.)

40. EJA did not propose a specific revenue increase in its direct testimony but proposed an increase in PPL Electric's distribution base rate revenues of approximately \$150.9 million in its surrebuttal testimony. (EJA St. No. 1-SR, p. 4.)

41. Under the Settlement, PPL Electric will be permitted to file a Supplement to PPL Electric's Tariff – Electric Pa. P.U.C. No. 202 designed to produce an annual distribution rate revenue increase of \$275.00 million, to become effective for service rendered on and after July 1, 2026. (Settlement ¶ 49.)

42. The increase in annual operating revenue is in lieu of the as filed net increase of approximately \$356.27 million. (Settlement ¶ 49.)

43. The settlement as to revenue requirement is not itemized, except for the following items and as further identified in the Settlement: (1) the \$32,000,000 for reportable storm damage

## **Appendix D Proposed Findings of Fact**

expenses<sup>2</sup>; (2) the approximately \$3,779,000 for annual amortization of the regulatory asset for the eligible storms costs in excess of the 3% cap on the Storm Damage Expense Rider (“SDER”), as set forth in Schedule D-9 of Exhibit Fully Projected Future 1<sup>3</sup>; (3) \$17,291,887 annual amortization of negative net salvage based on a 10-year amortization period instead of a 5-year amortization period; (4) the approximately \$211,000 for annual amortization of the Infrastructure Investment and Jobs Act (“IIJA”) regulatory asset, as set forth in PPL Electric St No. 22 and Schedule D-10 of Exhibit Fully Projected Future 1; (5) the roll-in of the Distribution System Improvement Charge (“DSIC”) capital investment and associated depreciation and tax effects in base rates per the Company’s proposal, the Tax Cuts and Jobs Act (“TJCA”) rider, and the Smart Meter Rider – Phase 2 (“SMR-2”); and (6) the return on equity (“ROE”) for purposes of the DSIC will be set by and equivalent to the ROE set forth in the Commission’s Quarterly Report on the Earnings of Jurisdictional Utilities.<sup>4</sup> (Settlement ¶ 49.)

44. On the negative net salvage item, net salvage consists of gross salvage less the cost of removal, and consistent with practices before the Commission, net salvage is calculated over a historic five-year period. (PPL Electric St. No. 11-R, p. 2.)

45. PPL Electric stated that it is also consistent with practices before the Commission to amortize net salvage over five years as an additional component of the annual accrual and annual depreciation expense. (PPL Electric St. No. 11-R, p. 3.)

46. The Company averred that the amortization of net salvage was presented as part of the Depreciation Studies in Table 2 of PPL Electric Exhibit JJS-1 for the HTY, Table 4 of PPL

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<sup>2</sup> The SDER-related items are addressed later in the Storm Damage Expense Rider section of these Findings of Fact.

<sup>3</sup> See note 2, *supra*.

<sup>4</sup> This provision is addressed later in the DSIC section of the Findings of Fact.

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Electric Exhibit JJS-2 for the FTY, and Table 4 of PPL Electric Exhibit JJS-3 for the Fully Projected Future Test Year (“FPFTY”). (PPL Electric St. No. 11-R, p. 3.)

47. PPL Electric stated in its rebuttal testimony that its claim for annual amortization of negative net salvage is \$34,583,774. (PPL Electric St. No. 11-R, p. 4.)

48. This amount was inadvertently left out of the depreciation expense that was included in the Company’s development of the revenue requirement. (PPL Electric St. No. 11-R, p. 3.)

49. The Company asserted that the \$34,583,774 was derived based on the average amount of the five-year amortization for years 2021-2025 and for 2022-2026 for the Pennsylvania jurisdictional accounts, as adjusted to allocate the General Plant portion between Transmission and Distribution plant. (PPL Electric St. No. 11-R, p. 4.)

50. In surrebuttal, OCA stated that this amount appears to have been “calculated correctly according to the Commission’s standard practice regarding this issue.” (OCA St. 3SR, p. 12.)

51. Under the Settlement, the negative net salvage will be amortized over 10 years instead of 5 years, thereby reducing the related addition to annual depreciation expense by half, i.e., to \$17,291,887. (Settlement ¶ 49.)

52. Regarding IJJA, PPL Electric asserted that the amortization for the IJJA regulatory asset pertains to certain IJJA-related incremental expenditures for costs incurred to prepare, apply, administer, and otherwise execute on IJJA funding opportunities. (PPL Electric St. No. 22, pp. 4-5.)

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53. The Company stated that its annual amortization claim of \$211,000 was based on amortizing the approximately \$633,000 in the regulatory asset over three years. (PPL Electric St. No. 22, p. 5.)

54. PPL Electric further proposed to roll in the TCJA Rider into base rates, asserting that the new corporate tax rate established by the TCJA is reflected in the Company's base rates in this proceeding, so the rider mechanism is no longer necessary. (PPL Electric St. No. 13, p. 7.)

55. The Company also stated that it was eliminating the TCJA Rider from its Retail Tariff as of June 30, 2026, as required by the Commission's Orders dated May 17, 2018, at Docket No. R 2018 3000775, and at Docket M-2018-2641242. (PPL Electric St. No. 13, p. 7.)

56. PPL Electric also proposed to roll the remaining net rate base for the Smart Meter Pilot Programs into base rates, and to close the existing SMR tariff provisions effective June 30, 2026. (PPL Electric St. No. 13, p. 7.)

57. The Company averred that its smart meter technology essentially has been fully deployed, so the rider mechanisms are no longer necessary. (PPL Electric St. No. 13, p. 7.)

58. Furthermore, under the Settlement, additional changes to PPL Electric's distribution base rates may not go into effect until two years after the effective date of rates in this proceeding. (Settlement ¶ 50.)

59. The Settlement also provides that on or before October 1, 2026, PPL Electric will provide all active parties an update to PPL Electric Exhibits JJS-2 and JJS-3, which will include actual capital expenditures, plant additions, and retirements by month for the 12 months ending June 30, 2026. (Settlement ¶ 51.)

60. On or before October 1, 2027, PPL Electric will update PPL Electric Exhibits JJS-2 and JJS-3 filed in this proceeding for the 12 months ending June 30, 2027. (Settlement ¶ 51.)

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61. In PPL Electric’s next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the 12 months ended June 30, 2027, to its projections in this case; however, it is recognized that this Settlement is a compromise of the parties’ positions on various issues. (Settlement ¶ 51.)

**B. REVENUE ALLOCATION**

62. PPL Electric retained Concentric to conduct a fully allocated cost-of-service study (“ACOSS”) to determine the embedded costs of serving its various retail electric distribution customers and propose an assignment of the proposed revenue requirement to each class. (PPL Electric St. No. 7, p. 2.)

63. The Company stated that the purpose of the ACOSS in this proceeding is to allocate PPL Electric’s Commission Jurisdictional overall revenue requirement to the various classes of service in a manner that reflects the relative costs of providing service to each class. (PPL Electric St. No. 7, p. 4.)

64. PPL Electric averred that PPL Electric Exhibit BR-1 is based on costs and operating conditions for the FPFTY ending June 30, 2027, and that this exhibit provides a summary of the results, cost assignment and allocation detail, and a detailed result of the studies. (PPL Electric St. No. 7, p. 4.)

65. PPL Electric claimed that PPL Electric Exhibit BR-2 provides the results of studies used to functionalize and classify certain distribution plant of the Company and that these studies are based on distribution plant data as of the Historic Test Year (“HTY”) ending June 30, 2025, which were applied to distribution plant data for the FPFTY. (PPL Electric St. No. 7, p. 4.)

66. The Company’s ACOSS, upon which it based its proposed revenue allocation, relied on the “minimum system” method to determine the customer-related component, as opposed

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to the demand-related component, of PPL Electric's poles, conductors, and line transformers. (PPL Electric St. No. 7, p. 14.)

67. PPL Electric identified certain corrections to its ACOSS in discovery and made those corrections in its rebuttal testimony. (PPL Electric St. No. 7-R, pp. 25-26; PPL Electric Exhibits BR-1R and BR-2R.)

68. I&E did not recommend any adjustments to the Company's ACOSS. (I&E St. No. 4, p. 7.)

69. OCA disputed PPL Electric's "minimum system" approach, presented an alternative ACOSS that contained adjustments to the Company's ACOSS, and proposed adjustments to the revenue allocation. (OCA St. 4, pp. 8-30; OCA Exhibits CJ-1 through CJ-3.)

70. OSBA recommended relying on PPL Electric's ACOSS with adjustments to the Company's proposed revenue allocation. (OSBA St. No. 1, p. 3.)

71. EJA disputed PPL Electric's revenue allocation and advocated for the use of the basic customer method to classify customer-related costs instead of the minimum system method. (EJA St. No. 1, pp. 6, 53, 59.)

72. PPLICA proposed limiting the increase to any class that is below cost, such as Rate RTS and Rate LP-4, to 1.3 times the system average increase. (PPLICA St. No. 1, pp. 2-3, 8-9.)

73. Under the Settlement, the ACOSS included in Appendix B of the Settlement shall be used for allocating revenues to the rate classes. (Settlement ¶ 52.)

74. The revenue allocation under the Settlement is weighted 80% to PPL Electric's ACOSS and 20% to OCA's ACOSS, while limiting the increase to Rates RTS and LP-4 to 1.3 times the system average increase. (Settlement Appx. B.)

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75. The revenue allocation will be proportionally scaled back to reflect the adopted distribution rate revenue increase set forth in Paragraph 49 of the Settlement. (Settlement ¶ 53.)

**C. RATE DESIGN**

76. PPL Electric's existing fixed residential customer charge, when excluding the SMR-2, DSIC, and other applicable riders, is \$14.09. (PPL Electric St. No. 8-R, p. 13.)

77. PPL Electric's current fixed residential customer charge is higher than the other large EDCs in the state. (CAUSE-PA St. 1, p. 29, Chart 1.)

78. PPL Electric proposed an increase in the base fixed residential customer charge to \$17.00. (PPL Electric St. No. 8, p. 10; PPL Electric St. No. 8-R, p. 14.)

79. The Company argued that its ACOSS and the accompanying minimum system study support a residential customer charge of \$42.92 per month. (PPL Electric St. No. 8, p. 10.)

80. PPL Electric also proposed the following fixed customer charges for Rates GS-1, GS-3, LP-4, and LP-5: (1) Rate GS-1 = \$30.00; (2) Rate GS-3 = \$78.00; (3) Rate LP-4 = \$235.00; and (4) Rate LP-5 = \$973.44. (PPL Electric St. No. 8, pp. 14-18.)

81. I&E did not recommend any changes to the Company's proposed customer charges for the Rate RS, GS-1, GS-3, LP-4, or LP-5. (I&E St. No. 4, p. 6.)

82. OCA opposed PPL Electric's proposed increase in the fixed residential customer charge and recommended that the residential customer charge should be maintained at its current level. (OCA St. 4, pp. 31-39.)

83. OCA also maintained that the basic customer charge method should be used when developing a benchmark comparison for the residential customer charge. (OCA St. 4, pp. 35-36; OCA Exhibit CJ-4.)

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84. OCA argued that a residential customer charge developed by the basic customer charge analysis would be \$8.54. (OCA St. 4, p. 36.)

85. CAUSE-PA argued that the current fixed residential customer charge should be maintained, contending that (1) PPL Electric's current fixed charge is the highest in the state compared to other large EDCs and that (2) higher fixed charges erode the ability of customers to reduce their monthly bill through conservation, undermining the explicit goals of the Low Income Usage Reduction Program (LIURP). (CAUSE-PA St. 1, pp. 26-31; CAUSE-PA St. 1-SR, pp. 14-17.)

86. CEO likewise contended that the Company should maintain its current fixed residential customer charge. (CEO St. No. 1, pp. 4-6.)

87. OSBA did not object to the Company's proposed customer charges for Rates GS-1 and GS-3. (OSBA St. No. 1, p. 13.)

88. EJA recommended that PPL Electric's fixed residential customer charge be decreased to \$10.20 based on EJA's use of the basic customer method. (EJA St. No. 1, pp. 44-45, 80.)

89. SEF proposed that PPL Electric's fixed residential customer charge be increased to \$42.96, scaled back proportionally to the revenue increase ultimately approved by the Commission. (SEF St. No. 1, pp. 11-12.)

90. Under the Settlement, the proposed fixed residential customer charge shall increase to \$15.00 per month based on the revenue number identified in Paragraph 49 of the Settlement. (Settlement ¶ 11.)

91. The proposed Rate GS-3 and LP-4 customer charges shall not be subject to scaleback. (Settlement ¶¶ 55-56.)

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92. Rate RTS is for Residential Thermal Storage (“RTS”) service. (PPL Electric St. No. 8, p. 12.)

93. Rate RTS has been closed to new customers since December 31, 1995, and the Company had 11,509 residential customers taking service through this rate at the time of submitting its direct testimony, of which 1,300 are confirmed low income customers and more than 240 are enrolled in CAP. (PPL Electric St. No. 8, p. 12; CAUSE-PA St. 1, p. 31.)

94. In its direct testimony, PPL Electric proposed eliminating Rate RTS and migrating those customers to Rate RS when the new rates established in this proceeding would become effective. (PPL Electric St. No. 8, p. 12.)

95. CAUSE-PA stated that at proposed rates, the incremental impact of moving from Rate RTS to RS for a residential customer with average usage would be approximately \$400 per year. (CAUSE-PA St. 1, p. 31.)

96. OCA recommended that if the Commission approves the Company’s proposed elimination of Rate RTS, then they should pay the same customer charge that OCA recommends for Rate RS; however, if the Company’s proposal is rejected, OCA recommended that the Rate RTS customer charge be maintained at its current level of \$18.06. (OCA St. No. 4, pp. 39-40.)

97. CAUSE-PA opposed the elimination of Rate RTS, arguing that migrating those customers to Rate RTS would adversely affect the affordability of electric bills for the current Rate RTS customers. (CAUSE-PA St. 1, pp. 31-32; CAUSE-PA St. 1-SR, pp. 17-18.)

98. Under the Settlement, PPL Electric will not eliminate Rate RTS in this base rate case and will maintain the current fixed customer charge for Rate RTS. (Settlement ¶ 57.)

99. The remaining rates shall be designed consistent with the revenue allocation and rate design parameters outlined in Paragraphs 54 through 57 of the Settlement. (Settlement ¶ 58.)

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**D. DSIC**

100. In its direct testimony, the Company stated that it has included the costs of its existing DSIC in base rates, as required by Section 1358(b) of the Public Utility Code, 66 Pa. C.S. § 1358(b). (PPL Electric St. No. 13, p. 7.)

101. The Company proposed to include the capital investment, associated depreciation, and tax effects for the DSIC in base rates, and PPL Electric would then reset its DSIC to 0% upon implementation of new base rates. (PPL Electric St. No. 13, p. 7.)

102. PPL Electric also stated that the cap for the DSIC will be reset to 5% instead of the 7.5% approved by the Commission in PPL Electric's recent DSIC Cap Waiver proceeding.<sup>5</sup> (PPL Electric St. No. 13, p. 7.)

103. Under the Settlement, the DSIC capital investment and associated depreciation and tax effects will be rolled into base rates per PPL Electric's proposal, and the DSIC will be reset to 0% upon implementation of new base rates. (Settlement ¶ 59.)

104. As of the effective date of rates in this proceeding, PPL Electric will be eligible to include plant additions in the DSIC at the later of (1) the end of the FPFTY at June 30, 2027, or (2) once the net electric plant in service as identified in Schedule C-1, line 3 of PPL Electric Rebuttal Exhibit No. 1 exceeds the \$6,945,908,000 projected by PPL Electric at June 30, 2027. (Settlement ¶ 60.)

105. The Settlement provides that the foregoing provision is included solely for purposes of calculating the DSIC and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing. (Settlement ¶ 60.)

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<sup>5</sup> See *Petition of PPL Electric Utilities Corp. for a Waiver of the Distribution System Improvement Charge Cap of 5% of Billed Revenues*, Docket Nos. P-2024-3048732, et al. (Order entered Feb. 28, 2025).

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106. For purposes of calculating its DSIC, PPL Electric shall use the equity return rate for electric utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1). (Settlement ¶ 61.)

**E. STORM DAMAGE EXPENSE RIDER ("SDER")**

107. PPL Electric stated that its SDER was approved as part of the Company's 2015 Rate Case and is Section 1307(a) automatic adjustment rider that recovers only actual, experienced storm damage operating and maintenance expenses. (PPL Electric St. No. 13, p. 9.)

108. Storm damage expenses consist of those expenses incurred to remediate storm damage to the Company's distribution system, including, but not limited to: (1) overtime and premium wages of the Company's employees; (2) costs of outside service providers and mutual aid utilities employed by the Company during storm restoration efforts; (3) materials and supplies used to repair or replace damaged property; (4) overhead charges associated with storm damage expenses, including wages and benefits; (5) transportation; (6) purchasing and stores charges; (7) expediting expenses for the reasonable and extra costs to make temporary repairs and to expedite the permanent repair or replacement of damaged property; and (8) expenses of providing services to customers whose electric service has been interrupted.

