

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

Q.2. Identify the proposed witnesses for all statements and schedules of revenues, expenses, taxes, property, valuation and the like.

A.2. See Testimony Book I and Testimony Book II.

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

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

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

PPL ELECTRIC UTILITIES CORPORATION

PUC Jurisdictional
 Year Ended December 31, 2012
(Thousands of Dollars)

	<u>AT PRESENT RATES</u>		<u>AT PROPOSED RATES</u>	
	<u>Amount</u>	<u>Exhibit Future 1 Reference</u>	<u>Amount</u>	<u>Exhibit Future 1 Reference</u>
Revenue	\$ 784,462	Sch. D-1, Col. (6), line 1	\$ 889,080	Sch. D-1, Col. (8), line 1
Operating Expenses	<u>635,700</u>	Sch. D-1, Col. (6), line 12	<u>684,170</u>	Sch. D-1, Col. (8), line 12
Operating Income	\$ <u>148,762</u>	Sch. D-1, Col. (6), line 13	\$ <u>204,910</u>	Sch. D-1, Col. (8), line 13
Rate Base	<u>\$2,422,106</u>	Sch. C-1, Col. (2), line 12	<u>\$2,422,106</u>	Sch. C-1, Col. (2), line 12
Rate of Return	<u>6.14%</u>	Sch. C-1, Col. (2), line 14	<u>8.46%</u>	Sch. C-1, Col. (2), line 16

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

Q. 1. Provide a corporate history including the dates of original incorporation, subsequent mergers and acquisitions. Indicate all counties, cities and other governmental subdivisions to which service is provided, including service areas outside this Commonwealth, and the total number of customers or billed units in the areas served.

A. 1. PPL Electric Utilities Corporation ("PPL Electric") was founded in 1920 through consolidation of eight electric companies.¹ It presently serves a 10,000 square mile territory in 29 counties of central-eastern Pennsylvania. This territory contains extensive agricultural and industrial sections, as well as over 800 major communities, including the cities of Allentown, Bethlehem, Harrisburg, Lancaster, Scranton, Wilkes-Barre and Williamsport. PPL Electric serves approximately 1.4 million customers.

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

¹ These Companies are listed at Page 1 of Attachment I-B-1.

HIGHLIGHTS OF CORPORATE HISTORY

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

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

² Except some listed steam service provided to the City of Harrisburg.

- 1994** PP&L Resources, Inc. is incorporated as an energy and utility holding company.
- 1995** PP&L Resources, Inc. becomes the parent company of PP&L.
- 1997** Name of the operating electric utility changed from Pennsylvania Power & Light Company to PP&L, Inc.
- 1998** PP&L Resources, Inc. acquired Penn Fuel Gas, Inc., which owned two gas utilities, PFG Gas, Inc. and North Penn Gas Company.
- 2000** Name of the operating electric utility changed from PP&L, Inc. to PPL Electric Utilities Corporation ("PPL Electric"), name of utility holding company changed from PP&L Resources, Inc. to PPL Corporation, and name of the utility holding company for the two gas utilities changed from Penn Fuel Gas, Inc. to PPL Gas Utilities Corporation.
- 2000** On July 1, PPL Corporation and PPL Electric completed a corporate realignment in order to effectively separate PPL Electric's regulated transmission and distribution operations from its deregulated generation operations.
- 2001** PPL Corporation completed a strategic initiative to confirm the structural separation of PPL Electric from PPL Corporation's and PPL Electric's other affiliated companies. On August 16, PPL Electric filed its Articles of Division, including its Plan of Division, as filed with the Department of State of the Commonwealth of Pennsylvania and divided itself into two corporations, with PPL Electric surviving as one of the resulting corporations and Ninth Street and Hamilton Corporation being formed as a new Pennsylvania corporation.
- 2004** Effective December 31, the two gas utilities, PFG Gas, Inc. and North Penn Gas Company, merged up and into PPL Gas Utilities Corporation.
- 2008** On October 1, PPL Corporation sold its natural gas distribution and propane subsidiaries, PPL Gas Utilities Corporation and Penn Fuel Propane, LLC, to UGI Utilities, Inc. After the sale, PPL Gas Utilities Corporation changed its name to UGI Central Penn Gas, Inc.

In addition to the communities indicated on the attached map, PPL Electric also serves certain other communities which border its chartered territory pursuant to its adjacency rights.

PPL Electric Utilities Corporation**TERRITORY COVERED BY THIS TARIFF****BERKS COUNTY**

(C)

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

BUCKS COUNTY

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

CARBON COUNTY

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

CHESTER COUNTY

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

CLINTON COUNTY

City of Lock Haven.
Boroughs of Avis, Flemington, Loganton, Mill Hall, Renovo, and South Renovo.
Townships of Allison, Bald Eagle, Castanea, Chapman, Colebrook, Crawford, Dunnstable, Gallagher, Greene, Grugan, Logan, Noyes, Pine Creek, Wayne, and Woodward.

COLUMBIA COUNTY

Town of Bloomsburg.
Boroughs of Ashland, Benton, Berwick, Briar Creek, Centralia, Millville, Orangeville, and Stillwater.
Townships of Beaver, Benton, Briar Creek, Catawissa, Cleveland, Conyngham, Fishing Creek, Franklin, Greenwood, Hemlock, Jackson, Locust, Madison, Main, Mifflin, Montour, Mount Pleasant, North Centre, Orange, Pine, Roaring Creek, Scott, South Centre, and Sugarloaf.

CUMBERLAND COUNTY

Boroughs of Camp Hill, Carlisle, Lemoyne, Mechanicsburg, New Cumberland, Newville, Shiremanstown, West Fairview, and Wormleysburg.
Townships of Dickinson, East Pennsboro, Hampden, Lower Allen, Middlesex, Monroe, North Middleton, North Newton, Penn, Silver Spring, South Middleton, South Newton, Upper Allen, and West Pennsboro.

DAUPHIN COUNTY

City of Harrisburg.
Boroughs of Berrysburg, Dauphin, Elizabethville, Gratz, Halifax, Highspire, Hummelstown, Lykens, Millersburg, Paxtang, Penbrook, Pillow, Steelton, and Williamstown.
Townships of Derry, East Hanover, Halifax, Jackson, Jefferson, Lower Paxton, Lower Swatara, Lykens, Middle Paxton, Mifflin, Reed, Rush, South Hanover, Susquehanna, Swatara, Upper Paxton, Washington, Wayne, West Hanover, Wiconisco, and Williams.

JUNIATA COUNTY

Boroughs of Mifflin, Mifflintown, Port Royal, and Thompsettown
Townships of Delaware, Fayette, Fermanagh, Greenwood, Milford, Monroe, Susquehanna, Turbett, and Walker.

LACKAWANNA COUNTY

Cities of Carbondale and Scranton.
Boroughs of Archbald, Blakely (part), Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Moscow, Old Forge, Olyphant (part), Taylor, Throop, and Vandling.
Townships of Abington, Benton, Carbondale, Clifton, Covington, Elmhurst, Fell, Glenburn, Greenfield, Jefferson, La Plume, Lehigh, Madison, Newton, North Abington, Ransom, Roaring Brook, Scott, South Abington, Spring Brook, and West Abington.

LANCASTER COUNTY

City of Lancaster.
Boroughs of Adamstown, (part), Akron, Christiana, Columbia, Denver, East Petersburg, Elizabethtown, Ephrata (part), Lititz, Manheim, Marietta, Millersville, Mount Joy, Mountville, New Holland, Quarryville, Strasburg, and Terre Hill.
Townships of Bart, Brecknock, Caernarvon, Clay, Colerain, Conestoga, Conoy, Drumore, Earl, East Cocalico, East Donegal, East Drumore, East Earl, East Hempfield, East Lampeter, Eden, Elizabeth, Ephrata, Fulton, Lancaster, Leacock, Little Britain, Manheim, Manor, Martick, Mount Joy, Paradise, Penn, Pequea, Providence, Rapho, Sadsbury, Salisbury, Strasburg, Upper Leacock, Warwick, West Cocalico, West Donegal, West Earl, West Hempfield, and West Lampeter.

LEBANON COUNTY

Borough of Richland.
Townships of Heidelberg and Millcreek.

LEHIGH COUNTY

Cities of Allentown and Bethlehem.
Boroughs of Alburtis, Catasauqua, Coopersburg, Coplay, Emmaus, Fountain Hill, Macungie, and Slatington.
Townships of Hanover, Heidelberg, Lower Macungie, Lower Milford, Lowhill, North Whitehall, Salisbury, South Whitehall, Upper Macungie, Upper Milford, Upper Saucon, Washington, and Whitehall.

LUZERNE COUNTY

Cities of Hazleton, Pittston, and Wilkes-Barre.
Boroughs of Ashley, Avoca, Bear Creek Village, Conyngham, Dupont, Duryea, Exeter, Freeland, Hughestown, Jeddo, Laffin, Laurel Run, Nescopeck, Nuangola, Penn Lake Park, West Hazleton, West Pittston, White Haven, and Yatesville.
Townships of Bear Creek, Black Creek, Buck, Butler, Dennison, Dorrance, Exeter, Fairview, Foster, Hanover, Hazle, Hollenbach, Jenkins, Nescopeck, Pittston, Plains, Rice, Salem, Slocum, Sugarloaf, Wilkes-Barre, and Wright.

PPL Electric Utilities Corporation**TERRITORY COVERED BY THIS TARIFF (CONTINUED)****LYCOMING COUNTY**

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

MONROE COUNTY

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

MONTGOMERY COUNTY

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

MONTOUR COUNTY

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

NORTHAMPTON COUNTY

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

NORTHUMBERLAND COUNTY

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

PERRY COUNTY

Boroughs of New Bloomfield, Landisburg, Liverpool, Marysville, Millerstown, New Buffalo, and Newport.
 Townships of Buffalo, Carroll, Centre, Greenwood, Howe, Juniata, Liverpool, Miller, Northeast Madison, Oliver, Penn, Rye, Saville, Southwest Madison, Spring, Tuscarora, Tyrone, Watts, and Wheatfield.