109. Straight-time wages and benefits and expenses reimbursed by others are excluded from the SDER, and capitalized costs of repairing or replacing damaged facilities are excluded from the SDER.

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110. PPL Electric explained that the SDER currently applies only to expenses from Commission-reportable storms,<sup>6</sup> so the storm damage expenses from non-reportable storms are currently recovered through base rates and not through the SDER. (PPL Electric St. No. 13, p. 9.)

111. The current SDER recognizes that base rates currently provide for recovery of \$14.7 million annually in storm damage expenses for reportable storms. (PPL Electric St. No. 13, p. 9.)

112. The SDER recovers from customers or refund to customers, as appropriate, only applicable expenses from reportable storms that are less than or greater than \$14.7 million recovered annually through base rates. (PPL Electric St. No. 13, pp. 9-10.)

113. Additionally, PPL Electric stated that costs from “major” storm events, defined as an interruption of electric service resulting from conditions beyond the control of the Company which affect at least 10% of the Company’s customers during the course of the event for a duration of 5 minutes each or greater (see 52 Pa. Code §57.192), are recovered in the SDER, plus interest, over three years and reflected in SDER rates commencing in the application year after the storm occurred. (PPL Electric St. No. 13-R, pp. 4-5.)

114. PPL Electric claimed that a storm event with storm damage expenses exceeding 5% of the Company’s annual distribution net income is considered “extraordinary” for SDER recovery purposes. (PPL Electric St. No. 13-R, p. 5.)

115. The Company proposed to continue amortizing both major storm events and extraordinary storm expenses over three years for recovery through its SDER. (PPL Electric St. No. 13-R, p. 5.)

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<sup>6</sup> Reportable storms are those that cause unscheduled service interruptions in a single event to 2,500 or more customers for six or more consecutive hours; non-reportable storms are all other storms. See 52 Pa. Code § 67.1(b).

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116. Currently, the SDER reflects that there is \$20,024,000 of storm expense in current base rates, representing \$14,700,000 for Commission reportable storms as well as the approximately \$5.3 million associated with the amortization of extraordinary storms as approved in the Company's 2015 distribution base rate case. (PPL Electric St. No. 13-R, p. 7.)

117. PPL Electric proposed increasing the baseline for Commission-reportable storm damage expenses from \$14.7 million to \$32 million and to modify the SDER to include the recovery of an additional \$10.5 million for expenses related to non-reportable storms. (PPL Electric St. No. 13, pp. 12-13.)

118. I&E opposed the Company's proposal to include expenses related to non-reportable storms in the SDER and recommended that the Company clarify the language in its tariff regarding the amortizations for major storms. (I&E St. No. 1, pp. 12-13.)

119. Although I&E initially disputed PPL Electric's claimed \$32 million in reportable storm-related expenses in its direct testimony, I&E later withdrew its recommended adjustment. (I&E St. No. 1-SR, p. 13.)

120. The Settlement provides that under the SDER, the R Factor for July 1, 2026, and thereafter, unless modified by the Commission in a subsequent base rate case, shall equal \$32,000,000, which for purposes of this SDER constitutes the amount of expense from reportable storms currently recovered through base rates. (Settlement ¶ 62.)

121. To the extent that actual eligible storm damage expenses associated with reportable storms are more or less than the \$32,000,000 that PPL Electric is recovering through base rates, the Settlement states that this over/under collection will be refunded/recouped during the applicable SDER recovery period. (Settlement ¶ 63.)

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122. The SDER rate effective July 1, 2026, shall continue to reflect and be designed to recover the amortizations of extraordinary storm events, including the two extraordinary storm events from 2024. (Settlement ¶ 64.)

123. Moreover, as part of its compliance Retail Tariff filing, PPL Electric will revise the SDER tariff language to clarify what costs can be amortized and the methodology through which those amortization amounts will be recovered, as specified in Appendix G of the Settlement. (Settlement ¶ 65.)

124. The SDER also caps the total annual revenues collected under the SDER at an amount not to exceed 3% of the total intrastate operating revenues billed to customers, exclusive of amounts recovered under the State Tax Adjustment Surcharge (“STAS”). (PPL Electric St. No. 13, p. 11.)

125. Costs incurred in excess of the cap are deferred and can be claimed for recovery in the Company’s next base rate case. (PPL Electric St. No. 13-R, p. 4.)

126. In this case, PPL Electric proposed a three-year amortization of the \$11,336,000 in SDER-eligible storm costs that were incurred in excess of the SDER cap, resulting in an annual amortization amount of \$3,779,000 to be included in base rates. (PPL Electric St. No. 13, pp. 11-12; Schedule D-9 of Exhibits Historic 1, Future 1, and Fully Projected Future 1.)

127. I&E proposed increasing that amortization period to 61 months to align with its proposed normalization period for the Company’s rate case expense. (I&E St. No. 1, pp. 13-14.)

128. The Settlement also provides that the proposed increase in the Company’s revenue requirement includes the approximately \$3,779,000 for annual amortization of the regulatory asset for the eligible storms costs in excess of the 3% cap on the SDER, as set forth in Schedule D-9 of Exhibit Fully Projected Future 1. (Settlement ¶ 49.)

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**F. CUSTOMER SERVICE, LOW INCOME, AND UNIVERSAL SERVICE ISSUES**

**1. Termination of Service Procedures**

129. OCA raised issues concerning the Company's training of field technicians to provide personal contact prior to termination, alleging, among other things, that there were deficiencies in the Company's written training materials for those personnel which, according to OCA, did not conform with the provisions of a 2016 Settlement regarding PPL's use of remote technology to terminate service to residential consumers. (OCA St. 7, pp. 25-26, citing docket P-2016-2524581.)

130. PPL Electric responded to those allegations in its rebuttal testimony, denied that its existing training on personal contact was deficient, and argued that it was complying with its obligations to provide personal contact prior to termination. (PPL Electric St. No. 18-R, pp. 17-18.)

131. The Company stated, however, that it would be willing to revise its written training materials to include personal contact requirements. (PPL Electric St. No. 18-R, p. 17.)

132. Under the Settlement, by July 1, 2027, PPL Electric will revise its written training materials for new field technicians to include personal contact requirements and to be consistent with its 2016 remote involuntary termination settlement at Docket No. P-2016-2524581, Order (Jan. 19, 2017). regarding when the metering system may be used to remotely terminate service. (Settlement ¶ 66.)

133. The Company also will revise its training and training materials to be consistent with the terms of the settlement. (Settlement ¶ 66.)

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**2. Medical Certificates**

134. CAUSE-PA raised issues with the Company's policies for medical certificates, alleging that the Company's call scripts do not accurately and adequately explain payment obligations during active medical certificates, that its process for submitting medical certificate forms is too restrictive, that its bills do not adequately inform customers with active medical certificates of their payment responsibilities, and that PPL Electric does not provide appropriately flexible payment arrangements for customers protected by a medical certificate. (CAUSE-PA St. 1, p. 105-107.)

135. CAUSE-PA recommended, among other things, that PPL Electric: (1) update call scripts and training to clearly explain medical-certificate renewal rules; (2) provide customers with the certificate form or instructions for downloading it; (3) add a website link to the Commission's standard form and accept it; (4) revise scripting to explain that certificates may be submitted via form or qualifying letter; (5) amend its monthly bill for customers with active medical certificates to clearly indicate that, to be eligible for medical certificate renewals past two, the customer must pay their current charges, and the amount of these charges; and (6) implement all reforms within 120 days of the rate-implementation date. (CAUSE-PA St. 1, pp. 108-09.)

136. PPL Electric disagreed with CAUSE-PA's allegations and recommendations, including CAUSE-PA's positions regarding the Company's existing call scripting and process for customers to submit medical certificate forms. (PPL Electric St. No. 18-R, pp. 22-24.)

137. The Settlement provides that by July 1, 2027, PPL Electric will update its call scripting and training materials for the customer service representatives and revise these documents so that PPL Electric's representatives are correctly informing customers that they may continue to renew their medical certificates past two renewals if they are able to pay their current

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charges and will direct customers seeking medical protections to where they can find additional informational materials (as developed pursuant to this paragraph) on the Company's website. (Settlement ¶ 67.)

138. PPL Electric will also develop Plain Language<sup>7</sup> informational materials for households protected by a medical certificate, which will be posted on the Company's website. (Settlement ¶ 67.)

139. The Settlement also specifies that the informational materials will include a summary of the rights and obligations while protected by a medical certificate, and a sample bill that shows where the customer can locate the amount of their bill that constitutes their current charges that need to be paid in order to continue to renew their medical certificate. (Settlement ¶ 67.)

140. Within 180 days of the effective date of rates, PPL Electric will provide a draft of its revised call scripting, training materials, and informational materials to the parties to this proceeding, and will evaluate recommendations received from the parties on a good faith basis. (Settlement ¶ 67.)

### **3. Call Center Performance**

141. OCA raised concerns with the Company's third-party call center performance standards, claiming that they do not ensure compliance with Chapter 56 and that PPL Electric has not adequately audited, documented, or acted on vendor violations. (OCA St. 7, pp. 14-15.)

142. OCA recommended that the Company: (1) update vendor-provided training materials to reflect current Pennsylvania policies and PPL Electric commitments; (2) conduct regular Chapter 56 compliance audits of call centers; (3) expand audits beyond complaint-based

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<sup>7</sup> As utilized in this Settlement, the term "Plain Language" is intended to refer to the Commission's policy statement on plain language guidelines. *See* 52 Pa. Code § 69.251.

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or call-monitoring reviews to proactively identify problematic actions or transactions; (4) include contract provisions allowing penalties tied to audit findings and Bureau of Consumer Services (“BCS”) infractions; and (5) maintain audit documentation for discovery in future base rate cases or complaint investigations. (OCA St. 7, pp. 5-6.)

143. OCA also asserted that PPL Electric’s call center performance is below average and recommended that the Company be required to conform to the average performance of other Pennsylvania EDCs by answering 80% of calls within 30 seconds and achieving an abandonment rate of less than 9%. (OCA St. 7, pp. 6-7.)

144. The Company asserted that it continually evaluates changes to its customer service processes and procedures, including updates to training materials or adjustments to its customer service representative staffing, and upgrades to its information technology (“IT”) that the Company alleges can improve customer experience. (PPL Electric St. No. 18-R, p. 3.)

145. As for OCA’s recommendations on training materials and third-party call centers, PPL Electric disagreed with Items 1 through 4 and in part with Item 5. (PPL Electric St. No. 18-R, pp. 11-12.)

146. PPL Electric argued that its training materials for the third-party call centers do not need to be updated, that the Company provides proper oversight of its call centers and takes corrective action when needed, and that the Company cannot update its contract with the third-party call center vendor until the contract renews. (PPL Electric St. No. 18-R, p. 11.)

147. Further, although the Company would retain copies of any audits and investigations of the call center’s performance, PPL Electric asserted that no determination as to the discoverability of such documentation needs to be made in this proceeding. (PPL Electric St. No. 18-R, pp. 11-12.)

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148. On the Company's call center performance, PPL Electric stated that it is taking several steps to improve its performance in the Commission's metrics for call abandonment rate and calls answered within 30 seconds, such as adding internal and external resources and enhancing self-service functionality. (PPL Electric St. No. 18-R, pp. 5-6.)

149. Regarding calls answered within 30 seconds specifically, PPL Electric noted that it was the only major electric utility in the Commission's report that does not include Interactive Voice Response ("IVR") calls in the calculations for this metric for 2024, per Commission guidance. (PPL Electric St. No. 18-R, pp. 5-6.)

150. The Company asserted that the inclusion of IVR would improve the Company's metric and would result in 74% of calls being answered within 30 seconds for 2024. (PPL Electric St. No. 18-R, p. 6.)

151. Pursuant to the Settlement, by January 1, 2028, PPL Electric will conduct a review of and update its third party call center vendor provided training materials to ensure that they reflect the most current Pennsylvania policies and other reforms reflected in the Settlement. (Settlement ¶ 68.)

152. Beginning January 1, 2027, the Company will, in good faith, endeavor to operate its call center to reduce the level of abandoned calls to no more than 9% annually and to answer no less than 80% of its calls within 30 seconds. (Settlement ¶ 69.)

153. To the extent that PPL Electric is unable to achieve this level of performance, PPL Electric agrees to promptly meet with the parties to discuss those areas of challenge and its plan to improve service levels. (Settlement ¶ 69.)

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154. Consistent with the reporting of the other major electric utilities in Pennsylvania, the Company's performance in these areas relative to the prior provision shall include the call data for IVR calls. (Settlement ¶ 70.)

**4. Root Cause Analysis**

155. OCA contended that PPL Electric does not conduct regular root cause analyses of its customer complaints and Bureau of Consumer Services ("BCS") findings. (OCA St. 7, p. 7.)

156. OCA recommended, among other things, that PPL Electric investigate customer complaints and BCS findings of infractions and formally track the recommendations, document steps taken in response, and evaluate on an ongoing basis whether the steps and implementation taken in response to the root cause evaluation have achieved their intended purpose. (OCA St. 7, p. 7.)

157. The Company stated that it is not opposed to performing root cause analyses and that PPL Electric does so for major issues, with a recent example being the 2023 estimated billing event. (PPL Electric St. No. 18-R, p. 15.)

158. PPL Electric argued that a root cause analysis is not appropriate for every situation and that individual remedial training is more appropriate for routine areas that need correction. (PPL Electric St. No. 18-R, p. 15.)

159. The Settlement states that before the Company's next base rate case, but not sooner than 12 months following the entry of the Commission's Final Order in this proceeding, the Company shall conduct a single root cause analysis of its internally resolved customer disputes and complaints filed with the Commission that were initiated on or after January 1, 2026, to identify trends, potential underlying causes, and potential reforms, such as modifications to

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training materials and other potential actions to respond to complaint trends and underlying causes. (Settlement ¶ 71.)

160. This root cause analysis shall be included in the filing of the next base rate case. (Settlement ¶ 71.)

161. In the Company's next base rate case, the Company will make available to I&E, OCA, OSBA, and CAUSE-PA the findings of the root cause analysis, including any data summaries, identified trends, root causes, and recommended reforms or corrective actions, including implementation timelines and responsible departments for such actions. (Settlement ¶ 71.)

**5. Confirmed Low-Income Customers**

162. PPL Electric has an estimated 347,822 low income customers in its service territory. (CAUSE-PA St. 1, p. 36.)

163. PPL Electric had an average of 238,948 identified confirmed low income customers in 2024, of which 74,791 (31%) were actively enrolled in PPL's Customer Assistance Program, known as OnTrack. (CAUSE-PA St. 1, pp. 24, 36.)

164. The average annual household income of PPL's confirmed low income customers is \$17,103 per year. (CAUSE-PA St. 1, p. 26.)

165. PPL Electric's confirmed low income customers have substantially higher arrearage levels and termination rates compared to other residential customers. (CAUSE-PA St. 1, pp. 42-43.)

166. OCA made several recommendations that it believes would improve the identification and treatment of confirmed low-income ("CLI") customers, including: (1) accepting the same documentation used for deposit exemption eligibility; (2) treating anyone who received

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a Low Income Home Energy Assistance Program (“LIHEAP”) grant in the current or prior two years as CLI; and (3) requiring PPL Electric to give CLI customers a plain language notice—before entering a payment arrangement—explaining CAP, arrearage forgiveness benefits, and ensuring customers knowingly choose between CAP and a deferred payment arrangement (“DPA”). (OCA St. 8, pp. 4-5.)

167. CAUSE-PA also made several recommendations related to CLI customers, including, in relevant part, that PPL Electric revise its policies and procedures to ensure low income customers are identified at the time a payment arrangement is assessed through PPL Electric’s IVR systems and transferred to a customer service representative to apply for CAP and/or the hardship fund or otherwise be assessed for an income-based payment arrangement. (CAUSE-PA St. 1, p. 104.)

168. PPL Electric disagreed with OCA and CAUSE-PA’s recommendations, arguing that: (1) the Company’s confirmed low-income identification process is consistent with Commission regulations and the CAP Policy Statement, as the Company accepts multiple forms of verification, including verbal income verification, LIHEAP confirmation, and OnTrack enrollment; and (2) the Company already informs every customer of its assistance programs, including CAP, when a customer requests a payment arrangement. (PPL Electric St. No. 18-R, pp. 30-32.)

169. Under the Settlement, PPL Electric will define a “confirmed low income customer” to also include any customer who has received a LIHEAP grant within the current or immediately preceding two LIHEAP program years, as well as any customer who has participated in its CAP within the last 12 months. (Settlement ¶ 72.)

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170. Also, beginning January 1, 2027, before PPL Electric enters into a DPA with a customer which the Company either: (1) knows to be a Confirmed Low-Income customer; or (2) has generated information through the DPA process documenting that the customer is in the Tier 1 income range (at or below 150% of the FPL), PPL Electric will provide the customer with Plain Language information on CAP and an explanation of the advantages of CAP's arrearage forgiveness benefits. PPL Electric will develop this Plain Language notice in collaboration with its Universal Service Advisory Committee ("USAC"). (Settlement ¶ 73.)