PIKE COUNTY

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

SCHUYLKILL COUNTY

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

SNYDER COUNTY

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

PPL Electric Utilities Corporation

TERRITORY COVERED BY THIS TARIFF (CONTINUED)

SUSQUEHANNA COUNTY

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

UNION COUNTY

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

WAYNE COUNTY

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

WYOMING COUNTY

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

YORK COUNTY

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

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

- Q.3. Provide an overall system map, including and labeling all generating plants, transmission substations - indicate voltage, transmission system lines - indicate voltage, and all interconnection points with other electric utilities, power pools, and other like systems.
- A.3. Attachment I-B-3 provides the overall electric system map.

Q.1. Provide a schedule showing the test year rate base and rates of return at original cost less accrued depreciation under present rates and under proposed rates. Claims made on this schedule should be cross-referenced to appropriate supporting schedules.

A.1. Schedule C-1 of Exhibit Future 1 provides the requested information.

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

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

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

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

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

- Q.4. If a claim is made for cash working capital provide a supporting schedule setting forth the method and all detailed data utilized to determine the cash working capital requirement. If not provided in the support data provide a lead-lag study of working capital, completed no more than 6 months prior to the rate increase filing.
- A.4. Attachment II-B-4 provides a copy of the working capital lead-lag study. Schedule C-4 of Exhibits Historic 1 and Future 1 sets forth the method and detailed data utilized to determine the Company's claimed cash working capital requirements.

PPL Electric Utilities Corporation

**Lag in Days in Payment of Operating Expenses
12 Months Ended December 31, 2011**

	<u>Lag in Days</u>
<u>Payroll</u> Lag between the midpoint of the 14 day payroll period and pay day (payroll period ends on a Sunday and employees are paid on the following Friday).	12
<u>Benefits</u> Lag between the midpoint of the calendar month when services are provided through PPL Services Corp. and the payment on the 20th of the following month.	35
<u>Affiliate Support Costs</u> Lag between the midpoint of the calendar month when services are provided and the payment on the 20th of the following month.	35
<u>Other Operating Expenses</u> Lag between the receipt of services and materials and payment of invoices based on a review of selected invoices.	50

PPL Electric Utilities Corporation

**Lag in Payment of Payroll & Benefits
12 Months Ended December 31, 2011**

Payroll

Midpoint of 14 day payroll period

Number
of Days

7

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

5

12

Benefits

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

Number
of Days

35

Affiliate Support Costs

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

Number
of Days

35

PPL Electric Utilities Corporation

Lag in Payment of Other Expenses
12 Months Ended December 31, 2011

Category	Amount	Days Lag	Weighted Amount
Employee Expenses*	\$3,159,064	12.00	37,908,768
Materials & Supplies	\$2,040,446	29.44	60,068,829
Printing & Office Supplies	\$409,748	16.89	6,919,593
Materials & Supplies (HD Supply)	\$2,056,523	32.15	66,125,334
Tree Trimming	\$34,036,999	84.76	2,884,958,621
Work by Outsiders	\$52,506,603	48.99	2,572,461,046
Services	\$13,014,136	34.01	442,663,057
Postage	\$6,640,946	-7.33	(48,679,105)
Telephone & Leased Wires	\$2,954,602	30.80	90,996,520
Rents	\$9,201,556	9.99	91,932,857
Advertising	\$2,913,093	4.87	14,185,998
Miscellaneous	\$4,396,707	106.44	467,989,688
Total	\$133,330,423		\$6,687,531,207

Weighted Average Lag = Total Weighted Amount / Total Amount = 50.16

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

PPL Electric Utilities Corporation

Lag in Payment of Materials - BI 25
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
ABB INC E-VENDOR - RALEIGH NC	334994100000	7100796769	2/15/2011	3/17/2011	\$52,008.00	30	\$1,560,240
SOFTWARE HOUSE INTERNATIONAL I	511294100000	4AF86	12/22/2010	2/8/2011	\$40,964.00	48	\$1,966,272
READING EQUIPMENT & BOWMANVILLE PA	550336100000	78814	12/21/2011	1/20/2012	\$39,064.64	30	\$1,171,939
TRENCH ELECTRIC	904036100000	12Y1522	12/12/2011	1/11/2012	\$25,000.00	30	\$750,000
BLUESTONE MARKETING PPL - BOULDER CO	455626100000	BLU1192325	10/24/2011	12/16/2011	\$24,975.00	53	\$1,323,675
WORLEY & OBETZ INC PPL - MANHEIM PA	921055100000	600890	5/30/2011	6/21/2011	\$17,411.06	22	\$383,043
NACCI PRINTING INC	795695100000	47945	9/29/2011	10/31/2011	\$16,690.00	32	\$534,080
ABB INC E-VENDOR - RALEIGH NC	486894100000	7100795737	2/14/2011	3/16/2011	\$16,668.00	30	\$500,040
ABB INC PPL - RALEIGH NC	380684100000	7100760745	1/17/2011	2/16/2011	\$15,464.00	30	\$463,920
XPEDX E-VENDOR - WESTAMPTON NJ	708285100000	5001513656	8/31/2011	9/30/2011	\$14,515.16	30	\$435,455
XPEDX E-VENDOR - WESTAMPTON NJ	963995100000	5001530932-1531477	10/12/2011	11/10/2011	\$14,515.16	29	\$420,940
PROJECT ENERGY SAVERS LLC PPL - WASHINGT	727205100000	11-070	2/26/2011	3/30/2011	\$14,250.00	32	\$456,000
HABITAT FOR HUMANITY FOR GREATER	03581691	HAB01	11/12/2011	12/13/2011	\$14,235.53	31	\$441,301
WORLEY & OBETZ INC PPL - MANHEIM PA	502416100000	000626	11/10/2011	11/18/2011	\$13,800.40	8	\$110,403
WORLEY & OBETZ INC PPL - MANHEIM PA	669416100000	000643	11/14/2011	11/18/2011	\$13,145.73	4	\$52,583
BITRONICS LLC	554126100000	00053862	11/23/2011	12/22/2011	\$11,214.00	29	\$325,206
NACCI PRINTING INC	770316100000	48292	10/26/2011	11/25/2011	\$10,960.00	30	\$328,800
WORLEY & OBETZ INC PPL - MANHEIM PA	869416100000	607925	10/29/2011	11/18/2011	\$9,774.86	20	\$195,497
ALL FAB LLC PPL - DENVER PA	363145100000	131	5/21/2011	5/31/2011	\$8,900.00	10	\$89,000
WORLEY & OBETZ INC PPL - MANHEIM PA	512516100000	607955	11/2/2011	11/18/2011	\$8,319.04	16	\$133,105
WORLEY & OBETZ INC PPL - MANHEIM PA	032416100000	610658	10/31/2011	11/16/2011	\$7,612.24	16	\$121,796
WORLEY & OBETZ INC PPL - MANHEIM PA	332416100000	607904	11/1/2011	11/16/2011	\$6,614.91	15	\$99,224
WORLEY & OBETZ INC PPL - MANHEIM PA	851516100000	610663	11/1/2011	11/18/2011	\$6,470.52	17	\$109,999
WORLEY & OBETZ INC PPL - MANHEIM PA	080516100000	632504	10/29/2011	11/18/2011	\$6,213.05	20	\$124,261
WORLEY & OBETZ INC PPL - MANHEIM PA	837885100000	609005	8/28/2011	9/22/2011	\$6,095.53	25	\$152,388
CLEAVELAND/PRICE INC	434815100000	37498	3/30/2011	4/29/2011	\$5,962.00	30	\$178,860
WORLEY & OBETZ INC PPL - MANHEIM PA	131055100000	593943	5/30/2011	6/21/2011	\$5,554.89	22	\$122,208
WORLEY & OBETZ INC PPL - MANHEIM PA	442416100000	623630	11/3/2011	11/16/2011	\$5,130.18	13	\$66,692
WORLEY & OBETZ INC PPL - MANHEIM PA	633985100000	609034	9/1/2011	9/23/2011	\$5,033.77	22	\$110,743
WESTGATE GLOBAL LOGISTICS PPL BETHLEHEM	991874100000	104904	11/17/2010	1/28/2011	\$4,745.00	72	\$341,640
WORLEY & OBETZ INC PPL - MANHEIM PA	947885100000	531299	8/31/2011	9/22/2011	\$4,672.75	22	\$102,801
WORLEY & OBETZ INC PPL - MANHEIM PA	369416100000	607926	10/30/2011	11/18/2011	\$4,324.19	19	\$82,160
INSIGHT PPL - ENPORION - TEMPE	641784100000	903420929	1/24/2011	2/23/2011	\$4,008.96	30	\$120,269
					<u>\$454,313</u>		<u>\$13,374,539</u>

Weighted Average Lag (A x B) / A

29.44 days

PPL Electric Utilities Corporation

Lag in Payment of Printing and Office Supplies - BI 26
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice or Reference Number / Sheet ID	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
SOFTWARE HOUSE INTERNATIONAL I	347345100000	9C161	05/25/11	06/24/11	\$9,458.00	30	\$283,740
MOODY'S ANALYTICS INC	03448834	E0000004876	04/05/11	05/05/11	\$3,375.00	30	\$101,250
Corporate Credit Card Transaction	N/A	N/A	01/22/11	01/30/11	\$2,789.53	8	\$22,316
Corporate Credit Card Transaction	N/A	N/A	01/17/11	01/26/11	\$2,436.94	9	\$21,932
Corporate Credit Card Transaction	N/A	N/A	04/06/11	04/15/11	\$1,470.34	9	\$13,233
Corporate Credit Card Transaction	N/A	N/A	02/11/11	02/20/11	\$1,264.66	9	\$11,382
Corporate Credit Card Transaction	N/A	N/A	03/01/11	03/09/11	\$1,070.67	8	\$8,565
Corporate Credit Card Transaction	N/A	N/A	04/04/11	04/13/11	\$970.35	9	\$8,733
Corporate Credit Card Transaction	N/A	N/A	04/16/11	04/24/11	\$849.67	8	\$6,797
Corporate Credit Card Transaction	N/A	N/A	01/13/11	01/22/11	\$785.84	9	\$7,073
Corporate Credit Card Transaction	N/A	N/A	11/04/11	11/13/11	\$751.51	9	\$6,764
Corporate Credit Card Transaction	N/A	N/A	05/13/11	05/22/11	\$711.68	9	\$6,405
Corporate Credit Card Transaction	N/A	N/A	08/15/11	08/24/11	\$669.14	9	\$6,022
Corporate Credit Card Transaction	N/A	N/A	10/07/11	10/16/11	\$660.10	9	\$5,941
Corporate Credit Card Transaction	N/A	N/A	06/23/11	07/02/11	\$621.85	9	\$5,597
Corporate Credit Card Transaction	N/A	N/A	09/02/11	09/11/11	\$596.87	9	\$5,372
Corporate Credit Card Transaction	N/A	N/A	03/21/11	03/30/11	\$581.74	9	\$5,236
Corporate Credit Card Transaction	N/A	N/A	10/28/11	11/06/11	\$548.52	9	\$4,937
Corporate Credit Card Transaction	N/A	N/A	12/31/10	01/08/11	\$533.76	8	\$4,270
Corporate Credit Card Transaction	N/A	N/A	04/01/11	04/09/11	\$508.33	8	\$4,067
Corporate Credit Card Transaction	N/A	N/A	10/10/11	10/19/11	\$490.37	9	\$4,413
Corporate Credit Card Transaction	N/A	N/A	06/15/11	06/24/11	\$464.46	9	\$4,180
Corporate Credit Card Transaction	N/A	N/A	11/30/11	12/09/11	\$450.54	9	\$4,055
Corporate Credit Card Transaction	N/A	N/A	01/22/11	01/30/11	\$433.96	8	\$3,472
Corporate Credit Card Transaction	N/A	N/A	10/19/11	10/27/11	\$426.65	8	\$3,413
Corporate Credit Card Transaction	N/A	N/A	10/28/11	11/06/11	\$408.58	9	\$3,677
					<u>\$33,329</u>		<u>\$562,842</u>

Weighted Average Lag (A x B) / A

16.89 days

PPL Electric Utilities Corporation

Lag in Payment of Materials - BI 27
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
HD SUPPLY UTILITIES LTD	03566678	1851321-01	10/26/11	11/25/11	\$20,688.76	30	\$620,663
HD SUPPLY UTILITIES LTD	03530473	1785353-01	08/11/11	09/09/11	\$16,350.19	29	\$474,156
HD SUPPLY UTILITIES LTD	03548387	1830690-00	09/27/11	10/27/11	\$16,350.19	30	\$490,506
HD SUPPLY UTILITIES LTD	03557338	1846427-00	10/13/11	11/10/11	\$16,279.20	28	\$455,818
HD SUPPLY UTILITIES LTD	03574089	1869804-00	11/16/11	12/16/11	\$11,733.12	30	\$351,994
HD SUPPLY UTILITIES LTD	03495357	1752426-00	06/15/11	07/15/11	\$10,456.32	30	\$313,690
HD SUPPLY UTILITIES LTD	03541642	1791192-00	08/03/11	09/21/11	\$7,041.55	49	\$345,036
HD SUPPLY UTILITIES LTD	03578689	1840743-00	10/10/11	12/05/11	\$3,958.44	56	\$221,673
HD SUPPLY UTILITIES LTD	03578697	1798582-00	10/21/11	12/05/11	\$2,736.70	45	\$123,152
HD SUPPLY UTILITIES LTD	03576537	1871977-00	11/21/11	12/22/11	\$2,520.51	31	\$78,136
HD SUPPLY UTILITIES LTD	03489764	1759879-00	06/20/11	07/20/11	\$2,449.05	30	\$73,472
HD SUPPLY UTILITIES LTD	03555091	1825884-00	09/22/11	10/21/11	\$1,814.94	29	\$52,633
HD SUPPLY UTILITIES LTD	03586602	1887065-00	12/13/11	01/12/12	\$1,719.34	30	\$51,580
HD SUPPLY UTILITIES LTD	03540291	1819998-00	09/12/11	10/13/11	\$1,368.45	31	\$42,422
HD SUPPLY UTILITIES LTD	03578691	1844494-00	10/12/11	12/05/11	\$1,361.57	54	\$73,525
HD SUPPLY UTILITIES LTD	03481002	1745255-00	06/06/11	07/06/11	\$1,326.14	30	\$39,784
HD SUPPLY UTILITIES LTD	03487739	1758536-00	06/16/11	07/15/11	\$1,326.14	29	\$38,458
HD SUPPLY UTILITIES LTD	03574698	1870270-00	11/18/11	12/16/11	\$1,184.78	28	\$33,174
					<u>\$120,665</u>		<u>\$3,879,869</u>

Weighted Average Lag (A x B) / A

32.15 days

PPL Electric Utilities Corporation

Lag in Payment of Tree Trimming - BI 31
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
PENN LINE SERVICE INC	629185100000	AUG-CENT-TARG	07/23/11	09/28/11	\$810,498.54	67	\$54,303,402
PENN LINE SERVICE INC	535136100000	DEC-LEHI-HOUR	11/19/11	12/30/11	\$380,012.08	41	\$15,580,495
PENN LINE SERVICE INC	551606100000	OCT-SUSQ-TARG	09/27/11	11/23/11	\$276,681.31	57	\$15,770,835
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	777555100000	23E058-11	05/25/11	07/22/11	\$227,225.57	58	\$13,179,083
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	041185100000	32E053-11	04/23/11	09/23/11	\$177,559.96	153	\$27,166,674
PENN LINE SERVICE INC	761816100000	NOV-CENT-TARG	10/22/11	12/21/11	\$156,186.78	60	\$9,371,207
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	241136100000	49E052-11	11/19/11	01/20/12	\$130,200.91	62	\$8,072,456
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	223245100000	19E057-11	03/08/11	06/24/11	\$118,899.76	108	\$12,841,174
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	461136100000	49E055-11	06/21/11	01/20/12	\$103,654.26	213	\$22,078,357
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	526616100000	44E053-11	06/04/11	12/16/11	\$89,769.38	195	\$17,505,029
PENN LINE SERVICE INC	512245100000	MAY-CENT-TARG	04/26/11	06/24/11	\$78,001.18	59	\$4,602,070
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	823245100000	19E053-11	03/08/11	06/24/11	\$70,770.17	108	\$7,643,178
PENN LINE SERVICE INC	419185100000	AUG-NORT-TARG	07/23/11	09/28/11	\$64,129.13	67	\$4,296,652
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	324706100000	41E057-11RE	05/24/11	11/23/11	\$59,294.23	183	\$10,850,844
PENN LINE SERVICE INC	170816100000	NOV-CENT-HOUR	10/22/11	12/21/11	\$51,699.08	60	\$3,101,945
PENN LINE SERVICE INC	044816100000	NOV-SUSQ-TARG	10/22/11	12/21/11	\$49,528.60	60	\$2,971,716
PENN LINE SERVICE INC	161816100000	NOV-LEHI-HOUR	10/22/11	12/21/11	\$45,840.48	60	\$2,750,429
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	714706100000	41E059-11RE	05/24/11	11/23/11	\$42,956.20	183	\$7,860,985
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	505616100000	44E051-11	06/04/11	12/16/11	\$37,952.47	195	\$7,400,732
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	868894100000	09E054-11	01/25/11	03/24/11	\$32,872.80	58	\$1,906,622
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	941136100000	49E051-11	06/21/11	01/20/12	\$31,098.25	213	\$6,623,927
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	351136100000	49E058-11	11/19/11	01/20/12	\$27,201.26	62	\$1,686,478
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	451865100000	28E054-11	06/25/11	08/24/11	\$24,499.38	60	\$1,469,963
PENN LINE SERVICE INC	136865100000	JUL-SUSQ-TARG	02/22/11	08/25/11	\$20,815.10	61	\$1,269,721
PENN LINE SERVICE INC	175315100000	MAR-CENT-TARG	02/22/11	04/22/11	\$19,100.30	59	\$1,126,918
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	441185100000	32E055-11	04/23/11	09/23/11	\$17,752.88	153	\$2,716,191
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	103245100000	19E052-11	04/26/11	06/24/11	\$16,295.75	59	\$961,449
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	471865100000	28E052-11	06/25/11	08/24/11	\$15,154.91	60	\$909,295
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	285295100000	37E057-11	05/10/11	10/26/11	\$14,153.29	169	\$2,391,906
ASPLUNDH TREE EXPERT CO WILLOW GROVE	070784100000	53R051	12/18/10	03/03/11	\$12,977.88	75	\$973,341
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	614706100000	41E055-11RE	05/24/11	11/23/11	\$10,968.11	183	\$2,007,164
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	214706100000	41E051-11RE	05/24/11	11/23/11	\$10,235.78	183	\$1,873,148
					<u>\$3,223,986</u>		<u>\$273,263,385</u>