**6. Maximum CAP Credits**

171. OnTrack is the Company's CAP, a statutorily-mandated universal service program within the Company's Universal Service and Energy Conservation Plan ("USECP") that provides rate assistance and arrearage management for low-income households with income at or below 150 percent of the Federal Poverty Income Guidelines ("FPIG"). (PPL Electric St. No. 18-R, p. 27; CAUSE-PA St. 1, pp. 44, 48.)

172. Under PPL Electric's CAP, participating customers pay a reduced rate that is based on the lesser of the customer's applicable Percent of Income Payment ("PIP") or average bill, subject to an alternative minimum bill. (CAUSE-PA St. 1, p. 50-52.) The difference in cost between the customer's CAP rate and their full tariff residential rate is known as the CAP revenue shortfall or CAP credit. (CAUSE-PA St. 1, p. 52.)

173. The amount of assistance provided to each customer under CAP is limited to the maximum CAP credit amount; those credit limits are tiered based on the customer's heating source and income, i.e., customers with lower incomes have a higher maximum CAP credit as do customers with electric heating. (CAUSE-PA St. 1, pp. 52-53.)

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174. If a CAP participant reaches the maximum CAP credit limit before the end of a 12-month period, the customer is charged their full budget bill for the remainder of the 12-month period. (CAUSE-PA St. 1, p. 53).

175. CAP customers who exceeded the maximum CAP credit limit from September 2023 to August 2024 were charged an average budget bill rate of \$377.09, and \$313.46 from September 2024 to August 2025. (CAUSE-PA St. 1, p. 55, Table 16.)

176. PPL Electric's maximum CAP credit limits are not currently adjusted to account for changes in PPL's distribution or generation rates. (CAUSE-PA St. 1, p. 52.) From August 2023 to July 2024, 9,113 (12%) of CAP participants exceeded the maximum CAP credit limit; and from August 2024 to July 2025, 10,213 (15% of CAP participants exceeded the maximum CAP credit limit. (CAUSE-PA St. 1, p. 55, Table 15.)

177. CAUSE-PA raised concerns that: (1) CAP customers who reach their maximum CAP credits are paying categorically unaffordable bills until the end of their 12-month period when their credit limits reset; (2) PPL's proposed rate increase would increase the number of CAP credits exceeding these limits; and (3) PPL's CAP credit limits are already inadequate to meet the needs for assistance and undermine the effectiveness of CAP. (CAUSE-PA St. 1, p. 54).

178. CAUSE-PA recommended that PPL Electric be required to eliminate its maximum CAP credit policy or, alternatively, increase the credit limits by at least 60%, asserting that the current limits are insufficient. (CAUSE-PA St. 1, pp. 54-55, 60-62.) CAUSE-PA additionally recommended that PPL Electric continually update its CAP credit limits commensurate with any future increases in default service and base rates (CAUSE-PA St. 1, p. 61); and implement reforms to its policies and procedures related to CAP credit limit exemptions so that these exemptions are more readily accessible. (CAUSE-PA St. 1, p. 63.)

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179. PPL Electric disagreed with CAUSE-PA’s recommendation, arguing that the Company’s current maximum CAP credit covered approximately 90% of all OnTrack participants and has resulted in an 89% success rate and that there is a process in place to allow for exceptions to maximum cap credit for eligible customers. (PPL Electric St. No. 18-R, pp. 52-53.)

180. I&E also opposed CAUSE-PA’s recommendation, reasoning that CAUSE-PA’s proposal would impact all non-CAP residential customers by increasing the amount of CAP costs. (I&E St. No. 2-R, pp. 5-8.)

181. The Settlement provides that beginning January 1, 2027, PPL Electric will increase its maximum CAP credits as follows:

<b>FPL Tier</b>	<b>Account Classification</b>	<b>12-Month Maximum Credit Limit</b>
0% to 50%	Electric Heat	\$5,040
51% to 100%	Electric Heat	\$4,000
101% to 150%	Electric Heat	\$3,440
0% to 50%	Non-Electric Heat	\$3,120
51% to 100%	Non-Electric Heat	\$2,400
101% to 150%	Non-Electric Heat	\$2,000

(Settlement ¶ 74.)

182. Therefore, the Settlement, if approved, would increase all the maximum CAP credit limits by 60%, in line with CAUSE-PA’s alternative recommendation. (See Settlement ¶ 74; CAUSE-PA St. 1, pp. 132-33.)

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183. In the earlier of its next filed rate case or its next default service petition, PPL Electric will propose an adjustment to the maximum CAP credit thresholds to account for proposed adjustments in generation and distribution rates in the interim or will explain why it does not believe any such adjustment is necessary. (Settlement ¶ 75.)

**7. Low Income Usage Reduction Program (“LIURP”)**

184. WRAP is the Company’s LIURP, a statutorily-mandated universal service and energy conservation program which helps reduce participants’ electric bills, improve payments, decrease collections costs, reduce peak demand, and improve home health and comfort through weatherization. (PPL Electric St. No. 18-R, p. 27. CAUSE-PA St. 1, pp. 74-75.)

185. PPL Electric’s LIURP reaches 3.5% of customers identified in need of LIURP services and that at its current rate of production, it would take PPL Electric approximately 29 years to weatherize all homes currently eligible for weatherization services. (CAUSE-PA St. 1, p. 77.)

186. The need for weatherization services will increase if PPL’s proposed distribution rate increase is approved. (CAUSE-PA St. 1, p. 77.)

187. CAUSE-PA alleged that PPL Electric’s LIURP is insufficiently funded to meet identified need and recommended increasing the Company’s annual LIURP budget by \$2.4 million. (CAUSE-PA St. 1, pp. 74-79.)

188. CEO recommended increasing the Company’s annual LIURP budget by \$900,000. (CEO St. No. 1, pp. 7-8.)

189. In its rebuttal testimony, SEF recommended that the annual LIURP budget be increased by at least \$2 million in year one, with an increase each following year by an additional

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5% until the program has assisted at least 50% of the low-income households or PPL Electric’s next base rate case. (SEF St. No. 1-R, pp. 1-2.)

190. I&E stated in its rebuttal testimony that “an increase in the LIURP budget *may* be necessary”; however, I&E maintained that it is important to consider that any increase in LIURP funding needs to be balanced against USR costs for other customers. (I&E St. No. 2-R, pp. 8-9.)

191. PPL Electric disagreed with parties’ proposed increases to the annual LIURP budget, contending, among other things, that the Company’s LIURP budget increased from \$10 million to \$12 million in its most recent USECP proceeding. (PPL Electric St. No. 18-R, pp. 57-58, 61; PPL Electric St. No. 18-SR, pp. 3-4.)

192. However, the Company stated in its surrebuttal testimony that it would be willing to consider an adjustment to its annual LIURP budget. (PPL Electric St. No. 18-SR, p. 4.)

193. Under the Settlement, beginning January 1, 2027, PPL Electric will increase its LIURP annual budget by \$1.5 million for a total of \$13.5 million. PPL Electric also agrees to roll over any unspent budgeted amounts in any year to the next year’s LIURP budget consistent with the requirements of the Commission’s recently revised LIURP regulations. (Settlement ¶ 76.)

**8. Customer Screening**

194. CAUSE-PA alleged that PPL Electric’s CAP is severely undersubscribed, reaching just 31% of PPL Electric’s confirmed low income customers, and recommended that PPL Electric conduct routine income and CAP-eligibility screening for applicants and callers, offer income-screening for all new and moving customers and expand screening through phone calls and web, and implement these screening and referral processes within 120 days. (CAUSE-PA St. 1, pp. 44; 71-72.)

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195. PPL Electric disagreed with CAUSE-PA's recommendations, arguing that the Company's existing processes for screening customers for CAP eligibility are sufficient. (PPL Electric St. No. 18-R, pp. 54-56.)

196. Under the Settlement, by July 1, 2027, PPL Electric will develop and implement a process to screen:

- a. New and moving customers for income level at the time their service is established to determine whether the customer should be:
  - i. Classified as a confirmed low income customer; and
  - ii. Referred to the CAP application process and any other universal service programs; and
- b. Existing customers for income level on any non-emergency calls, if that customer has not been screened within the past six (6) months and has not previously opted out of providing such information, to determine whether the customer should be:
  - i. Classified as a confirmed low income customer; and
  - ii. Referred to the CAP application process and any other universal service programs.

(Settlement ¶ 77.)

**9. CAP Recovery Offset**

197. As part of its rate case filing, PPL Electric proposed eliminating the existing \$100 CAP recovery offset.

198. The existing CAP recovery offset was established pursuant to Paragraph 47 of the Commission-approved 2015 Rate Case Settlement, which provides:

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To address the bad debt, arrearage forgiveness, and Cash Working Capital issues raised in OCA Statement No. 4, PPL Electric will provide a fixed Universal Service Rider (“USR”) credit of \$100 per month for all CAP customers above 44,000. The Joint Petitioners further agree to evaluate further revisions in the USR credit and arrearage forgiveness and to recommend additional changes in the Company’s next universal service proceeding. The Joint Petitioners retain the right to review and file testimony concerning any such proposals as permitted by the normal Commission process for review of the Universal Service Plan.

(PPL Electric St. No. 18, p. 14.)

199. PPL Electric claimed its proposal to eliminate the CAP recovery offset should be approved because it more appropriately reflects how the Company recovers its bad debt expense.

(PPL Electric St. No. 18, p. 14.)

200. OCA opposed the Company’s proposal, arguing, among other things, that eliminating the existing \$100 CAP recovery offset would result in double recovery because portions of CAP credits and arrearage forgiveness are already reflected in base rates. (OCA St. 8, pp. 6, 65-78.)

201. In rebuttal, PPL Electric responded to OCA’s arguments and maintained that its proposal should be approved; however, if the Commission decides that the CAP Offset should remain, the Company should only pay the \$100 offset amount on customers participating above the 75,000 enrollment level, which is the Company’s projected CAP participation level for the FPFTY going forward. (PPL Electric St. No. 18-R, pp. 48-51.)

202. The Company stated that the 44,000 enrollment level under current CAP recovery offset reflects the Company’s average level of customers participating in CAP at the time of the 2015 Rate Case, which established the current CAP recovery offset. (PPL Electric St. No. 18-R, p. 50.)

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203. Under the Settlement, PPL Electric’s proposal to eliminate the \$100 USR CAP cost recovery offset is withdrawn without prejudice. (Settlement ¶ 78.)

204. Further, the CAP participation threshold used for determining when to start applying the \$100 credit shall be increased from 44,000 to 75,000. (Settlement ¶ 78.)

**10. CAP Enrollment**

205. 69% of PPL Electric’s confirmed low income customers are not enrolled in CAP and that in April 2025, at the end of the last LIHEAP program year, 10,784 of PPL Electric’s LIHEAP recipients were not enrolled in CAP. (CAUSE-PA St. 1, p. 64.)

206. In its direct testimony, CAUSE-PA recommended that PPL Electric: (1) use Pennsylvania Department of Human Services (“DHS”) Data Sharing Program information to auto-enroll eligible households and file a USECP amendment within 120 days of the Commission’s final order in this proceeding; (2) revise its auto-enrollment letter to clearly outline rights, responsibilities, and opt-out options; (3) apply a 15-day hold when a customer applies for CAP; and (4) allow terminated customers or applicants with arrears to reconnect through CAP enrollment without added barriers. (CAUSE-PA St. 1, pp. 64; 69-70, 73-74.)

207. PPL Electric disagreed with these recommendations, arguing that the Company participates in the DHS Data Sharing Program and uses LIHEAP information to expedite and streamline CAP enrollment for income-qualified customers and that PPL Electric follows the data-privacy conditions and consent requirements, asking the customer to confirm their participation. (PPL Electric St. No. 18-R, p. 54.)

208. The Company also averred that under its current processes an initial referral to OnTrack creates a Suspend Charge (hold) on the account for 21 days to allow the customer time to apply. (PPL Electric St. No. 18-R, p. 20.)

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209. As for the proposed reconnection change, PPL Electric argued that customers who are not enrolled in assistance programs are currently required to make payments to reconnect service. (PPL Electric St. No. 18-R, p. 56.)

210. In surrebuttal, CAUSE-PA clarified its recommendation for the hold process when a CAP application is submitted so that an initial referral to CAP would result in a 21-day hold, while subsequent referrals to CAP within the year for any account in active termination status would result in a 15-day hold. (CAUSE-PA St. 1-SR, p. 25.) CAUSE-PA maintained that its recommendation to allow customers or applicants whose service has been terminated to reconnect service through CAP enrollment without added barriers. (CAUSE-PA St. 1-SR, pp. 25-27.)

211. Under the Settlement, PPL Electric will streamline enrollment in CAP in the following ways:

- a. As of the effective date of rates, PPL Electric will continue to place a temporary hold once per year on termination of accounts that are referred to CAP to allow time for the household to enroll in CAP. PPL Electric will inform customers that they have placed this hold on their accounts. PPL Electric will continue this temporary hold for 21 days. If the customer submits a CAP application within this 21-day period, PPL Electric will extend the hold until the CAP application is fully processed. If the CAP application is approved, PPL Electric will cancel the termination.
- b. By July 1, 2027, customers who have had their service terminated but have not yet reverted to the status of an applicant (i.e., they are within the 30 day window before their final bill becomes past due), may reconnect service without upfront payment of arrears or a reconnection fee upon the

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successful enrollment into PPL Electric's CAP. PPL Electric will revise its policies, procedures, and call scripting to ensure that customers seeking to reconnect service will be screened for CAP eligibility and informed of the option to reconnect by successfully enrolling in CAP.

- c. By July 1, 2027, PPL Electric will begin utilizing LIHEAP data for the purpose of processing CAP applications and recertifications without requiring additional affirmative customer consent and will begin allowing applicants to enroll in CAP by phone if their income and household composition information is available through the LIHEAP data.

(Settlement ¶ 79.)

**11. CAP Billing Review Process**

212. PPL Electric currently reviews and adjusts CAP PIP rates on a monthly basis to determine whether the CAP average bill rate is more beneficial to the customer, but it does not review CAP average bill rates to determine whether a CAP PIP rate is more affordable for the participant. (CAUSE-PA St. 1, p. 51.)

213. CAUSE-PA recommended that PPL Electric modify its monthly CAP bill review process to review rates for all CAP participants, such that the Company determine and apply the most advantageous CAP rate each month for all program participants. (CAUSE-PA St. 1, p. 52.)

214. Although the Company initially disputed this recommendation in its rebuttal testimony (see PPL Electric St. No. 18-R, p. 52), PPL Electric stated in its rejoinder testimony that the Company is willing to agree do this recommendation. (PPL Electric St. No. 18-RJ, p. 8.)

215. The Settlement provides that 120 days of the effective dates of rates, PPL Electric will modify its monthly CAP bill review process to review rates for all CAP customers, including

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those receiving the average bill and percentage of income payment (“PIP”) CAP rate, to ensure they are always receiving the lesser of their applicable PIP rate or their average bill whichever is most advantageous available rate. (Settlement ¶ 80.)

**12. Live Customer Service Representative Access for Low-Income Customers**

216. When referencing the Company’s call center, IVR, and planned smartphone application, OCA argued that customers should not have to choose between automated and live-agent service. (OCA St. 7, pp. 16-17.)

217. CAUSE-PA raised concerns that PPL Electric’s process for issuing payment arrangements through IVR systems did not provide adequate information about PPL Electric’s CAP and recommended that, if a customer indicates that they are low income through IVR prompts, the customer should be transferred to a customer service representative or directed to apply to PPL Electric’s CAP and hardship fund telephonically. (CAUSE-PA St. 1, pp. 102, 104.)

218. PPL Electric stated that it disagreed with the notion that the Company will prioritize customer service performance less with these applications in place. (PPL Electric St. No. 18-R, p. 12.)

219. The Company said the Company’s IT upgrades, the IVR system, and the smartphone application are all designed with improvements in customer service and experience in mind. (PPL Electric St. No. 18-R, p. 12.)

220. With respect to the IVR and smart phone application offerings, PPL Electric claimed that customers contact the Company with a variety of issues, some of which can be handled effectively and efficiently through IVR or a smartphone application. (PPL Electric St. No. 18-R, p. 12.)

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221. The Company stated that having IVR and smartphone applications enables the live agents to focus on customers with more complex inquiries. (PPL Electric St. No. 18-R, p. 12.)

222. The Settlement states that within 120 days of the effective date of rates, PPL Electric will revise its policies and procedures for issuing payment arrangements through IVR systems to ensure that low income customers are provided with the opportunity to be transferred to a live customer service representative. (Settlement ¶ 81.)

223. Customers who provide income information indicating low-income status will be informed of the benefits of CAP and hardship funds and provided with the opportunity to apply during the call. (Settlement ¶ 81.)

**13. Universal Service and Energy Conservation Plan (“USECP”) Employees’ Salaries and Wages**

224. PPL Electric proposed recovery the expenses associated with its USECP employees’ salaries and wages through the USR instead of base rates. (PPL Electric St. No. 18, p. 10.)

225. The Company’s proposal was opposed by I&E, OCA, CAUSE-PA, and EJA. (I&E St. No. 2, p. 15; OCA St. 8, pp. 61-64; CAUSE-PA St. 1, pp. 96-97; EJA St. No. 1, p. 17.)