Weighted Average Lag (A x B) / A

84.76 days

PPL Electric Utilities Corporation

Lag in Payment of Work By Outsiders - BI 32
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
MATRIX SERVICE INDUSTRIAL PPL - NEWARK D	346616100000	437000052	11/17/11	12/20/11	\$142,158.38	33	4,691,227
NCO FINANCIAL SYSTEMS INC PPL - HORSHAM	874415100000	OUT03073-0211	02/14/11	04/22/11	\$120,983.52	67	8,105,896
ASPLUNDH CONSTRUCTION CORP E-VENDOR - PL	128855100000	24E517-11REV3	05/31/11	08/03/11	\$109,707.79	64	7,021,299
IB ABEL INC PPL - YORK PA	107716100000	13-0060	10/27/11	12/19/11	\$99,942.20	53	5,296,937
IB ABEL INC PPL - YORK PA	745005100000	13-0024REV	02/03/11	04/04/11	\$78,322.86	60	4,699,372
OLIVER WYMAN INC PPL - BOSTON MA	791484100000	BU28410	12/16/10	02/11/11	\$72,643.86	57	4,140,700
STRATEGIC ENERGY GROUP LLC PPL - PORTLAN	307235100000	1731	03/16/11	05/12/11	\$60,679.33	57	3,458,722
PENELEC PPL-AKRON OH	663785100000	90316509	09/07/11	10/07/11	\$56,950.00	30	1,708,500
KT POWER	145045100000	13357	05/11/11	06/22/11	\$51,481.86	42	2,162,238
IB ABEL INC PPL - YORK PA	937716100000	10-0061	10/27/11	12/19/11	\$47,872.95	53	2,537,266
ASPLUNDH CONSTRUCTION CORP PPL - TOLLAND	333894100000	08E524-11	02/01/11	03/02/11	\$44,537.96	29	1,291,601
ELECTRIC POWER RESEARCH INST	640315100000	EP00390566	04/01/11	04/29/11	\$40,563.50	28	1,135,778
ASPLUNDH CONSTRUCTION CORP E-VENDOR - PL	023894100000	08E517-11	02/01/11	03/25/11	\$38,792.09	52	2,017,189
WASTE MANAGEMENT NATIONAL SERVICES INC P	244835100000	135463	03/31/11	06/16/11	\$36,555.12	77	2,814,744
EVERHART & HOOVER POWER LINE	605926100000	12142011-A	12/14/11	01/13/12	\$35,454.00	30	1,063,620
IB ABEL INC PPL - YORK PA	189015100000	13-0025	02/26/11	04/20/11	\$34,039.37	53	1,804,087
LANGUAGE LINE SERVICES PPL - MONTEREY CA	758845100000	2755792	05/31/11	06/30/11	\$32,804.97	30	984,149
USIC LOCATING SERVICES INC PPL - BRIDGEV	875885100000	PA-0811-PPLPR	08/16/11	09/30/11	\$31,020.94	45	1,395,942
WORLEY & OBETZ INC PPL - MANHEIM PA	798755100000	20110621	06/10/11	07/31/11	\$30,000.00	41	1,230,000
LANGUAGE LINE SERVICES PPL - MONTEREY CA	422775100000	2790433	07/31/11	08/30/11	\$29,098.18	30	872,945
USIC LOCATING SERVICES INC PPL - BRIDGEV	363945100000	PA-0511-PPLPR	05/16/11	07/08/11	\$28,391.68	53	1,504,759
DEMETER ELECTRIC LLC PPL - NAZARETH PA	171316100000	1770	11/01/11	12/02/11	\$27,905.60	31	865,074
KT POWER	892765100000	13396	05/31/11	08/19/11	\$27,412.64	80	2,193,011
USIC LOCATING SERVICES INC PPL - BRIDGEV	741535100000	PA-0411-PPLPR	04/15/11	05/27/11	\$26,714.58	42	1,122,012
EVERHART & HOOVER POWER LINE	578674100000	122810-A	12/28/10	01/28/11	\$26,125.00	31	809,875
USIC LOCATING SERVICES INC PPL - STATE C	063106100000	PA-0911-PPLPQ	09/15/11	10/28/11	\$25,686.68	43	1,104,527
HAVERFIELD AVIATION INC PPL - GETTYSBURG	351345100000	837541	05/25/11	06/24/11	\$24,975.00	30	749,250
USIC LOCATING SERVICES INC PPL - BRIDGEV	385885100000	PA-0811-PPLPQ	08/16/11	09/30/11	\$24,312.54	45	1,094,064
COMMUNITY ACTION COMMITTEE OF	118795100000	11-SEP	09/15/11	10/31/11	\$23,732.75	46	1,091,707
USIC LOCATING SERVICES INC PPL - BRIDGEV	689675100000	PA-0711-PPLPI	07/16/11	08/30/11	\$23,360.38	45	1,051,217
KT POWER	220335100000	13339	04/02/11	06/03/11	\$23,171.78	62	1,436,650
COMMUNITY ACTION COMMISSION	372384100000	1-Dec	12/15/10	01/28/11	\$22,838.34	44	1,004,887
ASPLUNDH CONSTRUCTION CORP E-VENDOR - PL	076116100000	39E517-11	09/03/11	12/05/11	\$22,292.44	93	2,073,197
KT POWER	192606100000	13464	10/02/11	11/23/11	\$21,753.81	52	1,131,198
EVERHART & HOOVER POWER LINE	142155100000	Jun1511-01	05/28/11	07/15/11	\$20,979.03	48	1,006,993
ASPLUNDH CONSTRUCTION CORP E-VENDOR - PL	162045100000	20E517-11	05/03/11	06/20/11	\$20,716.10	48	994,373
COMMUNITY ACTION PROGRAM	624194100000	1	01/15/11	03/02/11	\$20,399.25	46	938,366
					\$1,604,376		\$78,603,371

Weighted Average Lag (A x B) / A

48.99 days

PPL Electric Utilities Corporation
Lag in Payment of Services - BI 33
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
NATIONAL ENERGY FOUNDATION PPL - SALT LA	046215100000	WB-0104	03/14/11	04/13/11	\$248,200.00	30	7,446,000
ACCENTURE LLP	663905100000	1000382162	03/11/11	04/08/11	\$212,500.00	28	5,950,000
ACCENTURE LLP	959116100000	1000431585	11/15/11	12/06/11	\$177,279.00	21	3,722,859
ACCENTURE LLP	312426100000	1000438806	11/30/11	12/30/11	\$177,279.00	30	5,318,370
ACCENTURE LLP	060645100000	1000398168	05/31/11	07/01/11	\$177,279.00	31	5,495,649
ACCENTURE LLP	537574100000	1000366031	12/21/10	01/21/11	\$177,279.00	31	5,495,649
GE ENERGY PPL - SCHENECTADY NY	263574100000	PNDZ21304	12/20/10	01/19/11	\$94,000.00	30	2,820,000
ACCENTURE LLP	172905100000	1000376038	02/10/11	03/30/11	\$85,000.00	48	4,080,000
VAROLII CORPORATION PPL - SEATTLE WA	281735100000	22698	07/21/11	06/27/11	\$70,000.00	(24)	(1,680,000)
NATIONAL ENERGY FOUNDATION PPL - SALT LA	947165100000	WB-0138	07/01/11	07/29/11	\$69,874.50	28	1,956,486
TRC PPL - LOWELL MA	810475100000	53761	06/02/11	08/31/11	\$60,255.27	90	5,422,974
TRC PPL - LOWELL MA	187145100000	50937	04/20/11	06/10/11	\$52,884.39	51	2,697,104
SEDA COUNCIL OF GOVERNMENTS	03384590	5705244491	01/06/11	01/31/11	\$50,000.00	25	1,250,000
NATIONAL ENERGY FOUNDATION PPL - SALT LA	560795100000	WB-0178	10/01/11	10/31/11	\$47,272.00	30	1,418,160
NATIONAL ENERGY FOUNDATION PPL - SALT LA	727135100000	WB-0121	05/01/11	05/31/11	\$47,272.00	30	1,418,160
NATIONAL ECONOMIC RESEARCH PPL-NEW YORK	464685100000	US2872	05/16/11	09/30/11	\$42,411.95	137	5,810,437
ERNST & YOUNG LLP PPL - PHILADELPHIA PA	403475100000	US0130471313	08/05/11	09/02/11	\$37,965.06	28	1,063,022
PHOENIX RISING CONSULTING LLC PPL - SALT	852284100000	606702A	10/25/10	01/20/11	\$32,665.49	87	2,841,898
TELEVOX SOFTWARE INC PPL - MOBILE AL	116516100000	INV000845089	10/31/11	12/01/11	\$30,247.28	31	937,666
XONEX RELOCATION INC	03480860	PPL1106081	06/05/11	06/22/11	\$28,800.00	17	489,600
ENERGY EQUIPMENT & CONTROL INC	224945100000	144519	05/04/11	06/30/11	\$26,000.00	57	1,482,000
LANGUAGE LINE SERVICES PPL - MONTEREY CA	889526100000	2859561	11/30/11	12/31/11	\$24,825.28	31	769,584
DIGIOIA GRAY & ASSOCIATES LLC PPL - MONR	438295100000	2011-1313	08/11/11	10/19/11	\$22,118.00	69	1,526,142
TRC ENVIRONMENTAL CORP PPL - WINDSOR CT	198336100000	61130	11/25/11	01/13/12	\$20,214.76	49	990,523
LUCAS GROUP PPL - BELLINGHAM WA	024226100000	P1202460010	10/24/11	12/08/11	\$19,000.00	45	855,000
TRC ENVIRONMENTAL CORP PPL - WINDSOR CT	497326100000	59426	10/28/11	12/23/11	\$17,998.20	56	1,007,899
ARCADIS OF NEW YORK INC PPL-SYRACUSE NY	053974100000	0356147	07/01/11	03/29/11	\$16,929.00	(94)	(1,591,326)
PSP METRICS PPL - PITTSBURGH PA	958516100000	66051	09/19/11	11/23/11	\$16,500.00	65	1,072,500
TRC ENVIRONMENTAL CORP PPL - WINDSOR CT	070606100000	58165	09/30/11	11/23/11	\$14,112.76	54	762,089
JLR CONSULTING PPL - LEESPORT PA	963616100000	2842	10/16/11	12/14/11	\$13,323.75	59	786,101
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	812016100000	1110-38	10/31/11	11/30/11	\$12,425.00	30	372,750
ELECTROCON INTERNATIONAL INC	279075100000	071911	07/19/11	08/18/11	\$11,922.00	30	357,660
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	852925100000	1104-21	04/25/11	05/25/11	\$11,560.00	30	346,800
WATSON & RENNER PPL WASHINGTON DC	148216100000	110211	11/02/11	12/05/11	\$10,834.00	33	357,522
WATSON & RENNER PPL WASHINGTON DC	841384100000	123010	12/30/10	02/02/11	\$10,518.00	34	357,612
RKS RESEARCH & CONSULTING	895174100000	K4125	11/05/10	01/06/11	\$10,462.50	62	648,675
					<u>\$2,177,207</u>		<u>\$74,055,565</u>