226. Under the Settlement, the Company’s proposal to recover USECP employees’ salaries and wages through the USR is withdrawn without prejudice. (Settlement ¶ 82.)

**14. Universal Service Rider (“USR”) Reconciliation**

227. In its rebuttal testimony, PPL Electric proposed to change the USR rate filing from once per year in January to three times per year in January, May, and September. (PPL Electric St. No. 16-R, p. 25.)

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228. This proposal was related to the Company's agreement to establish a Rate LP-6 and allocate \$10 million of total projected USR costs to that rate class effective January 1, 2027. (PPL Electric St. No. 16-R, p. 25.)

229. PPL Electric averred that this change in the USR reconciliation's frequency would provide an opportunity to update the LP-6 rate and spread the costs to newly connected Rate LP-6 customers. (PPL Electric St. No. 16-R, p. 25.)

230. The Settlement provides that USR rate filing will change from occurring once per year in January to three times per year in January, May, and September and that this change will be incorporated in PPL Electric's compliance Retail Tariff filing. (Settlement ¶ 83.)

**15. Reconnection Fees**

231. CAUSE-PA recommended that PPL Electric waive reconnection fees for all confirmed low-income customers whose service is terminated and that those waived reconnection fees be recovered as a normalized expense. (CAUSE-PA St. 1, p. 130.)

232. PPL Electric disagreed with CAUSE-PA's recommendation to waive the reconnection fees, but if it were adopted, the Company maintained that a three-year normalization period should be utilized instead. (PPL Electric St. No. 18-R, pp. 41-42; PPL Electric St. No. 5-R, p. 4.)

233. In surrebuttal, CAUSE-PA stated that it did not oppose adding this normalized expense amount to the overall revenue request in this base rate case and that such expense amount should be derived using a five-year normalization period. (CAUSE-PA St. 1-SR, p. 50.)

234. The Settlement provides that beginning July 1, 2027, PPL Electric agrees to waive reconnection fees for all customers who have household income at or below 150% of the federal poverty level. (Settlement ¶ 84.)

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**16. Security Deposits**

235. OCA and CAUSE-PA made several recommendations concerning the Company's treatment of cash security deposits. (OCA St. 8, pp. 5-6, 54-60; CAUSE-PA St. 1, pp. 123-27.)

236. OCA recommended four deposit-related changes: (1) amend PPL Electric's tariff to broaden low-income deposit exemptions and require staff to ask applicants if they can provide income information; (2) refund deposits to all customers classified as Confirmed Low-Income; (3) review all existing deposits within three months, refund those qualifying for exemptions, and report results to BCS and the USAC; and (4) limit PPL Electric's discretion over how deposits are refunded and require customer consent before applying deposits as bill or arrearage credits. (OCA St. 8, p. 5.)

237. CAUSE-PA recommended that PPL Electric adopt a more flexible security-deposit policy by allowing customers to self-attest to income without additional verification, that the Company give CAP-eligible customers the choice to have previously-assessed deposits refunded or applied to their bills, and that the Company be prohibited from applying deposits to arrears eligible for CAP forgiveness without the customer's affirmative consent. CAUSE-PA also recommended updating related policies, procedures, training, and customer communications within 120 days of the rate-effective date. (CAUSE-PA St. 1, pp. 123-27.)

238. PPL Electric disagreed with these recommendations in its rebuttal testimony; however, in its rejoinder testimony, the Company stated that it would update its policy to give confirmed low income customers the option of whether to apply the refund to their bills or have them refunded to them directly, regardless of whether they have a past due balance, are enrolled in CAP, or have a payment arrangement. (PPL Electric St. No. 18-R, p. 33; PPL Electric St. No. 18-RJ, p. 10.)

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239. Under the Settlement, by July 1, 2027, PPL Electric will revise its security deposit policies to reflect that if a customer has previously paid a security deposit and subsequently demonstrates that they are income-eligible for PPL Electric’s CAP, PPL Electric will return the security deposit to the customer and will not apply the security deposit to the customer’s bill unless the customer specifically agrees that it may be applied to the customer’s bill. (Settlement ¶ 85.)

240. Upon implementation of this revised policy, PPL Electric will review all customer accounts for which it currently holds a security deposit to determine whether the low income security deposit exemption applies and will make the necessary refunds. (Settlement ¶ 85.)

241. PPL Electric will also update all applicable policies, procedures, and training materials to ensure that security deposits are automatically released when a customer enrolls in CAP, receives a LIHEAP grant, or provides other information indicating that they are low income. (Settlement ¶ 85.)

242. Also, PPL Electric will amend its tariff and modify its implementing practices and procedures, to better align with the Commission regulation regarding low-income exemptions from deposits (see, 52 Pa. Code § 56.32(e)). (Settlement ¶ 86.)

243. Specifically, PPL Electric will clarify that it will not require a cash deposit from applicant who, based upon household income, confirmed to be eligible for a customer assistance program. (Settlement ¶ 86.)

244. Pursuant to Section 56.32(e) of the Commission’s regulations, an applicant is confirmed to be eligible for a customer assistance program by the Company if the applicant provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility’s customer assistance programs. (Settlement ¶ 86.)

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245. Customers and applicants who are currently participating in PPL Electric’s CAP or have received a LIHEAP grant within the current or prior LIHEAP program year will not be assessed a security deposit and, in turn, will not be required to provide further information or documentation of low income status to qualify for the security deposit exemption. (Settlement ¶ 86.)

246. PPL Electric will amend its call center scripts and training materials to ensure that applicants and customers are informed of the low income security deposit exemption and the required qualifications, and afforded an opportunity to provide the necessary income information at the time a deposit is assessed. (Settlement ¶ 86.)

**G. VEGETATION MANAGEMENT**

247. PPL Electric proposed to capitalize the first removal of hazard and danger trees after the acquisition of these additional rights, contending that this initial removal will permit PPL Electric to return its right-of-way (“ROW”) to standard specifications and, therefore, improve the condition of the ROW. (PPL Electric St. No. 17, p. 11.)

248. OCA argued that the Commission should deny the Company’s proposal to capitalize the cost of first clearing and grading of land and ROW. (OCA St. 1, pp. 28-29.)

249. OCA asserted that its position was consistent with the Federal Energy Regulatory Commission (“FERC”) Uniform System of Accounts (“USOA”) and contended that the Commission would create a poor precedent by approving the Company’s proposal. (OCA St. 1, pp. 28-29.)

250. In rebuttal, PPL Electric responded to OCA’s arguments and maintained that the USOA authorizes the Company to propose capital treatment of these expenses, provided that such treatment is approved by the Commission. (PPL Electric St. No. 22-R, pp. 11-13.)

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251. Under the Settlement, PPL Electric withdraws without prejudice its request for capitalized treatment of the costs associated with first removal of hazard and danger trees after the acquisition of additional rights-of-way to address off-right-of-way trees. (Settlement ¶ 87.)

**H. RELIABILITY**

252. OCA asserted that the Company “is not currently meeting most of the Commission-ordered targets for reliability, and its reliability scores for major metrics have [worsened] in recent years.” (OCA St. 5, p. 62.)

253. OCA also argued that the Company’s reliability has worsened from 2015-present and that PPL Electric is not performing at the level of its peers. (OCA St. 5, pp. 62-74.)

254. OCA proposed that the Commission impose additional reporting and accountability requirements related to reliability of service as a condition of the Company’s recovery of reliability investments and its base rate increase. (OCA St. No. 5, pp. 62-63, 76-77.)

255. PPL Electric responded to OCA’s recommendations and allegations in its rebuttal testimony. (PPL Electric St. No. 16-R, pp. 31-42.)

256. The Company acknowledged that there is room to improve its reliability performance and to strengthen and harden the system against severe weather events. (PPL Electric St. No. 16-R, p. 37.)

257. PPL Electric asserted that the increased frequency and severity of storms experienced by the Company justify the need for rate relief and for the Company to increase its investments to strengthen and harden the system and to increase vegetation management efforts. Without such investments, the Company’s reliability performance could continue to degrade. (PPL Electric St. No. 16-R, p. 33.)

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258. The Company also stated that it generally performs well relative to its peers with respect to Institute of Electrical and Electronics Engineers (“IEEE”) Annual Reliability Benchmarking Survey as well as the Edison Electric Institute (“EEI”) Reliability Survey, each of which I discuss in detail in my direct testimony. (PPL Electric St. No. 16, pp. 2-5.)

259. PPL Electric further averred that it has maintained reasonable reliability performance metrics that generally outperform its peers since 2015 despite having not sought a base rate increase since that time. (PPL Electric St. No. 16-R, pp. 33-34.)

260. The Settlement provides that PPL Electric is required to file an annual reliability accountability report in this docket that tracks the Company’s approved reliability programs in relation to the Commission’s existing reliability metric targets, and includes program-level reporting addressing spending, work completed, locations targeted, justification, and reliability outcomes. This reporting will continue until the next base rate proceeding. (Settlement ¶ 88.)

261. PPL Electric will continue planning and executing Inspection, Maintenance, Repair, and Replacement (“I&M”) Plan work based on system risk and need, rather than the cycle length alone. (Settlement ¶ 89.)

262. PPL Electric will file an annual report describing the vegetation management program and detailing measures such as the extent of expanded ROWs obtained, the scope of associated tree removal, and estimated changes in relevant reliability metrics attributable to the expanded ROWs. (Settlement ¶ 90.)

**I. LARGE LOAD INTERCONNECTIONS**

263. In its direct testimony, PPL Electric stated that data centers and other large load customers are increasing in Pennsylvania and that these customers represent a large load influx onto PPL Electric’s system presenting new challenges. (PPL Electric St. No. 16, p. 15.) The

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Company averred that the pipeline of projects exceeds the Company's current peak load of 7.8 GW, meaning that the Company is preparing to more than double its system demand in just 5–6 years—growth that took over a century to reach. (PPL Electric St. No. 16, p. 15.)

264. PPL Electric's current interconnection pipeline includes approximately 20,000 megawatts of new large load which is subject to agreement under a Letter Of Authorization ("LOA") or Electric Service Agreement ("ESA"). (Tr. 836.)

265. Without appropriate protections, current large load growth poses a risk of stranded assets, unrecovered costs, and cross-subsidization from other ratepayers. (PPL Electric St. No. 16, p. 18.)

266. PPL Electric asserted that it will need to make significant investments in the transmission system to interconnect these new customers, including investments that are paid for by the customer and investments that are paid for by the Company. (PPL Electric St. No. 16, p. 16.)

267. As part of its initial rate case filing, PPL Electric proposed to revise its Rate Schedule LP-5 to mirror what the Company alleged it is currently requiring in its ESA process with large customers. (PPL Electric St. No. 16, p. 16.)

268. The Company stated that its current ESA includes minimum load guarantees (80% of contracted load until service commitment is satisfied), load ramp schedules, and security instruments, which PPL Electric alleged would ensure that the customer pays enough in revenue to cover the cost of rate-based investments. (PPL Electric St. No. 16, p. 16.)

269. Additionally, the Company asserted that the agreement outlines early termination terms and conditions, which it alleged would be adequate to protect both the Company and other customers from stranded cost risk. (PPL Electric St. No. 16, p. 16.)

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270. Under the originally-proposed tariff language, any large load customer that requires upgrades that will be socialized through rates enter into a service contract with an initial term of not less than five years and must provide adequate security that it will meet a revenue guarantee equal to the amount of costs placed into rates. (PPL Electric St. No. 16, p. 16; PPL Electric Exhibit GEO-1, p. 98.)

271. OCA, OSBA, CAUSE-PA, EJA, EI, and PPLICA responded to the Company's large load tariff proposal and offered recommendations. (OCA St. 5, pp. 5-125; OSBA St. No. 1, pp. 15-19; CAUSE-PA St. 2, pp. 3-25; EJA St. No. 1, pp. 66-79; EI St. No. 1, pp. 5-63; PPLICA St. No. 1, pp. 10-15.)

272. The OCA recommended that new large load customers with anticipated maximum peak demands of at least 20 MW at a single point of interconnection or 50 MW in the aggregate be subject to the provisions of PPL Electric's large load tariff provisions. (OCA St. 5SR, p. 26.)

273. OSBA, CAUSE-PA, and PPLICA recommended creating a separate rate for new large load customers to reflect policy and operating characteristics that are unique to these customers. (OSBA St. No. 1, pp. 4, 16; CAUSE-PA St. 2, pp. 20-21; PPLICA St. No. 1, pp. 4, 13-15.)

274. CAUSE-PA recommended that this new rate class apply to customers with peak loads at or above 50 MW, consistent with the Commission's proposed model large load tariff. (OSBA St. No. 1, pp. 4, 16; CAUSE-PA St. 2, p. 21.)

275. CAUSE-PA averred in direct testimony that creating a dedicated class for large load customers would permit the Company to separately assign costs to large load customers that may differ from the costs created and assigned to existing LP-5 customers. (CAUSE-PA St. 2, pp. 20-21.)

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276. CAUSE-PA stated that other states, including Virginia and Maryland, have created separate rate classifications for large load customers. (CAUSE-PA St. 2, p. 21.)

277. In rebuttal, PPL Electric stated that it was willing to create a new LP-6 rate class for customers with peak demands of 100 MW and above. (PPL Electric St. No. 16-R, p. 29.)

278. OCA, CAUSE-PA, EJA, EI, PPLICA, and OSBA all raised concerns about costs to serve new large load customers being allocated to existing customers. (OCA St. 5, p. 42; OCA St. 8, pp. 88-93; OCA St. 9, pp. 8-15; CAUSE-PA St. 2, pp. 6-7; EJA St. No. 1 pp. 71-77; EI St. No. 1, pp. 10-21; PPLICA St. No. 1, pp. 11-12; OSBA St. No. 1, pp. 15-16.)

279. In rebuttal, PPL Electric asserted that when a new large load customer applies for service, the Company evaluates whether the required upgrades only benefit the new customer, or if the upgrades would provide broader grid benefits. (PPL Electric St. No. 16-R, p. 9.)

280. The Company stated that upgrades that only benefit the customer are directly charged to the customer through a Contribution in Aid of Construction (“CIAC”) payment, while upgrades that provide broader grid benefits are recovered through the Company’s FERC Formula Rate. (PPL Electric St. No. 16-R, p. 9.)

281. Parties also raised concerns that the new large loads will be able to peak shave to avoid paying transmission costs, that the minimum load guarantee security will not be used to insulate other customers from risk, that the minimum load guarantee will not cover the entire cost of the socialized upgrades, and that the minimum contract term may not be long enough to ensure recovery of incremental costs plus a reasonable contribution to embedded utility costs. (*See, e.g.*, OCA St. 5, pp. 23, 37; CAUSE-PA St. 1, p. 11; EI St. No. 1, pp. 13-14, 21, 23.)

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282. In response, PPL Electric asserted that it has designed its minimum load guarantee and standby charges to ensure that new large load customers are paying their fair share for the transmission system. (PPL Electric St. No. 16-R, p. 12.)

283. When a large load customer first begins taking service, it does so subject to a load ramping schedule, which indicates how long it will take for the large load customer to reach its anticipated maximum peak demand. The load ramping period for each large load customer can vary based on the customer's ability to meet its anticipated maximum peak demand. (Tr. 828-29)

284. The minimum demand charges included in the ESA apply to the amount of load included in the load ramping schedule instead of the maximum anticipated peak demand of the large load customer, adjusting the billing determinants to be the greater of the actual demand of the customer or the fixed percentage minimum demand amount multiplied by the amount included in the load ramping schedule.. (Tr. 824, 829.)

285. If the cost of the network upgrades attributable to the interconnection of the large load customer is not recovered by PPL Electric during the term of the initial contract, the remainder of the amount of that cost is recovered through an exit fee applied as a credit against PPL Electric's transmission revenue requirement. (PPL Electric St. No. 16-R, p. 19.)

286. OCA, EJA, EI, and PPLICA also raised concerns about the transparency in the interconnection process, asking that the ESAs to be submitted for Commission review, that there be a review of the allocation of interconnection costs, and that there be a prohibition on charging new large load customers special rates. (OCA St. 5, pp. 8, 19; EJA St. No. 1, pp. 77-78; EI St. No. 1, pp. 5-6, 38-39; PPLICA St. No. 1, p. 13.)

287. The Company stated that it is not opposed to submitting ESAs to the Commission for information; however, PPL Electric maintained that the review should not include the ability

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for the Commission to review and reject the Company's allocation of interconnection costs between the customer and rates. (PPL Electric St. No. 16-R, p. 17.)

288. OCA and CAUSE-PA raised concerns about reliability impacts from new large load interconnections. (OCA St. No. 5, pp. 44-50; CAUSE-PA St. 2, pp. 9-10.) CAUSE-PA also argued that PPL Electric failed to demonstrate that wider grid benefits, including improvements to reliability and resiliency, will necessarily materialize under its large load proposals. (CAUSE-PA St. 2, p. 9.)

289. In response, the Company asserted that it studies each interconnection application to ensure that the new customer can safely and reliably interconnect to PPL Electric's grid. (PPL Electric St. No. 16-R, pp. 19-20.)

290. Further, the Company argued that its distribution base rate case is not the appropriate forum to address generation and capacity resource adequacy concerns. (PPL Electric St. No. 16-R, p. 20.)

291. PPL Electric enters into ESAs with large load customers for the purpose of commencing retail service as a precondition of PPL Electric's ability to interconnect the customer. (Tr. 812-13.)

292. Large load customers that would be subject to Rate LP-6 can cause stranded cost risks if the customer is not subject to just and reasonable terms of retail service, native, and captive customers are forced to bear. ( PPL Electric St. 16, p. 16; OCA St. 5, p. 29.)

293. PJM, in its most recent auction for capacity resources, procured 6,600 megawatts less than the amount of generating capability PJM determined was needed to provide reliable service. (OCA St. 5, p. 45.)

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294. The PJM Independent Market Monitor has determined that the increase in needed generation capacity in PJM is driven by the load growth attributable to large load customers. (Tr. 896-97.)

295. During a load shed event, customers may be subject to rolling or rotating brownouts and blackouts. (Tr. 844-46.)

296. Resource adequacy is a part of the overall reliability of the customers. (Tr. 840.)

297. If the load on the transmission system exceeds the generation supply on the transmission system, there could be cable failures or other equipment failures if they are not rated for the capacity. (Tr. 840-41.)

298. Blackouts or brownouts could cause damage to customers' electronics, like their appliances, depending on the protections on their side. (Tr. 845.)

299. Additionally, OCA and EJA recommended that new large load customers take service under a mandatory requirement that their load be interruptible. (OCA St. 5, p. 49; EJA St. No. 1, p. 79.)

300. PPL Electric disagreed with a mandatory requirement but claimed that it is willing to provide a voluntary interruptible option in its tariff that would allow the Company to curtail certain customers during times of system stress. (PPL Electric St. No. 16-R, p. 21.)

301. The Company proposed reducing the minimum load guarantee percentage to 60% for the first five years, and to 30% for the second five years under the ESA, in order to incent customers to choose this option. (PPL Electric St. No. 16-R, p. 21.)

302. PPL Electric does not currently have an interruptible rate under its retail tariff. (Tr. 850.)

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303. Implementing an interruptible customer class for Rate LP-6 customers would permit PPL Electric to interrupt service for economic circumstances in addition to reliability reasons. (Tr. 851.)

304. Critical load is load such as hospitals, emergency services, and natural gas infrastructure, which is protected from curtailment under the load shed plan. (Tr. 845.)

305. PPL Electric residential, small business, and large industrial users are in the same bucket of load that would be at risk of curtailment at the same time. (Tr. 845-46.)

306. Data centers, like other industrial commercial customers, are more sensitive to voltage disturbances than the average customer and, therefore, usually have their own electrical protections and some sort of backup generation or onsite energy storage. (Tr. 837-38, 848.)

307. PPL Electric does not currently have additional requirements for how large load customers sectionalize the load on their system, as long as the customer meets PPL Electric's capacity requirements for the circuit PPL Electric is feeding into. (Tr. 854.)

308. Failure to separate critical load, maintain appropriate telemetry and communications capabilities, and connect to isolate feeds on the customer-side can expose the broader grid to increased reliability risk during emergency load control conditions. (OCA St. 5SR, p. 22)

309. OCA and EI also raised concerns about the Company's current load forecasting procedures, claiming that Company is inflating its load projections by including projects at the LOA stage, not being transparent with its forecasts, and not performing enough diligence on whether the projects are duplicative. (OCA St. 5, pp. 50-51; EI St. No. 1, pp. 39-45.)

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310. The Company disagreed with these concerns, arguing that PPL Electric endeavors to be transparent with its load forecast so that those responsible for ensuring resource adequacy have information in time to take appropriate action. (PPL Electric St. No. 16-R, p. 22.)

311. PPL Electric also stated that it has no issue with sharing load forecast information with regulators and stakeholders broken down by new load under an ESA, under an LOA, and load that has made inquiries. (PPL Electric St. No. 16-R, p. 23.)

312. Accurate load forecasting has a significant effect on the ability for PJM Interconnection, LLC (PJM), the Regional Transmission Organization which includes PPL Electric, to assess future resource adequacy and determine the need for new transmission infrastructure. (OCA St. 5, pp. 50-51.)

313. CAUSE-PA claimed that large load additions are already driving higher costs for Pennsylvania consumers through increased capacity prices and transmission costs and, therefore, having a direct impact on the effectiveness of PPL Electric's CAP at assisting low income customers to afford and maintain service to their home and, in turn, on the universal service costs assigned to PPL Electric's residential customers through the USR. (CAUSE-PA St. 1, pp. 90-94.)

314. CAUSE-PA asserted that based on data provided by the PJM Independent Market Monitor, large load growth across PJM has already caused CAP costs in PPL Electric's service territory to increase by an estimated \$10 million per year. (CAUSE-PA St. 1, p. 94.)

315. OCA and CAUSE-PA recommended that new large load customers contribute to the Company's USR costs. (OCA St. 8, p. 96; CAUSE-PA St. 2, pp. 20, 25.) Specifically, CAUSE-PA proposed that PPL Electric directly assign \$10 million to address costs that CAUSE-PA maintained have been already caused by large load customers and that this direct assignment be adjusted in each rate case to account for further increases in energy, capacity, and transmission

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costs driven by the introduction of large load customers. (CAUSE-PA St. 1, p. 94.) In addition, CAUSE-PA recommended assignment of remaining universal service costs on all ratepayers based on the allocators in PPL Electric's ACROSS based on the kWh usage for each rate class projected as of the FPFTY. (CAUSE-PA St. 1, p. 94.)

316. OSBA did not oppose allocating USR costs to new large load customers if there was a cost basis for doing so, and suggested that USR costs be allocated only to this new class over a fixed period of time. (OSBA St. 1 at18-19).

317. In rebuttal, the Company stated that the Commission has indicated in the Model Tariff proceeding that allocating a portion of USR costs to large load customers is appropriate. (PPL Electric St. No. 16-R, p. 25.)

318. The Company agreed in its rebuttal testimony to allocate \$10 million of the total projected USR costs to the new Rate LP-6 rate class effective January 1, 2027. (PPL Electric St. No. 16-R, p. 25.)

319. EI opposed the Company's proposal to have the option to own, operate, and maintain Rate LP-5 customer substations, contending that it would allow large customers to take service at distribution voltages without paying commensurate distribution rates and that there is a potential for abuse. (EI St. No. 1, pp. 37-39.)

320. PPL Electric argued that these concerns are unfounded because its proposal involves directly assigning these costs to the customer taking service from the substation; therefore, no costs would be recovered from other customers. (PPL Electric St. No. 16-R, p. 27.)

321. The Company summarized the changes it would be willing to make to its large load tariff proposal as follows: (1) create a new LP-6 rate class for customers with peak demands of 100 MW and above; (2) require a 10-year minimum term for ESAs; (3) revise minimum load

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guarantee to 80% for first five years, 50% for second five years of initial term; (4) require an exit fee equal to the remaining minimum load guarantee obligation during the ESA term; (5) submit ESAs, Construction Service Agreements (“CSAs”), and a breakdown of the allocation of system upgrade costs to the Commission for transparency and information (not approval); (6) offer a voluntary interruptible option, which if chosen would reduce the minimum load guarantee to 60% for the first five years, and 30% for the second five years; (7) submit annual load forecasts to the Commission, including a breakdown of requests of customers with ESAs, LOAs, and inquiries; and (8) allocate \$10 million of USR costs annually to Rate LP-6 with the \$10 million to be allocated amongst the class.

322. Under the Settlement, as part of its compliance Retail Tariff filing, PPL Electric will adopt the LP-6 tariff schedule governing the rates, terms and conditions of service to large load (data center) customers, consistent with the Company’s rebuttal testimony of PPL Electric Witness Joseph Lookup, including ESAs that contain, at a minimum, the terms set forth in Paragraph 91(a)(i) of the Settlement, such as initial terms of not less than 10 years, an initial load ramp schedule for up to the first five years, a revenue guarantee and security instrument in the amount of the line extension costs that the customer was not directly charged, and an exit fee. (Settlement ¶ 91(a)(i).) In addition, a Rate LP-6 customer may elect a voluntary interruptible option to reduce the minimum load guarantee to 60% for the first five years and 30% for the second five years. (Settlement ¶ 91(a)(ii)).

323. Additionally, the Settlement sets forth modifications to the Company’s proposal, including, but not limited to, specifying that it will be applicable to a customer if the customer has a peak electric demand of 50 MW or greater at a single facility or at least equal to 75 MW in the aggregate among facilities taking service from PPL Electric at or above 69 kV within a 10-mile

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radius; provided, however, that if (1) the customer has a peak electric demand equal to or greater than 50 MW at a single facility but less than or equal to 75 MW at a single facility that takes service from PPL Electric at or above 69 kV, and (2) the customer's interconnection and service requirements do not cause PPL Electric to incur transmission network upgrade costs, then PPL Electric may file a petition with the Commission requesting, subject to Commission review and approval, that the customer's facility be classified under Rate LP-5 and that the customer's peak demand for that single facility not be counted toward the peak demand in the aggregate among the customer's facilities taking service from PPL Electric at or above 69 kV within a 10-mile radius. Any petition filed under this section requesting a customer to be classified as a Rate LP-5 customer shall be served on all the parties to this base rate proceeding. (Settlement ¶ 91(b).)

324. The Settlement also specifies that security will be required in an amount equal to the cost of upgrades needed to serve the customer, including but not limited to costs the Company would not have incurred but for the interconnection of the customer, and that the large load customers' exit fee will first be applied to the Rate Base Security Obligation as a reduction to the Company's transmission rate base, and the remainder of the exit fee will be as a credit to the Company's FERC Transmission Formula Rate revenue requirement. (Settlement ¶ 92.)

325. PPL Electric also will submit compliant ESAs and a breakdown of the allocation of system upgrade costs to the Commission for transparency and information and will serve the same on the statutory advocates. (Settlement ¶ 93.)

326. PPL Electric will provide notice to the Commission and statutory advocates in the event that a Rate LP-6 customer voluntarily terminates the service contract before the contract has elapsed, including reporting if and when the customer's exit fee was provided as a credit to PPL Electric's transmission rate base balance. (Settlement ¶ 93.)

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327. PPL Electric will submit annual load forecasts to the Commission, along with a breakdown of forecasted load based on requests of customers with ESAs, LOAs, and inquiries and shall include such breakdown along with forecasts submitted to PJM Interconnection, LLC (“PJM”). (Settlement ¶ 94.)

328. PPL Electric’s requirements under Paragraph 94 of the Settlement will be consistent with its obligations under Act 45 of 2025 regarding Electric Load Forecast Accountability, Sections 1801-B through 1806-B, and any information not covered by this paragraph but required by the Act must still be submitted by PPL Electric to the Commission. (Settlement ¶ 94.)

329. Beginning January 1, 2027, PPL Electric will allocate \$11 million of USR costs annually to the new LP-6 rate class. Such costs will be allocated amongst the LP-6 rate class and recovered from the LP-6 customers through a non-bypassable customer charge assessed to those customers under Rate Schedule LP-6. (Settlement ¶ 95.)

330. PPL Electric also will propose an increased allocation of costs to the LP-6 class in its next filed rate case or will explain why it has not proposed to increase this allocation. (Settlement ¶ 96.)

331. The Settlement further states that the parties agree that: (1) the LP-6 tariff schedule in the Company’s rebuttal position does not fully address the issues and concerns raised by various parties through the course of the proceeding, as fully substantiated by the testimony of OCA Witness Matthew Hoyt, CAUSE-PA Witness Benjamin Havumaki, EJA Witness Karl Rábago, EI Witness Ron Nelson, and PPLICA Witness Billie LaConte; (2) certain of the issues and concerns identified by the parties are currently pending a determination by the Commission in the large load model tariff statewide proceeding at Docket No. M-2025-3054271; (3) the parties reserve all rights with respect to the proceeding at Docket No. M-2025-3054271; (4) following any final order of

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the Commission in the Docket No. M-2025-3054271 proceeding, any Party to this Settlement may make a filing before the Commission proposing to modify the LP-6 rate schedule to be consistent with the Commission's determination in the statewide proceeding at Docket No. M-2025-3054271 and that such a filing would not be construed as breaking this Settlement; and (5) the parties reserve all rights with respect to such a filing made pursuant to this provision. (Settlement ¶ 96.)

**J. MAXIMUM REGISTERED PEAK LOAD**

332. PPL Electric proposed to assign default supply customers on the Generation Supply Charge ("GSC") to Rate GSC-1 and Rate GSC-2 based on their Maximum Registered Peak Load ("MRPL"), as defined by the Company's proposed retail tariff submitted in this proceeding. (PPL Electric St. No. 15, p. 2.)

333. In its proposed retail tariff filed in this proceeding (PPL Electric Exhibit GEO-1), "maximum registered peak load" is defined as "a customer's net demand contribution impact to the Company's default service procurement activity, as determined upon the net power flow from or into the Company's distribution system." (PPL Electric St. No. 15-R, p. 5.)

334. The MRPL used to assign customers to their applicable rate schedule will be the customer's highest maximum registered peak load (kW) in the most recent 12-month period ending September 30. (PPL Electric St. No. 15-R, p. 5.)

335. For new customers without a 12-month billing history, the MRPL shall be based on the Company's estimate using factors such as, but not limited to, similarly equipped buildings, and similarly utilized buildings and square footage. (PPL Electric St. No. 15-R, p. 5.)

336. As related to customer-generators, this estimate shall also be inclusive of the nameplate capacity of the generation system. (PPL Electric St. No. 15-R, p. 5.)

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337. The Company stated that it was making this proposal because it is projecting a substantial increase in the number of customer-generators participating in net metering who do not have independent load to offset their electric usage. (PPL Electric St. No. 15-R, pp. 5-6.)

338. As a result, those customer-generators by design produce excess generation that is banked until the end of the PJM Planning Year on May 31, at which point their banked generation is cashed out at the Price-to-Compare. (PPL Electric St. No. 15-R, p. 6.)

339. As of March 31, 2025, the Company noted that the annual net metering cash-outs for the Small C&I customer class totaled approximately \$11 million. (PPL Electric St. No. 15-R, p. 7.)

340. Under the Company's corrected analyses presented as part of its rejoinder testimony, PPL Electric averred that the total net metering expense for no-load customer-generators under Rate GSC-1 would increase to \$795,012,47 in 2029 under the 36% cancellation rate, \$523,406,225 in 2029 under the 50% cancellation rate, and \$192,256,897 in 2029 under the 75% cancellation rate. (PPL Electric St. No. 15-RJ, p. 5; PPL Electric Exhibits AC-1RJ through AC-3RJ.)

341. The Company also presented updated analyses as part of its rejoinder testimony, in which the Company utilized a lower capacity factor of 17.3% and incorporated an offset to default service supply procurements due to the excess generation placing downward pressure on the net metering compensation and the PTC compared to the corrected analyses. (PPL Electric St. No. 15-RJ, p. 6.)

342. PPL Electric asserted that the updated analyses show that under the 36% cancellation rate scenario, which is the current cancellation rate, PPL Electric would be paying an annual premium of approximately \$414,198,666 by 2029 for the supply from the no-load

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customer-generators, compared to the cost of the supply that PPL Electric could obtain through its full requirements contracts. (PPL Electric St. No. 15-RJ, p. 6.)

343. PPL Electric's proposal has received support from the OCA, OSBA, and CAUSE-PA. (*See* OCA St. 6, p. 3; OSBA St. No. 1, pp. 4, 13-15; CAUSE-PA St. 1, pp. 113-15.)

344. CGC, JSA, PDMP, and Walmart expressed opposition to the Company's proposal in their direct testimony. (CGC St. No. 1, pp. 5-30; JSA St. No. 1, pp. 4-49; JSA St. No. 2, pp. 4-46; PDMP St. No. 1, pp. 1-10; PDMP St. No. 2, pp. 3-8; Walmart St. No. 1, pp. 19-21.)

345. JSA also opposed the Company's positions in its surrebuttal testimony. (JSA St. No. 1-SR; JSA St. No. 2-SR.)

346. JSA specifically opposed, among other things, the Company's assertions and observations contained in Findings of Fact Nos. 337 and 342. (*See generally* JSA St. No. 1, JSA St. No.2, JSA St. No. 1-SR, JSA St. No. 2-SR.)

347. The JSA generally asserted the MRPL proposal, as originally designed, overstated the costs and understated the benefits of customer-generators electric generation to both the Company and its customers. (*See generally*, JSA St. No. 1, JSA St. No.2, JSA St. No. 1-SR, JSA St. No. 2-SR).

348. In their direct testimony, CGC and JSA offered alternative modifications to the Company's proposal as well, including provisions that would provide for the grandfathering certain customer-generators. (CGC St. No. 1, pp. 29-30; JSA St. No. 2, pp. 37-46.)

349. Under the Settlement, PPL Electric's MRPL proposal shall be approved as modified by the terms and conditions set forth in the Settlement, which are consistent with the Joint Stipulation and Settlement filed by PPL Electric and the Joint Solar Advocates on March 5, 2026. (Settlement ¶ 97.)