Weighted Average Lag (A x B) / A

34.01 days

PPL Electric Utilities Corporation

Lag in Payment of Postage - BI 34
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
DST OUTPUT	03291446	POSTAGE BILLING PROCESS-6	01/24/11	01/14/11	\$260,000.00	(10)	(2,600,000)
DST OUTPUT	03291465	POSTAGE BILLING PROCESS-6	01/14/11	01/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291466	POSTAGE BILLING PROCESS-7	02/14/11	02/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291447	POSTAGE BILLING PROCESS-7	02/24/11	02/17/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291448	POSTAGE BILLING PROCESS-8	03/24/11	03/17/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291467	POSTAGE BILLING PROCESS-8	03/14/11	03/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291468	POSTAGE BILLING PROCESS-9	04/14/11	04/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291449	POSTAGE BILLING PROCESS-9	04/24/11	04/15/11	\$260,000.00	(9)	(2,340,000)
DST OUTPUT	03291450	POSTAGE BILLING PROCESS-10	05/24/11	05/17/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291469	POSTAGE BILLING PROCESS-10	05/14/11	05/06/11	\$260,000.00	(8)	(2,080,000)
DST OUTPUT	03291451	POSTAGE BILLING PROCESS-11	06/24/11	06/17/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291470	POSTAGE BILLING PROCESS-11	06/14/11	06/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291471	POSTAGE BILLING PROCESS-12	07/14/11	07/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291452	POSTAGE BILLING PROCESS-12	07/24/11	07/15/11	\$260,000.00	(9)	(2,340,000)
DST OUTPUT	03291472	POSTAGE BILLING PROCESS-13	08/14/11	08/05/11	\$260,000.00	(9)	(2,340,000)
DST OUTPUT	03291453	POSTAGE BILLING PROCESS-13	08/24/11	08/17/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291473	POSTAGE BILLING PROCESS-14	09/14/11	09/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291454	POSTAGE BILLING PROCESS-14	09/24/11	09/16/11	\$260,000.00	(8)	(2,080,000)
DST OUTPUT	03291474	POSTAGE BILLING PROCESS-15	10/14/11	10/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291455	POSTAGE BILLING PROCESS-15	10/24/11	10/17/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291475	POSTAGE BILLING PROCESS-16	11/14/11	11/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291456	POSTAGE BILLING PROCESS-16	11/24/11	11/17/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291476	POSTAGE BILLING PROCESS-17	12/14/11	12/07/11	\$260,000.00	(7)	(1,820,000)
DST OUTPUT	03291457	POSTAGE BILLING PROCESS-17	12/24/11	12/16/11	\$260,000.00	(8)	(2,080,000)
US POSTAL SERVICE	03393567	Pleaseapplytoacct35653955.	01/20/11	01/31/11	\$12,000.00	11	132,000
UNITED STATES POSTAL SERVICE	03500492	35653955	07/07/11	07/25/11	\$11,250.00	18	202,500
UNITED STATES POSTAL SERVICE	03581640	35653955	11/02/11	12/14/11	\$11,250.00	42	472,500
					<u>\$ 6,274,500</u>		<u>\$ (45,993,000)</u>

Weighted Average Lag (A x B) / A

-7.33 days

PPL Electric Utilities Corporation

Lag in Payment of Phones & Wires - BI 35
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
AT&T	03548208	1717927420381 0911	09/11/11	09/30/11	\$167,139.25	19	3,175,646
TELEMETRIC PPL - OAKS PA	573525100000	9653A	02/18/11	05/04/11	\$66,602.14	75	4,995,161
VERIZON	03390719	2151906820999 0111	01/01/11	01/21/11	\$35,485.69	20	709,714
VERIZON	03416539	2151906820999 0211	02/01/11	03/04/11	\$35,343.51	31	1,095,649
VERIZON	03425670	2151906820999 0311	03/01/11	03/18/11	\$34,820.02	17	591,940
VERIZON WIRELESS	03545105	6629662341	09/10/11	10/03/11	\$25,230.30	23	580,297
VERIZON WIRELESS	03468799	6578051372	05/10/11	06/01/11	\$25,128.30	22	552,823
VERIZON	03472208	2151906820999 0511	05/01/11	05/27/11	\$24,166.52	26	628,330
VERIZON	03511769	2151978565999 0711	07/01/11	07/29/11	\$20,900.38	28	585,211
VERIZON	03467708	2151978565999 0511	05/01/11	05/20/11	\$19,524.60	19	370,967
VERIZON	03535811	2151906820999 0811A	08/01/11	09/12/11	\$18,248.66	42	766,444
VERIZON	03390720	2151978565999 0111	01/01/11	01/21/11	\$17,164.59	20	343,292
VERIZON	03576225	2151906820999 1111	11/01/11	11/25/11	\$15,861.13	24	380,667
VERIZON	03576227	2151978565999 1111	11/01/11	11/25/11	\$11,902.58	24	285,662
VERIZON	03485593	2151978565999 0611	06/01/11	06/17/11	\$10,982.58	16	175,721
VERIZON	03449661	2151906820999 0411	04/01/11	04/25/11	\$9,568.07	24	229,634
VERIZON	03528893	2151906820999 0611A	06/01/11	08/29/11	\$9,515.45	89	846,875
CENTURYLINK	03395604	7170225300079 1110	11/19/10	01/28/11	\$9,294.01	70	650,581
CENTURYLINK	03476335	7170225300079 0511	05/19/11	06/03/11	\$8,735.91	15	131,039
VERIZON	03425607	Y2206524 1210	12/10/10	03/18/11	\$7,555.98	98	740,486
CENTURYTEL	03561992	314234627 1011	10/19/11	10/28/11	\$6,836.13	9	61,525
CENTURYLINK	03416533	7170225300079 0111	01/19/11	03/04/11	\$5,371.21	44	236,333
CENTURYLINK	03453478	7170225300079 0411	04/19/11	04/29/11	\$5,068.59	10	50,686
					<u>\$590,445.60</u>		<u>\$18,184,680.53</u>

30.80 days

Weighted Average Lag (A x B) / A

PPL Electric Utilities Corporation

Lag in Payment of Rents - BI 36
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
DOUBLE ENGINEERING COMPANY WATERTOWN	119775100000	00111208	12/30/11	09/22/11	\$68,273.36	(99)	(\$6,759,063)
READING ANTHRACITE COMPANY	03491196	211-000558	01/06/11	06/27/11	\$59,380.04	172	10,213,367
PECO ENERGY COMPANY	03428467	EHV FACILITIES AGREEMENT-1	01/15/11	03/24/11	\$32,089.00	68	2,182,052
PECO ENERGY COMPANY	03428468	EHV FACILITIES AGREEMENT-2	02/15/11	03/24/11	\$32,089.00	37	1,187,293
PECO ENERGY COMPANY	03428469	EHV FACILITIES AGREEMENT-3	03/15/11	03/24/11	\$32,089.00	9	288,801
PECO ENERGY COMPANY	03428472	EHV FACILITIES AGREEMENT-6	06/15/11	06/03/11	\$32,089.00	(12)	(385,068)
PECO ENERGY COMPANY	03428477	EHV FACILITIES AGREEMENT-11	11/15/11	11/03/11	\$32,089.00	(12)	(385,068)
COMMONWEALTH OF PENNSYLVANIA	03465499	18010367121801046508	05/07/11	05/19/11	\$20,575.00	12	246,900
Canadian Pacific Railway Company	02483101	Rent Right Of Way RR/TP-5	07/01/11	12/30/10	\$10,726.00	(183)	(1,962,858)
GIRARD ESTATES	03491198	GIRARD-1/11/11	07/01/11	06/27/11	\$5,026.86	(4)	(20,107)
READING & NORTHERN REAL ESTATE COMPANY	03530494	81112 L	01/30/12	09/01/11	\$4,065.64	(151)	(613,912)
CLEVELAND BROTHERS EQUIPMENT HARRISBURG	586884100000	X4873701	01/19/11	02/23/11	\$3,017.00	35	105,595
MET-ED	03478697	100063196875	05/16/11	06/08/11	\$2,963.55	23	68,162
MET-ED	03567663	100063196875	10/16/11	11/09/11	\$2,963.55	24	71,125
LACKAWAXEN-HONESDALE SHIPPERS ASSOC	02943040	R/W RR/TP SEE ATTACHED-3	07/01/11	12/30/10	\$2,770.00	(183)	(506,910)
PENSKE UTILITY RENTAL	377245100000	0002542531	05/13/11	06/17/11	\$1,900.00	35	66,500
UNITED RENTALS AERIAL EQUIP PPL-MIDDLETO	669515100000	92325149-001	03/09/11	04/22/11	\$1,726.96	44	75,986
THE PLAZA AT 835 W HAMILTON STREET LP	03379596	2011 3RD FL ESTIMATED RENT-9	09/15/11	09/01/11	\$1,588.13	(14)	(22,234)
THE PLAZA AT 835 W HAMILTON STREET LP	03396632	PL-404-445023-C	12/29/10	04/06/11	\$1,487.25	98	145,751
HELKER CONSTRUCTION CO	02944655	R/W SEE ATTACHED-3	07/01/11	12/30/10	\$1,325.00	(183)	(242,475)
COMMONWEALTH OF PENNSYLVANIA	03431036	1800909825	03/18/11	04/05/11	\$1,095.31	18	19,716
WILKES BARRE CONNECTING	02816471	SEE ATTACHED-3	07/01/11	12/30/10	\$831.00	(183)	(152,073)
METROPOLITAN EDISON CO	03442631	12000000071 FE BKUP SHILL-5	09/15/11	09/01/11	\$806.00	(14)	(11,284)
MET-ED	03298981	90287646	09/15/10	01/10/11	\$806.00	117	94,302
MET-ED	03401290	12000000071-2	03/15/11	03/08/11	\$806.00	(7)	(5,642)
DORIS E ULRICH	03526552	RENTAL LAND MONTHLY Y-2A	11/15/11	11/02/11	\$760.06	(13)	(9,881)
DORIS E ULRICH	03320745	RENTAL LAND MONTHLY Y-7	04/15/11	04/01/11	\$737.92	(14)	(10,331)
DORIS E ULRICH	03560378	Lease	09/15/11	10/28/11	\$737.92	43	31,731
PLAZA AT 835 W HAMILTON ST LP PPL - HICK	325195100000	PL441445023C	07/30/11	09/29/11	\$648.11	61	39,535
CITY OF HARRISBURG	03439249	11020018	03/16/11	04/08/11	\$607.50	23	13,973
WILLIAMSPORT MUNICIPAL	03018972	R/W ARMSTR & WASHINGT-3	03/01/12	09/01/11	\$575.00	(182)	(104,650)
Norfolk Southern Corporation	03307943	N-S AT MILE POST FJ13.43-1	11/30/11	06/01/11	\$500.00	(182)	(91,000)
					\$ 357,144		\$ 3,568,232