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350. Specifically, the Settlement provides a process by which certain customer-generators shall be grandfathered into their existing default service rate for a period of 10 years (i.e., until December 31, 2036), at which time they will become subject to classification pursuant to the terms of PPL Electric’s default service rate classifications that are in place on or after January 1, 2037. (Settlement ¶ 98.)

351. Customer-generators will be grandfathered in the following order:

- a. Customer-generators who submitted to PPL Electric an interconnection application on or before September 30, 2025,<sup>8</sup> which is the date on which PPL Electric filed the instant rate case, and whose generating facilities either (i) receive a Permission to Operate<sup>9</sup> (“PTO”), or (ii) provide to PPL Electric a completed copy of their Certificate of Completion<sup>10</sup> on or before December 31, 2026, which is 15 months from the instant rate case application date; then
- b. Customer-generators who submitted to PPL Electric an interconnection application on or before September 30, 2025, up to the “Cap” defined below, based sequentially on the date of their signed *original* Notification

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<sup>8</sup> Under this Settlement, the date of the applicant’s submission of an interconnection application to PPL Electric will be determined by when it has received approval for its submitted one-line diagram, it has paid the interconnection application fee, and the Company has concluded that the interconnection application is complete.

<sup>9</sup> “Permission to Operate” or “PTO” is the letter or other communication from PPL Electric to a customer-generator granting authorization to operate a generating facility. If partial PTO is granted, then the full nameplate of the customer generator application is applied to the 140 MW Cap.

<sup>10</sup> A Certificate of Completion, as defined in 52 Pa. Code § 75.22, is a certificate in a form approved by the Commission containing information about the interconnection equipment to be used, its installation and local inspections.

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of Customer Intent (“NOCI”).<sup>11</sup> PPL Electric will utilize the process set forth in Appendix H of the Settlement to (1) notify customer-generators who submitted to PPL Electric an interconnection application on or before September 30, 2025 of their eligibility for a capacity allocation under the Cap, and (2) track remaining Cap capacity information and regularly publish such information on its website.

(Settlement ¶ 98.)

352. No additional customer-generators shall be grandfathered under Paragraph 98 of the Settlement once the total amount of nameplate AC capacity for Rate GSC-1 customer-generator systems that receive PTO reaches 140 MW-AC (“Cap”). (Settlement ¶ 98.)

353. PPL Electric noted in its sur-surrejoinder testimony that the 140 MW would cover the capacity of existing Rate GSC-1 customer-generators as of the date of the Company’s rate case filing (i.e., approximately 15.5 MW) along with the amount of capacity of Rate GSC-1 customer-generators’ projects that have been placed into service after the rate case filing or are in the interconnection queue and slated to be placed in service by September 30, 2026 (i.e., approximately 124.5 MW). (PPL Electric St. No. 15-SSRJ, p. 3.)

354. The Settlement further provides that for the remainder of the grandfathering period ending December 31, 2036, PPL Electric will not propose, as part of any Commission proceeding, to modify the grandfathered rights for customer-generators set forth in Paragraph 98 of the Settlement. (Settlement ¶ 103.)

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<sup>11</sup> A “Notification of Customer Intent” or “NOCI” is a formal document indicating the customer-generator’s agreement to the scope of work required to interconnect the project, as provided by PPL Electric, and advance the engineering and design work required to bring the project online.

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355. Through the period ending December 31, 2041, PPL Electric will not propose, as part of any Commission proceeding, to make any changes to the structural components of Rate GSC-2 as described in Paragraph 104 of the Settlement that would result in different components being used for calculating the Rate GSC-2 rate paid by non-customer-generators and the Rate GSC-2 rate used to determine the net metering compensation for customer-generators. (Settlement ¶ 103.)

356. Lastly, PPL Electric shall compensate each customer-generator taking service under Rate GSC-2 for excess generation produced by that customer-generator based on all the components set forth in Paragraph 104 of the Settlement. (Settlement ¶ 104.)

357. In its sur-surrejoinder testimony, PPL Electric observed that the MRPL proposal, as modified by the Joint Stipulation, would provide current Rate GSC-2 cash out rates for Rate GS-3 and Rate LP-4 customer-generators of \$0.09601 per kWh and \$0.12646 per kWh, respectively. (PPL Electric St. No. 15-SSRJ, pp. 3-4.)

358. The Company stated that the inclusion of the capacity component, line loss, and a gross-up for GRT adds \$0.02062 per kWh and \$0.01897 per kWh to the GSC-2 cash out rates for GS-3 and LP-4 customer-generators, respectively. (PPL Electric St. No. 15-SSRJ, p. 4.)

359. Comparatively, the Company's current rate for cash-out, the Small C&I PTC is \$0.12681 per kWh. (PPL Electric St. No. 15-SSRJ, p. 4.)

360. That is a difference of \$0.0308 per kWh for Rate GS-3 customer-generators and a mere \$0.00035 per kWh for Rate LP-4 customer-generators. (PPL Electric St. No. 15-SSRJ, p. 4.)

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**K. ELECTRIC VEHICLE (“EV”) TIME-OF-USE (“TOU”) CHARGING REBATE PROGRAM AND DIRECT CURRENT FAST CHARGER (“DCFC”) RATE**

361. PPL Electric proposed a Residential EV TOU Charging Rebate Program to help mitigate future impacts of EV charging on the Company’s distribution grid, particularly during peak periods. (PPL Electric St. No. 20, p. 4.)

362. The program’s parameters are set forth in the proposed retail tariff submitted in this proceeding (see PPL Electric Exhibit GEO-1). (PPL Electric St. No. 20, p. 5.)

363. If the customer conducts at least 80% of their charging during the off-peak hours in the applicable billing period, the Company will provide a flat rebate of \$10 to the customer in each billing period for which the criteria are met. (PPL Electric St. No. 20, p. 5.)

364. The Company proposed on-peak hours for this program of 4:00 PM to 7:00 PM in the summer months of June, July, and August, and two daily periods in the winter months of December, January, and February - 6:00 AM to 9:00 AM and again 6:00 PM to 8:00 PM. (PPL Electric St. No. 20-R, p. 4.)

365. All residential customers who own or purchase an EV will be eligible for the program, provided their EV charging is conducted with equipment that is on a list of compatible equipment certified by the Company. (PPL Electric St. No. 20, p. 5.)

366. The program will be open to all residential EV owners for participation, but the participation will be capped at 2,000 customers. (PPL Electric St. No. 20, p. 5.)

367. Additionally, PPL Electric may conduct targeted marketing to customers in areas where EV growth is forecasted to start causing system constraints in the next 5-7 years. (PPL Electric St. No. 20, p. 5.)

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368. Other parties raised various concerns and recommendations regarding the Company's proposal, centering around: (1) alignment of time periods and minimizing customer confusion; (2) rate design; (3) evaluation, metrics, and reporting; (4) targeted marketing and cost discipline; (5) customer communications and implementation materials; and (6) program duration and review. (SEF St. No. 1, pp. 25-26; OCA St. 5, pp. 101-03, 109, 117-18, 123; OCA St. 7, p. 9; EI St. No. 1, pp. 57-61.)

369. Under the Settlement, PPL Electric's EV TOU Charging Rebate Program proposal shall be approved subject to the modifications set forth in Section III.K of the Settlement. (Settlement ¶ 105.)

370. The Settlement provides that the EV TOU Charging Rebate Program shall run from July 1, 2026, until June 30, 2030, and that this term shall not prohibit PPL Electric from proposing a continuation or expansion of the EV TOU Charging Rebate Program, subject to Commission review and approval, in a future Commission proceeding. (Settlement ¶ 106.)

371. Each "Program Year" under the EV TOU Charging Rebate Program shall run from June 1 of one year to May 30 of the following year (e.g., Program Year 1 would be July 1, 2026, to May 30, 2027). (Settlement ¶ 107.)

372. The EV TOU Charging Rebate Program's applicable On-Peak and Off-Peak time frames shall be modified to align with PPL Electric's residential TOU program On-Peak and Off-Peak time frames, and no rebates will be paid to program participants in the six shoulder months. (Settlement ¶ 108.)

373. The Settlement also requires PPL Electric to modify the proposed tariff language for the EV TOU Charging Rebate Program to explicitly indicate the program is temporary and will be reevaluated prior to its continuation beyond 2030. (Settlement ¶ 109.)

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374. The Settlement also lays out provisions on: (1) the development of program forms and marketing materials; (2) the creation of an evaluation plan with detailed objectives and key performance indicators (“KPIs”); and (3) annual reporting requirements for the program. (Settlement ¶¶ 110-114.)

375. The Settlement further states that any decisions to continue the program will be subject to Commission review as part of a standalone regulatory proceeding, base rate case, or in conjunction with the Commission’s evaluation of a future Act 129 EE&C Plan and that stakeholders shall be afforded an opportunity to participate in the applicable proceeding. (Settlement ¶ 115.)

376. Regarding EV TOU rates, the Settlement specifies that within 180 days of the Commission’s entry of a final order in this proceeding, PPL Electric will initiate work with interested stakeholders to develop new EV distribution rates for each of the following: (1) third-party owned public-facing EV DCFCs; and (2) residential customers. (Settlement ¶ 116.)

377. PPL Electric will make a proposal in its next base rate case to establish EV distribution rates for third-party public-facing EV DCFCs and residential customers. (Settlement ¶ 116.)

**L. IT UPGRADES**

**1. Capitalization of IT Upgrades**

378. PPL Electric proposed capitalization of certain Information Technology (“IT”) costs, arguing that such treatment is consistent with the National Association of Regulatory Utility Commissioners (“NARUC”) and Commission guidance. (PPL Electric St. No. 3, pp. 5-6.)

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379. The Company stated that the total cost of these projects PPL Electric is seeking to capitalize is approximately \$53.9 million, inclusive of Allowance for Funds Used During Construction (“AFUDC”) through the FPFTY. (PPL Electric St. No. 3, p. 6.)

380. PPL Electric asserted that these software implementation costs are related to shared IT platforms resulting from an organizational consolidation, including: (1) a cloud hosted, customer information system (“CIS”); (2) a cloud-hosted, Enterprise Resource Planning system (“ERP”); (3) consolidated work management systems; (4) an on premises, consolidated advanced distribution management system (“ADMS”) platform; (5) a cloud hosted, consolidated geographic information system (“GIS”); and (6) other shared infrastructure services that are discussed in the testimony of PPL Electric witness Daniel Johnson (PPL Electric St. No. 19). (PPL Electric St. No. 3, pp. 6-7.)

381. Under the Settlement, PPL Electric is permitted to capitalize the costs associated with its planned IT upgrades, as set forth in PPL Electric St. No. 19; however, parties retain the right to challenge the reasonableness and prudence of any such capitalized expenditures in future base rate cases. (Settlement ¶ 117.)

**2. Coordination of IT Upgrades with Electric Generation Suppliers (“EGSs”)**

382. RESA recommended that the Commission direct the Company to “provide daily updates to competitive suppliers and weekly updates to Commission staff for at least the first 90 days of any system upgrade/transition, including reporting on the number of issues identified by suppliers, the estimated number of customers impacted, an explanation of PPL's effort to resolve those issues without placing undue burden on suppliers, and an estimated timeline for resolution.” (RESA St. No. 1, p. 15.)

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383. PPL Electric asserted in rebuttal that RESA’s proposal would result in EGSs micromanaging the daily operations of the Company, which is unwarranted and unduly burdensome and presupposes a problem and lack of communication. (PPL Electric St. No. 19-R, p. 4.)

384. Under the Settlement, PPL Electric agrees to engage in communications with the EGSs regarding planned changes to its IT systems which have the potential to impact the Supplier Portal before such changes are implemented. (Settlement ¶ 117.)

385. The Company also will review in good faith any feedback provided by EGSs regarding such planned IT system changes; however, PPL Electric retains ultimate discretion regarding the design and implementation of its IT systems and shall be under no obligation to incorporate the EGSs’ suggestions. (Settlement ¶ 117.)

**3. Distributed Energy Resources Management System (“DERMS”)**

386. EI raised issues and made recommendations related to the Company’s DERMs, asserting, among other things, that the Distributed Energy Resources (“DER”) Orchestration Plan that the Company is required to file under the Commission’s Order at Docket No. P-2024-3049223 could significantly reduce the costs of the Second DER Management Plan, and that the Company’s Second DER Management Plan is costly (at \$1,700 per device). (EI Statement No. 1, pp. 52-54.)

387. PPL Electric responded in its rebuttal testimony, arguing that EI’s positions are flawed because, among other reasons, the timing of the filing and litigation of the DER Orchestration Plan show that it could not be implemented in sufficient time to have any impact on the Company’s capital costs in the FPFTY. (PPL Electric St. No. 20-R, pp. 16-20.)

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388. The Settlement provides that to the extent that PPL Electric must develop a DER Orchestration Plan under the Commission’s Order at Docket No. P-2024-3049223, PPL Electric agrees to hold one stakeholder working group with the Parties to this proceeding before filing its DER Orchestration Plan with the Commission. (Settlement ¶ 118.)

389. During the stakeholder working group meeting, the Company shall provide substantive updates regarding the process and anticipated content of such Plan, address stakeholder questions, and solicit stakeholder feedback. (Settlement ¶ 118.)

390. PPL Electric further commits to considering any such stakeholder feedback in good faith as part of the Company’s finalization of the DER Orchestration Plan before filing with the Commission. (Settlement ¶ 118.)

**M. RETAIL TARIFF**

**1. Payment Transaction Fees**

391. The Company stated that currently a customer who makes a one-time payment using a credit or debit card or makes a payment via a walk-in location, such as through Western Union or Fiserv, is charged a separate fee set by the outside vendor. (PPL Electric St. No. 18, p. 7.)

392. The amount of that fee depends on the method and amount of the payment. (PPL Electric St. No. 18, p. 7.)

393. Specifically, the current credit/debit card fees online or through apps such as Venmo and PayPal are \$2.50 per transaction of up to \$1,000 for residential customers and \$7.50 per transaction of up to \$1,500 for non-residential customers. (PPL Electric St. No. 18, p. 7.)

394. The walk-in fee is \$2.00 per transaction. (PPL Electric St. No. 18, p. 7.)

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395. PPL Electric proposed to recover the costs of these payment transaction fees through base rates, rather than making the customer cover the transaction fee separately. (PPL Electric St. No. 18, p. 7.)

396. This would apply to credit and debit card fees as well as electronic payment methods such as Venmo and PayPal. (PPL Electric St. No. 18, p. 7.)

397. The Company asserted that its proposal would provide the following benefits: (1) help customers avoid termination of service or late payments; (2) eliminate the burden of the transaction fee on customers; (3) reduce confusion between the third-party transaction fees and the Company's charges for electric service; (4) increase customer satisfaction; and (5) reduce the inconvenience of customers sending a check via mail. (PPL Electric St. No. 18, p. 8.)

398. I&E and OCA agreed with the Company's proposal to recover the costs of payment transaction fees in base rates but disagreed with the Company's claim amount. (I&E St. No. 2, pp. 25-28; OCA St. 1, pp. 12-13.)

399. CAUSE-PA also supported the Company's proposal. (CAUSE-PA St. 1, pp. 110-11.)

400. Under the Settlement, PPL Electric's proposal to eliminate third party payment fees and roll these costs into rates is adopted. (Settlement ¶ 119.)

401. The amount rolled into rates is included in the overall revenue requirement increase agreed to by the parties in Paragraph 49 of the Settlement. (Settlement ¶ 119.)

**2. Economic Development**

402. PPL Electric proposed to implement its Opportunity Pennsylvania Program, which PPL Electric alleged would support communities in securing funding through the Pennsylvania

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SITES (“PA SITES”) initiative and other state, federal, or regional programs. (PPL Electric St. No. 21, pp. 2-3.)

403. In total, the economic development proposal would have an annual budget of \$400,000. (PPL Electric St. No. 21, p. 3.)

404. The Company proposed to recover those costs in base rates. (Schedule D-7 of Exhibit Fully Projected Future 1.)

405. The Company’s proposal was opposed by I&E, OCA, OSBA, and CAUSE-PA, based on concerns that: (1) rate recovery for the Opportunity Pennsylvania Program is inappropriate because benefits to customers are not demonstrated (see, e.g., I&E St. No. 2, pp. 30–32; CAUSE-PA St. 1, p. 112); (2) that the activities are governmental in nature or outside a utility’s core function (see OCA St. 1, p. 24); (3) that prior Pennsylvania Public Utility Commission (“Commission”) precedent or past PPL Electric proposals counsel against approval (see I&E St. No. 2, p. 32); and (4) that programs of this kind risk mission drift or permanence and lack coordination with government policy (see OSBA St. No. 1, p. 5).

406. Under the Settlement, PPL Electric’s Opportunity Pennsylvania Program costs will not be recovered through base rates in this proceeding. (Settlement ¶ 120.)

**3. Rule 6**

407. In its direct testimony, PPL Electric proposed to replace its existing standby service provisions under Rule 6 and Rule 6A with a new consolidated standby service, which is set forth in its proposed retail tariff (PPL Electric Exhibit GEO-1). (PPL Electric St. No. 8, p. 20.)

408. The new tariff would apply to non-residential customers with on-site generation facilities greater than 3 MW and to other non-residential customers with on-site generation who do not qualify for net metering service. (PPL Electric St. No. 8, pp. 20-21.)