Weighted Average Lag (A x B) / A

9.99

days

PPL Electric Utilities Corporation

Lag in Payment of Advertising Expenses - BI 37
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
UMARKETING LLC PPL - LOMBARD IL	228795100000	16403	11/03/11	11/04/11	\$488,443.55	1	\$488,444
UMARKETING LLC PPL - LOMBARD IL	703194100000	15697	02/07/11	03/02/11	\$199,332.00	23	4,584,636
UMARKETING LLC PPL - LOMBARD IL	338525100000	15873	06/02/11	05/11/11	\$199,062.00	(22)	(4,379,364)
UMARKETING LLC PPL - LOMBARD IL	287525100000	15908	04/20/11	04/25/11	\$120,450.00	5	602,250
WITF TV PPL - HARRISBURG PA	183795100000	7772-10012011	11/15/11	10/31/11	\$66,500.00	(15)	(997,500)
UMARKETING LLC PPL - LOMBARD IL	624984100000	15691	12/31/10	02/03/11	\$46,227.79	34	1,571,745
KEENAN-NAGLE ADVERTISING INC	03545751	7324	08/30/11	10/18/11	\$26,104.38	49	1,279,115
UMARKETING LLC	03405868	FEE MONTHLY OVERARCHING-5	06/15/11	06/15/11	\$25,000.00	0	0
UMARKETING LLC PPL - LOMBARD IL	818795100000	16405	10/27/11	11/04/11	\$25,000.00	8	200,000
UMARKETING LLC PPL - LOMBARD IL	290075100000	16141	06/30/11	08/04/11	\$12,667.00	35	443,345
UMARKETING LLC PPL - LOMBARD IL	000006100000	16454	08/31/11	10/20/11	\$10,022.00	50	501,100
WNEP TV	03476919	392369-6	05/12/11	06/28/11	\$7,825.00	47	367,775
KELLY GOULD & COMPANY	03570910	5652	11/02/11	12/12/11	\$7,015.00	40	280,600
UMARKETING LLC PPL - LOMBARD IL	498495100000	16341	08/31/11	10/13/11	\$5,756.00	43	247,508
XPEDX E-VENDOR - WESTAMPTON NJ	459226100000	5001551950	12/02/11	12/30/11	\$5,022.25	28	140,623
Corporate Credit Card Transaction	N/A	N/A	09/26/11	10/20/11	\$4,523.93	24	108,574
Corporate Credit Card Transaction	N/A	N/A	06/30/11	08/17/11	\$4,065.00	48	195,120
Corporate Credit Card Transaction	N/A	N/A	12/01/11	12/10/11	\$4,000.00	9	36,000
Corporate Credit Card Transaction	N/A	N/A	11/30/11	12/22/11	\$3,000.00	22	66,000
DIRECTORY ASSISTANCE INC PPL - ATLANTA G	913916100000	11-1190	12/01/11	12/16/11	\$2,803.20	15	42,048
BRIGHTCOVE INC PPL - WOBURN MA	166436100000	44945	12/31/11	01/30/12	\$2,388.00	30	71,640
WNEP TV	03471450	392441-5	04/21/11	06/07/11	\$2,000.00	47	94,000
WNEP-TV PPL - FT WRIGHT KY	971216100000	392441-11	10/27/11	11/29/11	\$2,000.00	33	66,000
Corporate Credit Card Transaction	N/A	N/A	05/31/11	07/14/11	\$1,639.16	44	72,123
Corporate Credit Card Transaction	N/A	N/A	02/25/11	03/05/11	\$1,339.23	8	10,714
FORWARD BROKERAGE LLC PPL ALTOONA PA	950995100000	0002717	10/06/11	11/04/11	\$1,098.00	29	31,842
UMARKETING LLC PPL - LOMBARD IL	972426100000	17105	09/30/11	12/30/11	\$556.50	91	50,642
Corporate Credit Card Transaction	N/A	N/A	11/29/11	12/07/11	\$470.00	8	3,760
LIST-RIGHT PPL - ATLANTA GA	847145100000	11-2139	06/01/11	07/01/11	\$300.00	30	9,000
LIST-RIGHT PPL - ATLANTA GA	683655100000	11-2184	07/01/11	07/29/11	\$300.00	28	8,400
Corporate Credit Card Transaction	N/A	N/A	09/19/11	11/04/11	\$300.00	46	13,800

\$ 1,275,210

4.87 days

Weighted Average Lag (A x B) / A

\$ 6,209,939

PPL Electric Utilities Corporation

Lag in Payment of Miscellaneous Expenses - BI 49
12 Months Ended December 31, 2011

Vendor Name	Voucher Number	Invoice / Reference Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	107094100000	53E707	11/20/10	03/03/11	\$182,866.90	103	\$18,835,291
SUSTAINABLE ENERGY FUND	03402145	SS-03	08/09/10	02/09/11	\$175,000.00	184	\$32,200,000
PENN LINE SERVICE INC	386294100000	1-211137	12/31/10	03/09/11	\$156,796.88	68	\$10,662,188
PENN LINE SERVICE INC	402075100000	2Q-PLS-KPI	05/16/11	08/26/11	\$150,535.36	102	\$15,354,607
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	706865100000	27E541REV1	05/16/11	08/25/11	\$106,561.25	101	\$10,762,686
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	909435100000	10E541-11	02/18/11	06/10/11	\$48,184.34	112	\$5,396,646
PARK INN HARRISBURG WEST	03556570	24527	08/29/11	10/27/11	\$21,797.00	59	\$1,286,023
PENN LINE SERVICE INC	499725100000	1Q-PLS-KPI	02/14/11	05/26/11	\$17,878.52	101	\$1,805,731
EMPLOYMENT LEARNING INNOVATIONS INC PPL-	397674100000	101236	12/14/10	01/20/11	\$12,277.91	37	\$454,283
GERALD SIMANCEK	03390955	610592	01/18/11	01/31/11	\$9,300.00	13	\$120,900
EMPLOYMENT LEARNING INNOVATIONS INC PPL-	327795100000	111008	09/28/11	11/15/11	\$8,701.34	48	\$417,664
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	107094100000	53E707	11/20/10	03/03/11	\$6,834.20	103	\$703,923
COMMONWEALTH OF PENNSYLVANIA	03525747	2011-49	08/16/11	09/15/11	\$5,352.00	30	\$160,560
TIMOTHY GUNDLACH	03503847	Gundlach-7/14/11	07/14/11	07/25/11	\$4,950.00	11	\$54,450
JOHN PRENETA	03465501	74410-44005	04/24/11	05/19/11	\$4,712.38	25	\$117,810
BARRCREST MANOR ASSOCIATES	03524851	6797096010	08/16/11	08/26/11	\$4,215.79	10	\$42,158
PENN NATIONAL INSURANCE	03564398	claim#02878301	07/11/11	11/09/11	\$3,864.21	121	\$467,569
COMMONWEALTH OF PENNSYLVANIA	03536682	SGLNO.260	08/24/11	09/27/11	\$3,317.58	34	\$112,798
ST LUKES HOSPITAL	03563137	LEEDSt.Luke'sMOB	10/04/11	11/04/11	\$3,080.00	31	\$95,480
ERIE INSURANCE	03503841	56120-34004	04/28/11	07/26/11	\$2,963.23	89	\$263,727
ERIE INSURANCE	03564410	claim#1326097019	06/04/11	11/10/11	\$2,692.17	159	\$428,055
Corporate Credit Card Transaction	N/A	N/A	09/22/11	09/30/11	\$2,475.51	8	\$19,804
JOHN MICHAEL	03559928	20071-42398	08/31/11	10/26/11	\$2,350.37	56	\$131,621
WOHLSEN CONSTRUCTION CO	03407681	LEEDWohlsen	01/31/11	02/22/11	\$2,250.00	22	\$49,500
					<u>\$938,957</u>		<u>\$99,943,473</u>

Weighted Average Lag (A x B) / A 106.44 days

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

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

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

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

- A.1. The information requested in items a. through e. is set forth in Section D of Exhibit Future 1.

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

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

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the Twelve Months Ended December 31
(Thousands of Dollars)

	<u>2012</u>	<u>2011</u>	<u>Difference</u>	
<u>OPERATING REVENUES</u>				
400				
Electric Revenue:				
Residential	\$ 1,234,508	\$ 1,297,763	\$ (63,255)	
Commercial	374,141	447,745	(73,604)	
Industrial	56,889	65,439	(8,550)	
Public Authorities	23,583	21,673	1,910	
Railroads	654	570	84	
Sales for Resale	2,421	6,295	(3,874)	
Total Sales Revenue	<u>1,692,196</u>	<u>1,839,485</u>	<u>(147,289)</u>	
Other Electric Revenue:				
Forfeited Discounts	13,000	12,835	165	
Miscellaneous Service Revenue	425	335	90	
Rent from Electric Property	35,313	37,721	(2,408)	
Unbilled Revenues - Net	4,283	(35,626)	39,909	
Other Electric Revenue	<u>119,548</u>	<u>103,224</u>	<u>16,324</u>	
Total Other Electric Revenue	<u>172,569</u>	<u>118,489</u>	<u>54,080</u>	
Total Operating Revenue	1,864,765	1,957,974	(93,209)	
<u>OPERATING EXPENSE</u>				
401 - 402				
Operation and Maintenance Expense				
Power Production Expenses:				
Power Purchases	629,364	750,278	(120,914)	
Ancillary Expenses	3,556	3,128	428	
Other	3,910	9,743	(5,833)	
Transmission Expenses	111,084	97,373	13,711	
Regional Market Expenses	451	374	77	
Distribution Expenses	171,112	152,304	18,808	
Customer Accounts Expenses	74,811	73,846	965	
Customer Service & Informational Expenses	117,515	113,834	3,681	
Sales Expenses	2,472	2,316	156	
Administrative and General Expenses	<u>181,604</u>	<u>146,654</u>	<u>34,950</u>	
Total Operation & Maint. Expense	<u>1,295,879</u>	<u>1,349,850</u>	<u>(53,971)</u>	
403 - 405				
Depreciation Expense and Amortization of Electric Plant Acquisition Adjustments	156,070	145,442	10,628	
407	Regulatory Debits (Credits), net	2,285	(7,195)	9,480
408.1	Taxes Other Than Income Taxes	110,944	120,715	(9,771)
411.6/411.7	(Gains)/Losses From Disposition of Utility Plant	0	65	(65)
	Total Operating Expenses Prior to Federal & State Income Taxes	<u>1,565,178</u>	<u>1,608,877</u>	<u>(43,699)</u>
	Operating Income Prior to Federal & State Income Taxes	\$ 299,587	\$ 349,097	\$ (49,510)

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the Twelve Months Ended December 31
(Thousands of Dollars)

	<u>2012</u>	<u>2011</u>	<u>Difference</u>
<u>FEDERAL AND STATE INCOME TAXES</u>			
409.1 Federal Income Taxes	\$ (21,849)	\$ (20,192)	\$ (1,657)
State Income Taxes	5,307	(9,218)	14,525
410.1 & 411.1			
Deferred Federal Income Taxes - Net	84,476	100,003	(15,527)
Deferred State Income Taxes - Net	11,377	1,431	9,946
Investment Tax Credit Adjustments			
Deferrals	0	0	0
411.4 Amortization - Credit	(1,373)	(1,568)	195
Total Federal & State Income Taxes	77,938	70,456	7,482
Operating Income After Federal & State Income Taxes	221,649	278,641	(56,992)
<u>OTHER INCOME AND DEDUCTIONS</u>			
Other Income			
415 Merchandising Income	0	324	(324)
416,417 Merchandising Expense	0	(345)	345
418.0 Non-Utility Operating Income (Loss)	0	(43)	43
418.1 Equity in Earnings of Subsidiary Companies	0	0	0
419.0 Interest & Dividend Income	1,705	888	817
419.1 Allowance for Other Funds Used During Construction	0	7,300	(7,300)
421.1 Gain on Disposition of Property	0	132	(132)
421 Other Misc. Non-Operating Income	0	0	0
Total Other Income	1,705	8,256	(6,551)
Other Income Deductions			
421.2 Loss on Disposition of Property	0	275	(275)
426 Miscellaneous	3,027	3,260	(233)
Total Other Income Deductions	3,027	3,535	(508)
Taxes Applicable to Other Income Deductions			
408.2 Taxes Other Than Income Taxes	0	0	0
409.2 Federal Income Tax	(417)	(99)	(318)
State Income Tax	(132)	0	(132)
410.2 & 411.2			
Deferred Federal Income Taxes - Net	0	3,049	(3,049)
Deferred State Income Taxes - Net	0	935	(935)
Total Taxes Applicable to Other Income Deduction	(549)	3,885	(4,434)
Income Before Interest Charges	\$ 220,876	\$ 279,477	\$ (58,601)

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the Twelve Months Ended December 31
(Thousands of Dollars)

	<u>2012</u>	<u>2011</u>	<u>Difference</u>
<u>INTEREST CHARGES</u>			
427 Interest on Long-term Debt	\$ 88,971	\$ 86,428	\$ 2,543
428 Amortization of Debt Discount & Expense	1,599	2,584	(985)
428.1 Amortization of Loss on Reacquired Debt	11,000	9,896	1,104
429 Amortization of Premium on Debt-Credit	0	(2)	2
430 Interest on Debt to Associated Companies	0	178	(178)
431 Other Interest Expense	1,200	146	1,054
432 Allowance for Borrowed Funds Used During Construction	<u>(13,118)</u>	<u>(3,618)</u>	<u>(9,500)</u>
Net Interest Charges	89,652	95,612	(5,960)
Net Income	<u>\$ 131,224</u>	<u>\$ 183,865</u>	<u>\$ (52,641)</u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2011 and 2012

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

Account 400 - Operating Revenues - (\$93,209)

Residential Sales - (\$63,255) - Decrease is related to lower forecasted sales due to normal weather expected in the future test year (FTY) compared to a colder than normal winter and hotter than normal summer in the historic test year (HTY). Lower forecasted GSC revenue due to a decline in energy prices, partially offset by higher TSC revenue.

Commercial Sales - (\$73,604) - Decrease is related to lower forecasted sales due to normal weather expected in the FTY compared to hotter than normal summer in the HTY. Lower forecasted GSC revenue due to a decline in energy prices, partially offset by higher TSC revenue.

Industrial Sales - (\$8,550) - Decrease is due to lower forecasted GSC revenue due to a decline in energy prices, partially offset by higher TSC revenue.

Public Authorities - \$1,910 - Increase is due to elimination of the credit for Rate Schedule SE customers. This credit was implemented in 2010 with the expiration of rate caps, and was phased-out over 2 years.

Sales for Resale - (\$3,874) - The change in sales for resale is related to borderline customers and PJM energy-related sales.

Rent from Electric Property - (\$2,408) - Decrease primarily is due to revised Joint-Use Contracts resulting in lower per pole rental rates, and lower intercompany rents.

Unbilled Revenue - Net - \$39,909 - Change in unbilled is due to the large decrease in net unbilled in 2011 as a result of an increase in shopping during 2011.

Other Electric Revenue - \$16,324 - Increase primarily is due to Transmission Owner revenue increases in 2012 based on the FERC Formula Rate, partially offset by changes in revenue over/under adjustments for the various Section 1307(e) cost recovery clauses and riders.

Accounts 401 & 402 - Operating and Maintenance Expenses - (\$53,971)

PPL Electric's budgeting process entails budgeting by category of expense, not by account. However, the Company is providing, for the purpose of this filing, an allocation of budgeted operation and maintenance expenses to accounts. This allocation primarily is based on the ratio of the actual charges by account for the historic test year.

Following is a comparison of these expenses by category of expense:

	<u>2012</u>	<u>2011</u>	<u>Difference</u>
Power Purchases	\$ 692,120	\$ 818,521	\$ (126,401)
Wages & Employee Benefits	136,281	124,498	11,784
Other Operating Costs	467,478	406,832	60,646
	<u>\$ 1,295,879</u>	<u>\$ 1,349,850</u>	<u>\$ (53,971)</u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2011 and 2012

Explanations of major changes in category of expense are:

Power Purchases - (\$126,401) - Decrease primarily is due to lower energy costs from generation acquisition contracts for POLR customers not using alternative suppliers.

Wages & Employee Benefits - \$11,784 - Increase is due to general inflation and increases in employee benefits cost.

Other Operating Costs - \$60,646 - Other Operating Costs are segregated into the following categories of expense:

	<u>2012</u>	<u>2011</u>	<u>Difference</u>
Employee Expenses	\$ 2,213	\$ 3,141	\$ (928)
Vehicles & Equipment Use	9,230	7,831	1,399
Materials & Supplies	8,863	8,173	690
Printing & Office Supplies	728	409	319
Tree Trimming	43,674	34,037	9,637
Work by Outsiders	61,427	52,473	8,954
Services	9,901	7,989	1,912
Postage	7,779	6,638	1,141
Telephone & Leased Wires	2,524	2,931	(407)
Rents	9,199	9,202	(3)
Advertising	2,722	2,913	(191)
Uncollectible Accounts	44,160	47,728	(3,568)
Distribution from clearing	30,027	30,494	(467)
Miscellaneous	94,441	75,890	18,551
	<hr/>		
PPL Electric Other Operating Costs	326,888	289,849	37,039
Affiliate Support	140,590	116,983	23,607
Total Other Operating Costs	\$ 467,478	\$ 406,832	\$ 60,646

Vehicle and Equipment Use \$1,399 - Increase primarily is driven by increases in fuel cost and vehicle maintenance.

Tree Trimming \$9,637 - Increase due to projected increased volume of work in 2012, primarily due to the implementation of the Commission's Inspection and Maintenance Standards.

Work By Outsiders \$8,954 - Increase primarily is due to additional contractors required for an increase in work scope.

Services \$1,912 - Increase primarily is for energy efficiency & conservation programs in support of customer programs. The increase also includes funding for benchmarking studies.

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2011 and 2012

Uncollectible Accounts (\$3,568) - Decrease primarily is due to the budgeted projection of customer past due account write-offs related to the On-Track program reflected in the USR.

Miscellaneous \$18,552 - Change primarily is due to reclassification of storm cost from expense to a regulated deferred asset, partially offset by increases in costs associated with the ACR.

Affiliate Support \$23,607 - See Question II-D-8 of Exhibit Regs., Part II - Primary Statements of Rate Base and Operating Income.