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409. The Company stated that the proposed tariff simplifies the structure by consolidating the Company's standby service obligations into a single schedule and ensures that customers with on-site generation pay appropriately for the system resources they require, including capacity that must be available to serve them when their generation is not operating. (PPL Electric St. No. 8, p. 21.)

410. PPLICA stated in its direct testimony that the Company should clarify that the demand charges impacted by Rule 6 are limited to distribution demand charges. (PPLICA St. No. 1, pp. 9-10.)

411. In rebuttal, PPL Electric stated that it is reasonable to clarify Rule 6 and noted that the back-up demand charges set forth in the table in the proposed Rule 6 needed to be updated to equal 30% of the applicable standard distribution demand charges under Rate Schedule GS-3, LP-4 or LP-5. (PPL Electric St. No. 8-R, pp. 36, 39.)

412. The Settlement provides that the Company's compliance retail tariff filing will: (a) clarify that the Rule 6 capacity reservation charge is limited to distribution demand charges; and (b) incorporate corrected back-up power reservation charges in Rule 6 that are equal to 30% of the applicable standard distribution demand charge under Rate Schedule GS-3, LP-4, or LP-5. (Settlement ¶ 121.)

**4. Alternative Energy Credit ("AEC") Ownership**

413. As submitted, PPL Electric's proposed retail tariff included language related to utility ownership of AECs in the Net Metering Renewable Customer Generators section. (PPL Electric Exhibit GEO-1, p. 263.)

414. PPL Electric explained in its rebuttal testimony that such language was included in error and should be deleted. (PPL Electric St. No. 14-R, p. 8.)

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415. Under the Settlement, the Company will remove the AEC ownership language in the Net Metering for Renewable Customer Generators section of the retail tariff. (Settlement ¶ 121.)

**5. Definition of “Tenant”**

416. CAUSE-PA raised concerns with the definition of “tenant” under the Company’s proposed tariff, arguing that the definition is too narrow and excluded tenants of single family homes as well as those with a tenure of occupancy less than one year. (CAUSE-PA St. 1, p. 112.)

417. CAUSE-PA also raised concerns regarding PPL Electric’s proposed changes to its submetering rules and explained that submetering facilitates the resale of electric service to tenants because it cuts off tenants from universal service and energy conservation programs and critical consumer protections and increases the risk of overcharging without a clear or accessible remedy. (CAUSE-PA St. 1, pp. 119-120.) CAUSE-PA recommended an addition to Rule 5(E) to address the discontinuance of service to master-metered properties. (CAUSE-PA St. 1, p. 122.)

418. PPL Electric responded to CAUSE-PA’s proposals in rebuttal and offered to make certain modifications to its tariff in response. (PPL Electric St. No. 14-R, pp. 2-6.)

419. In surrebuttal, CAUSE-PA recommended modifications to the Company’s proposed adjustments to the definition of tenant. (CAUSE-PA St. 1-SR, p. 48.)

420. Under the Settlement, PPL Electric’s retail tariff compliance filing will revise the definition of “tenant” as specified on pages 2-3 of PPL Electric St. No. 14-R and as further modified on page 48, lines 16-26 of CAUSE-PA St. 1-SR. (Settlement ¶ 121.)

421. The Settlement also provides that PPL Electric’s retail tariff compliance filing will revise Rule 5(E)(1)-(2) as set forth on pages 4-5 of PPL Electric St. No. 14-R and will add a Rule 5(E)(4) as set forth on pages 5-6 of PPL Electric St. No. 14-R. (Settlement ¶ 121.)

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**6. Small Business Payment Arrangements**

422. Under the Settlement, PPL Electric’s retail tariff compliance filing will add a Rule 9(I) that provides PPL Electric with the discretion to enter into a flexible payment arrangement of up to 6 months with Rate GS-1 and GS-3 customers under terms acceptable to the Company. (Settlement ¶ 121.)

423. The Company also will prepare proactive customer communications regarding small business payment arrangements upon the filing of the compliance tariff. (Settlement Appx. G.)

**7. Customer Transformation Equipment under Rate LP-5**

424. As noted in the Large Load Interconnections section, concerns were raised regarding the Company’s proposed ownership, operation, and maintenance of customer transformation equipment for certain Rate LP-5 customers. (EI St. No. 1, pp. 37-39.)

425. Under the Settlement, PPL Electric’s retail tariff compliance filing will modify the proposed paragraph headed “CUSTOMER TRANSFORMATION EQUIPMENT” in Rate Schedule LP-5 to apply to customers with a peak demand of less than 50 MW and facilities for which the Commission has approved an exemption under Paragraph 91(b)(ii). (Settlement ¶ 121.)

426. The Company will include provisions in its agreement with the customer that ensure that no costs associated with owning, operating, and maintaining the customer transformation equipment will be recovered from other customers. (Settlement ¶ 121.)

**N. SUPPLIER TARIFF**

427. PPL Electric proposed to adopt a new Supplier Tariff, Tariff – Electric Pa. P.U.C. No. 2S. (*See* PPL Electric St. No. 18, p. 15; PPL Electric Exhibit LN-1.)

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**Proposed Findings of Fact**

428. The Company's current Supplier Tariff initially became effective back on August 27, 1998, during the advent of retail electric supply market. (PPL Electric St. No. 18, pp. 15-16.)

429. The Company argued that although some provisions have been modified since that time, the Supplier Tariff is well overdue for an update to address current policies and procedures governing PPL Electric's interaction with and charges to EGSs and other issues. (PPL Electric St. No. 18, p. 16.)

430. Among other changes, the Company proposed to charge EGS for the costs that the Company incurs to process their Electronic Data Interchange ("EDI") transactions and to test a new Data Universal Numbering System ("DUNS") that the Company needs to set up for each EGS. (PPL Electric St. No. 18, pp. 16-17.)

431. PPL Electric took the position that these costs are better recovered from the entities directly causing the costs' incurrence (i.e., EGSs) as opposed to the Company's general customer base, which includes both shopping and non-shopping customers. (PPL Electric St. No. 18, p. 17.)

432. RESA opposed the Company's proposal to recover the EDI transaction and DUNS testing fees from EGSs. (RESA St. No. 1, pp. 3-5.)

433. RESA raised other issues with the Company's proposed Supplier Tariff, including the proposed credit requirements for EGSs, the authorization requirements for EGSs to receive customer information from PPL Electric, the failure to include a definition of "Bill Ready," and the Competitive Billing Specifications Rider's failure to address a Rate Ready billing scenario. (RESA St. No. 1, pp. 37-44.)

434. PPL Electric responded to RESA's arguments in its rebuttal testimony by maintaining that its proposal to recover the EDI transaction and DUNS testing fees from EGSs should be approved, arguing that its proposed credit requirements are reasonable, and agreeing to

**Appendix D**  
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make modifications to its proposed Supplier Tariff in other respects in response to RESA’s criticisms. (PPL Electric St. No. 18-R, pp. 62-76.)

435. Under the Settlement, PPL Electric will, as part of its compliance Supplier Tariff filing, make the following modifications: (a) remove Rule 3.1(f) and renumber subsequent provisions accordingly; (b) clarify the Load Data Supply Charge section as stated on page 73 of PPL Electric St. No. 18-R; (c) include the definition of “Bill Ready” as set forth on page 75 of PPL Electric St. No. 18-R; (d) revise the Competitive Billing Specifications Rider to address a Rate Ready billing scenario as specified on page 76 of PPL Electric St. No. 18-R; (e) delete the credit requirements detailed in Rule 4.14; (f) revise Rule 4.18 to remove the recovery of “EDI Transaction Fees” from the Coordination Service Charges; (g) revise Rule 4.18 to institute a January 1, 2027 effective date for the inclusion of “DUNS Testing Fees” in the Coordination Service Charges; and (h) update the rate classes in Rule 12.9 for the Purchase of Receivables (“POR”) Program to reflect the relevant rate classes approved in this proceeding. (Settlement ¶ 122.)

436. PPL Electric further agrees that all EGSs currently registered and operating in its service territory will be allowed to continue service on an uninterrupted basis regardless of the changes to Rule 3.1 (and subsections thereof) of the Supplier Tariff until January 1, 2028. (Settlement ¶ 122.)

437. The EGSs currently registered and operating in the Company’s service territory will need to provide the information and materials required under Rule 3.1 (and subsections thereof) no later than January 1, 2028, to continue operating in PPL Electric’s service territory. (Settlement ¶ 122.)

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438. PPL Electric agrees that EGSs can satisfy applicable requirements under Rule 3.1 (and subsections thereof) through affiliates. (Settlement ¶ 122.)

439. The Company will communicate the requirements under Rule 3.1 to all EGSs currently registered in the Company's service territory within 60 days of the entry date of the Commission's Final Order in this proceeding. (Settlement ¶ 122.)

**O. BEHIND-THE-METER NON-EXPORTING BATTERY ENERGY STORAGE SYSTEMS**

440. Convergent argued that PPL Electric's current approach for the interconnection of non-exporting behind-the-meter ("BTM") battery energy storage systems ("BESS") is unjust and unreasonable because the Company: (1) has not established rules applicable to this class of resource; and (2) applies requirements developed for generation resources in lieu of such rules. (Convergent St. No. 1, p. 5.)

441. Convergent recommended that PPL Electric be required to develop and seek Commission approval of interconnection rules specific to non-exporting BTM BESS. (Convergent St. No. 1, p. 5.)

442. PPL Electric disagreed with Convergent's characterizations of the Company's interconnection process, asserting that its PPL Distribution Energy Storage Interconnection Policy and Guidance provides clear technical standards and expectations for an interconnection application for a BTM BESS to the Company's distribution system. (PPL Electric St. No. 14-R, p. 9.)

443. Under the Settlement, PPL Electric agrees to review within 120 days of the entry date of the Commission's Final Order any behind-the-meter non-exporting battery energy storage projects currently being reviewed for interconnection behind a customer's meter to determine if

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**Proposed Findings of Fact**

the requirements being imposed are in line with industry best practices and available studies.

(Settlement ¶ 123.)

**Appendix E**  
**Proposed Conclusions of Law**

**Appendix E**  
**Proposed Conclusions of Law**

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa. C.S. §§ 1301, 1308(d).

2. Under Section 1301 of the Public Utility Code, a public utility's rates must be just and reasonable. 66 Pa. C.S. § 1301.

3. It is the policy of the Commonwealth that utility service remain available to all customers on reasonable terms and conditions. 66 Pa. C.S. § 2802(12).

4. "In determining just and reasonable rates, the [Commission] has discretion to determine the proper balance between the interests of ratepayers and utilities" and the "power to make and apply policy." *Popowsky v. Pa. PUC*, 665 A.2d 808, 812 (Pa. 1995).

5. The term "just and reasonable" is not intended to confine the ambit of regulatory discretion to an absolute or mathematical formula; rather, the Commission is granted the power to balance the interests of consumers, utilities, and the broader public interest. *Pa. PUC v. Pa. Gas & Water Co.*, 424 A.2d 1213, 1219 (Pa. 1980), *cert. denied*, 454 U.S. 824, 102 S. Ct. 112, 70 L. Ed. 2d 97 (1981).

6. While rates must not be unduly discriminatory among customer groups, the Commission nevertheless has discretion to determine reasonable classification of rates as may be justified "by a variety of considerations including the quantity of service used, the nature of the use, the time of the use, the pattern of the use, differences and conditions of service or cost of service." *Zucker v. Pa. PUC*, 402 A.2d 1377, 1382 (Pa. Cmwlth. 1979).

7. The Federal Power Act has reserved for the states the regulation of retail sales through distribution facilities and, "even where there are no identifiable local distribution facilities, states nevertheless have jurisdiction in all circumstances over the service of delivering energy to end users." *Promoting Wholesale Competition Through Open Access Non-discriminatory*

*Transmission Services by Public Utilities, Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order 888, 75 FERC P 61,080 (Apr. 24, 1996), Order at 31,783 *aff'd New York v. FERC*, 535 U.S. 1, 22-23 (2002); *Detroit Edison v. FERC*, 334 F.3d 48, 54 (D.C. Cir. 2003).

8. The Federal Energy Regulatory Commission has specifically held that a utility tariff which sets the terms and conditions of retail service as a condition of that service is state-jurisdictional. *Tri-State Generation & Transmission Ass'n*, Docket No. ER25-3316, 193 FERC P 61,070, ¶¶ 45-52 (Oct. 27, 2025) (“*Tri-State*”).

9. In regulating terms and conditions of retail service, it is entirely within this Commission’s jurisdiction to provide that no retail customer will be connected to the utility system unless they pay the significant costs associated with the service that they have requested. *Id.* at ¶ 50; *FERC v. Elec. Power Supply Ass'n*, 577 U.S. 260, 280 (2016).

10. The provisions of the Settlement regarding the terms and conditions of retail service offered under the proposed Rate LP-6 are subject to the Commission’s jurisdiction and approvals of these provisions is not preempted by federal regulation of PPL Electric’s transmission service. *Coalition for Competitive Elec. v. Zibelman*, 906 F.3d 41, 56 (2d Cir. 2018) (state programs that indirectly influence wholesale rates or prices are acceptable “so long as the states regulate matters within their jurisdiction”).

11. The Electricity Generation Customer Choice and Competition Act (“Choice Act”) requires the Commission and PPL Electric “to ensure the continued provision of adequate, safe and reliable electric service to the citizens and businesses of this Commonwealth.” 66 Pa. C.S. § 2805(a). Part of this obligation is “[t]he maintenance of adequate reserve margins by electric suppliers in conformity with the standards required by” the federal and regional entities responsible

for maintaining the reliability of the Bulk Power System, 66 Pa. C.S. § 2804(1)(i), as well as PPL Electric's procedures "to require all electric generation suppliers to deliver energy to the electric distribution company at locations and in amounts which are adequate to meet the energy supplier's obligations to its customers." 66 Pa. C.S. § 2807(a).

12. The Commission may "order customers by whatever scheme to curtail usage during abnormal peaks" in order to preserve the reliability of a jurisdictional utility's distribution system, "as long it provides substantial reasons why there is no reasonable alternative so competition needs to bend to ensure overall system reliability." *PP&L Indus. Cust. Alliance v. Pa. PUC*, 780 A.2d 773, 782 (Pa. Cmwlth. 2001). Indeed, "only the distributor is in position to enhance system reliability because of the myriad of generators and transmission companies that place power in a particular distribution grid." *Id.* By necessity, the Commission's authority to require a customer to take interruptible distribution service also permits the Commission to approve an electric distribution utility's tariff permitting a customer to voluntarily elect to receive interruptible distribution service.

13. The Commission has the jurisdiction and authority to approve the provisions of the Settlement specifying that customers which qualify to receive service under Rate LP-6 can voluntarily elect to receive interruptible distribution service in order to ensure and preserve the existing reliability of the distribution system. *See PP&L Indus. Cust. Alliance v. Pa. PUC*, 780 A.2d 773, 782 (Pa. Cmwlth. 2001).

14. The public purpose is to be promoted by continuing universal service and energy conservation policies, protections and services. 66 Pa. C.S. § 2802(10), (17); *see also*, 66 Pa. C.S. § 2804(8).

15. The Choice Act conveys a series of “interdependent standards” governing the Commission’s oversight of the restructured electric utility industry. 66 Pa. C.S. § 2804. Key among these standards is the requirement that the Commission “ensure that universal service and energy conservation policies, activities, and services are appropriately funded and available in each electric distribution territory ... [and] operated in a cost-effective manner.” 66 Pa. C.S. § 2804(9).

16. Commission policy promotes settlements. 52 Pa. Code § 5.231.

17. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.

18. To accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket Nos. R-2015-2518438, *et al.* (Order entered Oct. 14, 2016); *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered Jan. 7, 2004).

19. The Joint Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. PUC v. Pike Cnty. Light & Power (Electric)*, Docket Nos. R-2013-2397237, C-2014-2405317, *et al.* (Order entered Sept. 11, 2014).

20. The decision of the Commission must be supported by substantial evidence. 2 Pa. C.S. § 704.

21. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Review*, 166 A.2d 96 (Pa. Super. 1961); *Murphy v. Comm., Dept. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlt. 1984).

22. The rates, terms of service, and proposals set forth in the Settlement are supported by substantial evidence and are in the public interest. Therefore, consistent with the terms and conditions set forth in the Settlement, PPL Electric's proposed electric distribution base rate case filing, as modified by this Settlement, should be approved.

# **Appendix F**

## **Proposed Ordering Paragraphs**

**Appendix F**  
**Proposed Ordering Paragraphs**

1. That the Pennsylvania Public Utility Commission approve this Settlement, including all the terms and conditions thereof, without modification;

2. That the Formal Complaints of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania at Docket No. C-2025-3057844, the Office of Small Business Advocate at Docket No. C-2025-3057889, the Office of Consumer Advocate at Docket No. C-2025-3058130, the PP&L Industrial Customer Alliance at Docket No. C-2025-3058271, Convergent Energy and Power LP at Docket No. C-2025-3058300, and the Solar Energy Industries Association and the Coalition for Community Solar Access at Docket No. C-2025-3058251 be deemed satisfied and marked closed;

2. That the *pro se* formal complaints opposing the proposed rate increase of Brad and Jennifer Wooley at Docket No. C-2025-3057946, Rik Bhattacharyya at Docket No. C-2025-3058846, Safiya Junaid at Docket No. C-2025-3058982, Stacey Kimmel-Smith at Docket No. C-2025-3059151, John Gadomski at Docket No. C-2025-3059330, Thatcher Graham at Docket No. C-2026-3060429, and Wendy Johnson at Docket No. C-2026-3061012 be denied;

3. That the investigation into this matter be terminated and the matter marked closed;  
and

4. That the Commission issue an Opinion and Order terminating the proceeding and authorizing PPL Electric to file compliance tariff supplements for its retail and supplier tariffs consistent with the Settlement on at least one day's notice to become effective for service rendered on and after July 1, 2026.

# **Appendix G**

## **List of Certain Compliance Retail Tariff Modifications Referenced in the Settlement**

**Appendix G**  
**List of Certain Compliance Retail Tariff Modifications Referenced in the Settlement**

1. Definitions

- a. Pursuant to Paragraph 121(d) of the Settlement, PPL Electric will revise the definition of “Tenant” (see page 14 of PPL Electric Exhibit GEO-1) to state:

*Tenant* – ~~An occupant of a multi-tenancy commercial building or parcel where it is expected that tenure shall be for a year or more. For the purpose of this rule, the term multi-tenancy commercial building shall include any structure which contains or houses 3 or more separate and distinct residential or commercial units. Any person or group of persons who occupies or is entitled to occupy a residential property, a commercial unit within a multitenancy building, parcel, or a unit in mobile home park and who is contractually obligated to make rental payments to a landlord or landlord ratepayer pursuant to a written or oral lease or rental arrangement. The term includes occupants of residential or commercial units where electric service is provided as an included service under the rental agreement and where the occupant is not the ratepayer of the utility providing such service. For purposes of this definition, a multitenancy building shall include any structure containing three (3) or more separate and distinct residential or commercial units.~~

(edits shown in redline)

2. Rule 2 – Requirements for Service

- a. Pursuant to Paragraph 85 of the Settlement, PPL Electric will revise Rule 2(D)(4) (see page 19 of PPL Electric Exhibit GEO-1) as follows:

(4) Deposits, plus accrued interest, will be applied to the outstanding balance on the customer’s account for service provided by the Company upon termination or discontinuance of service with any remaining deposit refunded to the customer; provided, however, that beginning July 1, 2027, if a customer has previously paid a security deposit and subsequently demonstrates that they are income-eligible for PPL Electric’s CAP, the Company will return the security deposit to the customer and will not apply the security deposit to the customer’s bill unless the customer specifically agrees that it may be applied to the customer’s bill.

(edits shown in redline)

- b. Pursuant to Paragraph 86 of the Settlement, PPL Electric will add a Rule 2(D)(5) (see page 19 of PPL Electric Exhibit GEO-1) to better align its tariff with the Commission’s regulation regarding low-income exemptions from deposits. Rule 2(D)(5) will state:

(5) The Company will not require a cash deposit from applicant who, based upon household income, confirmed to be eligible for a customer assistance

**Appendix G**  
**List of Certain Compliance Retail Tariff Modifications Referenced in the Settlement**

program. Pursuant to Section 56.32(e) of the Commission's regulations, an applicant is confirmed to be eligible for a customer assistance program by the Company if the applicant provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility's customer assistance programs. Customers and applicants who are currently participating in PPL Electric's CAP or have received a LIHEAP grant within the current or prior LIHEAP program year will not be assessed a security deposit and, in turn, will not be required to provide further information or documentation of low income status to qualify for the security deposit exemption.

(edits shown in redline)

3. Rule 5 – Use of Service

- a. Pursuant to Paragraph 121(e) of the Settlement, PPL Electric will revise Rule 5(E)(1) (see pages 32-33 of PPL Electric Exhibit GEO-1) as follows:

**E. REDISTRIBUTION OF SERVICE**

(1) At the service locations covered hereunder connected after May 21, 1980, each tenant shall be served, metered and billed individually by the Company under the appropriate rate schedule except where the Company has permitted master metering with resale in accordance with the provision of Tariff Rule 5(E)(2). Upon application to the Company, any owner (or their duly authorized representative) of a new multi-tenancy commercial building may seek an exception to Tariff Rule 5(E) by demonstrating that the installation of individual electric meters at each separate unit within the building is neither feasible nor practical from a financial, technical, engineering, and/or any other valid reason. If the Company approves an exception to this Rule, the master meter must be designed so that it will not ~~achieve any notable reduction in the consumption of electricity by the tenants in the building than if the tenant units had individual electric meters within the building with efficient heat controls.~~ result in a notable increase in consumption but is designed to allow the master metered customer to either maintain or reduce consumption.

(2) Company, at its discretion, may permit submetering for both existing and new service locations when the conditions are present:

- (a) It is impractical for the Company to separately bill each tenant;
- (b) Each tenant has control of the majority of their electric energy use;

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(c) Customer is part of a US-HUD funded Housing, Assisted Living, Nursing Home Care Rehabilitation facilities, Student Housing – higher education; Federal/State/County/City/Municipal/Public Housing; and/or

(d) At the Company’s discretion, it is not beneficial for the Company to meter individual tenants.

(edits shown in redline)

- b. Pursuant to Paragraph 121(f) of the Settlement, PPL Electric will add a new Rule 5(E)(4) (see page 33 of PPL Electric Exhibit GEO-1) that states:

(4) Tenants who are served by a master meter retain all rights under 66 Pa. C.S. § 1521 et seq., the Discontinuance of Service to Leased Premises Act [DSPLA] regardless of whether the Landlord Ratepayer has sub-metered the location pursuant to the terms of this tariff. For Tenants who have sub-metered service, the amount that the Tenant will be required to pay to maintain service to the entire premises will be based on the Tenant’s sub-metered usage for the 30 days prior to the notice required by law.

(edits shown in redline)

4. Rule 6 – Stand-by Service for Non-Utility Generating Facilities

- a. Pursuant to Paragraph 121(a) of the Settlement, PPL Electric will clarify that the Rule 6 capacity charge is limited to distribution demand charges. The following excerpt in Rule 6(D)(1) (see page 35 of PPL Electric Exhibit GEO-1) will be revised to state:

(1) Under this Rule, the Company will provide Back-Up power in the event that the customer’s on-site generation experiences an unplanned outage. To reserve back-up capacity on the Company’s system, the customer will pay a discounted monthly reservation fee equal to 30% of the distribution demand charges under Rate Schedule GS-3, LP-4, or LP-5. This capacity reservation charge applies only to distribution demand charges and does not affect generation or transmission charges.

(edits shown in redline)

- b. Pursuant to Paragraph 121(b) of the Settlement, PPL Electric will incorporate corrected back-up power reservation charges in Rule 6(D)(1) that are equal to 30% of the applicable standard distribution demand charge under Rate Schedule GS-3, LP-4, or LP-5 (see page 35 of PPL Electric Exhibit GEO-1).

5. Rule 9 – Billing and Payment for Service

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- a. Pursuant to Paragraph 121(g) of the Settlement, PPL Electric will add a Rule 9(I) (see page 42 of PPL Electric Exhibit GEO-1) that states the following:

I. SMALL BUSINESS PAYMENT ARRANGEMENTS

PPL Electric has the discretion to enter into a flexible payment arrangement of up to 6 months with Rate GS-1 and GS-3 customers under terms acceptable to the Company. The Company will prepare proactive customer communications regarding small business payment arrangements upon the filing of the compliance tariff

(edits shown in redline)

6. Rule 10 – Disconnection and Reconnection of Service

- a. Pursuant to Paragraph 84 of the Settlement, PPL Electric will add the following language in Rule 10(C) following subsection (4) (see page 45 of PPL Electric Exhibit GEO-1):

Beginning July 1, 2027, the Company will waive reconnection charges for all customers who have household income at or below 150% of the Federal Poverty Level.

(edits shown in redline)

7. Universal Service Rider (“USR”)

- a. Pursuant to Paragraph 82 of the Settlement, PPL Electric will revise the following paragraph in the USR section (see page 52 of PPL Electric Exhibit GEO-1) to state:

The Universal Service Rider (USR) charge, shall be applied to each kilowatt-hour supplied to customers, who take distribution service under Rate Schedules RS and RTS(R) of this tariff. The USR charge provides for recovery of the costs, ~~including~~ ~~excluding~~ internal administrative costs (i.e., employee salaries, wages, and benefits), associated with universal service programs provided by the Company to residential customers. The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rider.

(edits shown in redline)

- b. Pursuant to Paragraph 83 of the Settlement, PPL Electric will revise the following paragraph in the USR section (see page 52 of PPL Electric Exhibit GEO-1) to state:

Beginning January 1, 2025, and continuing through December 31, 2025, the USR charge will be \$0.01111/kwh. For subsequent years, the USR charge shall be filed with the Commission by December 21, April 20, and August 21 of each year in conjunction with the reconciliation filings described

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~~herein of the previous year.~~ The USR charge shall become effective for service rendered on or after ~~the following~~ January 1, May 1, or September 1, respectively, unless otherwise ordered by the Commission, and shall remain in effect for a period of ~~one year~~four months, unless revised on an interim basis subject to the approval of the Commission. Upon determination that a USR charge, if left unchanged, would result in a material over or under-collection of all USR costs incurred or expected to be incurred during the current ~~12-month~~four-month period, the Company may file with the Commission for an interim revision of the USR charge to become effective thirty (30) days from the date of filing, unless otherwise ordered by the Commission.

The Company will file with the Pennsylvania Public Utility Commission by December 21, April 20, and August 21 of each year ~~an annual~~a reconciliation of the USR revenue recovery during the immediately preceding four-month application period pursuant to 66 Pa. C.S. §1307. The reconciliation shall become effective for service rendered on and after January 1, May 1, and September 1, respectively, and shall remain in effect for a period of ~~one year~~four months, or until new USR rates are approved by the Commission. Interest on overcollections and undercollections shall be computed monthly at the appropriate rate, as provided for in Section 1308(d) of the Public Utility Code, from the month the over or undercollection occurs to the effective month that the overcollection is refunded or the undercollection is recouped.

(edits shown in redline)

8. Net Metering for Customer Generators

- a. Pursuant to Paragraph 121(c) of the Settlement, PPL Electric will delete the Alternative Energy Credit (“AEC”) ownership language appearing in the Net Metering for Renewable Customer Generators section of the proposed Retail Tariff (see page 54 of PPL Electric Exhibit GEO-1). The pertinent paragraph will be revised to state:

Additional metering equipment for the purpose of qualifying alternative energy credits generated by the customer-generator shall be paid for by the customer-generator. ~~The Company shall take title to the alternative energy credits (AECs) produced by a customer generator~~

(edits shown in redline)

9. Storm Damage Expense Rider (“SDER”)

- a. Pursuant to Paragraph 65 of the Settlement, PPL Electric will revise the following paragraph in the C Factor definition of the SDER (see page 82 of PPL Electric Exhibit GEO-1) to state:

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In order to calculate the C factor for each application year, the Company will include in the SDER all qualifying storm damage expenses caused by reportable storms ~~and non-reportable storms~~ incurred during the 12-month period ending two months prior to the application year, except that all qualifying expenses caused by extraordinary storms and by major storm events, defined as an interruption of electric service resulting from conditions beyond the control of the Company which affects at least 10% of the Company's customers during the course of the event for a duration of 5 minutes each or greater (see 52 Pa. Code §57.192), will be recovered over three years and reflected in SDER rates commencing in the application year after the storm occurred.

(edits shown in redline)

10. Rate Schedule LP-5

- a. Pursuant to Paragraph 121(h) of the Settlement, PPL Electric will revise the paragraph headed "CUSTOMER TRANSFORMATION EQUIPMENT" (see page 99 of PPL Electric Exhibit GEO-1) as follows:

Customers taking service under this rate schedule with a peak demand of less than 50 MW and facilities for which the Commission has approved an exemption pursuant to Paragraph 91(b)(ii) of the Settlement at Docket Nos. R-2025-3057164, et al., can request, and the Company can choose to agree at its own discretion, that the Company construct, own, operate, and/or maintain the customer's transformation equipment. The Company shall provide service regarding the customer's transformation equipment upon terms and rates mutually agreeable to the customer and Company. Such terms and rates shall be set forth in the contract for service and shall include provisions ensuring that no costs associated with owning, operating, and maintaining the customer transformation equipment will be recovered from other customers.

(edits shown in redline)

11. Rate Schedule LP-6

- a. Pursuant to Paragraphs 91-95 of the Settlement, PPL Electric will add a new Rate Schedule LP-6 governing the rates, terms and conditions of service to large load (data center) customers, consistent with the Company's rebuttal testimony of PPL Electric Witness Joseph Lookup, as further defined by Paragraphs 91-95 of the Settlement.

12. Electric Vehicle ("EV") Time-of-Use ("TOU") Charging Rebate Program

- a. Pursuant to Paragraphs 106-117 of the Settlement, PPL Electric will revise the EV TOU Charging Rebate Program provisions of its Retail Tariff (see page 87 of PPL

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Electric Exhibit GEO-1) in accordance with those terms of the Settlement, including, but not limited to: (1) modifying the applicable On-Peak and Off-Peak time frames to align with PPL Electric's residential TOU program On-Peak and Off-Peak time frames; (2) specifying that no rebates will be paid to program participants in the six shoulder months; and (3) explicitly indicating that the program is temporary and will be reevaluated prior to its continuation beyond 2030.

**Appendix H**  
**Grandfathered MW Cap Allocation**  
**Process**

## **Appendix H**

### **Grandfathered MW Cap Allocation Process**

Step 1 – PPL Electric identifies all customer-generators with an interconnection application submitted before September 30, 2025.

Step 2 – PPL Electric issues a letter or other notification to all customer-generators identified in Step 1 within 45 days of a final decision in this proceeding, which requires each customer-generator, within 30 days, to:

- A. Demonstrate that their project has either (i) received Permission to Operate<sup>1</sup> (“PTO”) from PPL Electric, (ii) submitted a completed copy of their Certificate of Completion, or (iii) commenced physical work at the project site.
- B. Attest that their project will receive Permission to Operate from PPL Electric or provide to PPL Electric a completed copy of their Certificate of Completion<sup>2</sup> by December 31, 2026, or
- C. If the customer-generator is unable to attest to the requirements of Step 2.B, attest to the customer-generator's intent to (i) energize their project and (ii) desire to maintain eligibility to be grandfathered on the GSC-1 rate under the 140 MW grandfathered capacity cap.

Step 3 – PPL Electric first allocates the 140 MW of grandfathered capacity to customer-generators that have demonstrated they have (i) received PTO, or (ii) commenced physical work at the project site, or (iii) submitted a completed copy of their Certificate of Completion in Step 2.A. Secondly, as available, grandfathered capacity will be allocated to those that attest they will receive PTO from PPL Electric or provide to PPL Electric a completed copy of their Certificate of Completion by December 31, 2026 in Step 2.B and makes a deposit of \$50,000. If a customer-generator with allocated grandfathering capacity in this Step does not receive PTO from PPL Electric or provide to PPL Electric a completed copy of their Certificate of Completion by December 31, 2026:

- A. The customer-generator’s grandfathered capacity allocation will be made available in Step 4 for customer-generators that attest to their intent to (i) energize their project and (ii) desire to maintain eligibility to be grandfathered on the GSC-1 rate in Step 2.C.
- B. The customer-generator, for purposes of receiving a grandfathering capacity allocation, will be queued behind all customer-generators that meet the requirements of Step 2.C.

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<sup>1</sup> “Permission to Operate” or “PTO” is the letter or other communication from PPL Electric to a customer-generator granting authorization to operate a generating facility. If partial PTO is granted, then the full nameplate of the customer generator application is applied to the 140 MW Cap.

<sup>2</sup> A Certificate of Completion, as defined in 52 Pa. Code § 75.22, is a certificate in a form approved by the Commission containing information about the interconnection equipment to be used, its installation and local inspections.

## **Appendix H**

### **Grandfathered MW Cap Allocation Process**

Step 4 – PPL Electric allocates remaining capacity from the 140 MW grandfathered capacity cap that is not reserved in Step 3 to other eligible customer-generators that attest to their intent to (i) energize their project and (ii) desire to maintain eligibility to be grandfathered on the GSC-1 rate in Step 2.C, based sequentially on the date they signed their *original* Notification of Customer Intent, which is a formal document indicating the customer-generator’s agreement to the scope of work required to interconnect the project, as provided by PPL Electric, and advance the engineering and design work required to bring the project online.

Step 5 – PPL Electric publishes a list of projects and capacity associated with Step 2A, Step 2B, and Step 2C within 60 days of initiating Step 2. PPL Electric tracks the remaining Cap capacity information and regularly publishes such information on its website until all the 140 MW of grandfathered capacity has been allocated to customer-generators that have received PTO from PPL Electric.

Step 6 – After all the 140 MW of grandfathered capacity has been allocated to customer-generators that have received PTO from PPL Electric, all other customer-generators will be placed on the GSC-2 rate, as defined in the Settlement.