Account 407 - Regulatory Debits (Credits), net - \$9,480 - Difference primarily is due to an amortization of a regulatory credit for a PURTA settlement refunded to customers in 2011.

Account 408.1 - Taxes Other Than Income Taxes - (\$9,771) - Decrease primarily is due to \$13 million of reduced gross receipts tax in 2012 resulting from a lower revenue base and a lower tax rate, offset by a \$3 million prior year adjustment for PURTA tax recorded in 2011.

Account 409.1 - Federal Income Taxes - (\$1,657) - Decrease primarily is due to the following items:

Lower pre-tax book income	\$ (18,079)
Decrease in NOLs	(8,154)
2010 return to accrual adjustments recorded in 2011	(15,530)
2011 tax reserves	(1,067)
Offset by the following items:	
Change in book/tax timing differences	41,173
	<u><u>(\$1,657)</u></u>

Account 409.1 - State Income Taxes - \$14,525 - Increase primarily is due to the following items:

Lower pre-tax book income	\$ (5,733)
Decrease in NOLs	(16,218)
2010 return to accrual adjustments recorded in 2011	(402)
Offset by the following items:	
Change in book/tax timing differences	27,258
2011 tax reserves	9,620
	<u><u>\$ 14,525</u></u>

Account 410.1 & 411.1 - Deferred Income Taxes - Federal - Net - (\$15,527) - Decrease primarily is due to the following items:

2010 return to accrual adjustments recorded in 2011	\$ 23,672
Decrease in NOL Carryforwards	8,154
Offset by the following items:	
Change in book/tax timing differences	(45,821)
2011 tax reserves	(1,532)
	<u><u>\$ (15,527)</u></u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2011 and 2012

Account 410.1 & 411.1 - Deferred Income Taxes - State - Net - \$9,946 - Increase primarily is due to the following items:

2010 return to accrual adjustments recorded in 2011	\$ 2,622
Decrease in NOL Carryforwards	16,217
Offset by the following items:	
Change in book/tax timing differences	(8,408)
2011 tax reserves	(485)
	<u>\$ 9,946</u>

Account 427 - Interest on Long-term Debt - \$2,543 - Increase primarily is due to a proposed debt issuance in 2012 partially offset by lower interest due to a debt refinancing in 2011.

Account 432 - Allowance for Borrowed Funds used During Construction - (\$9,500) - Change is due to increased capital construction expenditures in 2012.

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

- Q.3. List and explain all nonrecurring or extraordinary expenses incurred in the test year and all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years, for example, nonyearly maintenance programs, and the like.
- A.3. Test year expenses that are non-recurring, extraordinary or do not occur yearly, but over an extended period of years, are explained and adjusted in Section D of Exhibit Future 1.

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

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

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

Attachment II-D-5 presents the accumulated provision for uncollectible accounts and the amounts written off for the years ended December 31, 2009, 2010 and 2011.

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

	<u>Customers</u>	<u>Other</u>	<u>Property Damage</u>	<u>Total</u>
Balance December 31, 2008	\$ 12,561	\$ 364	\$ 1,520	\$ 14,445
Provision	27,400	398	1,281	29,079
Amounts Written Off	<u>(26,853)</u>	<u>(217)</u>	<u>(828)</u>	<u>(27,898)</u>
Balance December 31, 2009	13,108	545	1,973	15,626
Provision	28,350	240	1,693	30,283
Amounts Written Off	<u>(25,001) (a)</u>	<u>(12)</u>	<u>(975)</u>	<u>(25,988)</u>
Balance December 31, 2010	16,457	773	2,691	19,921
Provision	31,361	40	1,445	32,846
Amounts Written Off	<u>(29,833) (a)</u>	<u>(15)</u>	<u>(1,869)</u>	<u>(31,717)</u>
Balance December 31, 2011	<u>\$ 17,985</u>	<u>\$ 798</u>	<u>\$ 2,267</u>	<u>\$ 21,050</u>

(a) Amounts written off are net of POR discounts. In 2010 & 2011 the POR discounts were \$5,021 & \$9,877 respectively.

- Q.6. Supply detailed calculations to support the total claim for rate case expense, including supporting data for outside service rendered. Provide the items comprising the estimated rate case expense claim for the current rate case.
- A.6. Schedule D-6 of Exhibit Future 1 sets forth PPL Electric's claim for rate case expense.

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

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

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

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

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

PPL ELECTRIC UTILITIES CORPORATION

Miscellaneous General Expenses - Account 930.2
Years ended December 31,
(Thousands of Dollars)

Line No.	Expense	2012	2011	Increase (Decrease)
1	Sustainable energy funding mandated in the PPUC order in PPL Electric's stranded cost filing	\$ 0	\$ 0	\$ 0
2	Environmental remediation expense	0	1,050	(1,050)
3	Environmental insurance reimbursements and settlements	0	(79)	79
4	Miscellaneous	200	255	(55)
5	TOTAL	<u>\$ 200</u>	<u>\$ 1,226</u>	<u>\$ (1,026)</u>

PPL ELECTRIC UTILITIES CORPORATION

Outside Service Expenses
Years Ended December 31,
(Thousands of Dollars)

Line No.	Service	2012	2011	Increase (Decrease)
1	Records Management	\$ 17	\$ 28	\$ (11)
2	Consulting	250	397	(147)
3	Corp. Communications department of PPL Services	4	6	(2)
4	TOTAL	<u>\$ 271</u>	<u>\$ 431</u>	<u>\$ (160)</u>

PPL Electric budgets by expense type (payroll, materials, rents, etc.) and activity, not by FERC account. Therefore, the test year projection in Account 923 - Outside Services Employed, is based on an allocation. Each line item of detail is allocated based on the various charges to Account 923 during the 12 months ended December 31, 2011.

See Filing Requirement II-D-8 Charges by Affiliates for a listing of services provided by PPL Services Corporation.

PPL ELECTRIC UTILITIES CORPORATION

Regulatory Commission Expenses - Account 928
Years Ended December 31,
(Thousands of Dollars)

<u>Line No.</u>	<u>Expense</u>	<u>2012</u>	<u>2011</u>	<u>Increase (Decrease)</u>
1	PUC Annual Assessment	\$ 5,000	\$ 5,257	\$ (257)
2	TOTAL	<u>\$ 5,000</u>	<u>\$ 5,257</u>	<u>\$ (257)</u>

PPL ELECTRIC UTILITIES CORPORATION

Advertising Expenses
Years Ended December 31,
(Thousands of Dollars)

Line No.	Description/Purpose	2012	2011	Increase (Decrease)
1	Goodwill or institutional advertising	\$ -	\$ -	\$ -
2	Customer assistance programs	23	10	13
3	Customer Education	2,691	2,876	(185)
4	Employment vacancy search	-	1	(1)
5	Miscellaneous	8	26	(18)
6	TOTAL	<u>\$ 2,722</u>	<u>\$ 2,913</u>	<u>\$ (191)</u>
<u>Types of Advertising</u>				
7	Television	\$ 1,759	\$ 1,882	\$ (123)
8	Radio	44	47	(3)
9	Internet/Electronic	310	331	(21)
10	Outdoor	260	279	(19)
12	Printed Media	349	374	(25)
13	TOTAL	<u>\$ 2,722</u>	<u>\$ 2,913</u>	<u>\$ (191)</u>

Note: This schedule reflects only the costs of outside advertising expenses.

PPL ELECTRIC UTILITIES CORPORATION

Research and Development Expenses
Years Ended December 31
(Thousands of Dollars)

Line No.	Project	2012	2011	Increase (Decrease)
1	Research support to EPRI, an independent, nonprofit, R&D service organization	\$ 179	\$ 204	\$ (25)
2	Annual membership of NEETRAC, National Electric Energy, Testing, Research and Applications Center, a non-profit member supported electric energy research, development and testing center	95	95	0
3	Direct placed costs to NEETRAC, National Electric Energy, Testing, Research and Applications Center, a non-profit member supported electric energy research, development and testing center	25	25	0
4	Internal coordination and participation in Transmission R&D activities for PPL Electric	72	75	(3)
5	Internal coordination and participation in Distribution R&D activities for PPL Electric	72	92	(20)
6	Lehigh University-Student research on specific projects	40		40
7	TOTAL	<u>\$ 483</u>	<u>\$ 491</u>	<u>\$ (8)</u>

PPL ELECTRIC UTILITIES CORPORATION
Charitable and Civic Contributions - Account 426.1
Years Ended December 31,
(Thousands of Dollars)

Line No.	Recipient	2012	2011	Increase (Decrease)
1	Operation Help	\$ 336	\$ 623	\$ (287)
2	Neighborhood Partnership and educational scholarship contributions	587	606	(19)
3	Other Charitable Contributions	1,437	1,239	198
4	TOTAL	<u>\$ 2,360</u>	<u>\$ 2,468</u>	<u>\$ (108)</u>

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

- Q.8. Provide an analysis by function of charges by affiliates, for the test year and the 12-month period immediately prior to the test year, for services rendered included in the operating expenses of the filing company. Explain the nature of the service and the basis on which charges or allocations are made, including a copy of applicable contract. Also, explain major variances between the charges for the test year and the corresponding charges for the prior 12-month period.
- A.8. PPL Services Corporation (“PPL Services”), formed on July 1, 2000 as the result of PPL Corporation realignment, provides various administrative and general services for PPL Electric and the other affiliates of PPL Corporation. Providing and charging for these services is based on an agreement dated April 27, 1995, by and between PPL Resources, Inc. (now PPL Corporation), including its subsidiaries, and Pennsylvania Power & Light Company (now PPL Electric). Attachment II-D-8a is a copy of that agreement. Services are provided in two basic forms - Direct Support and Indirect and Other Support. Direct Support is defined as a distinct product or service that can be readily identified as being incurred for a specific affiliate, or group of affiliates, accounted for, and monitored as direct support. Any allocation of Direct Support to a specific affiliate is based on product/service unit pricing, or specific and identifiable cost accumulation and transfer. Indirect Support represents general and administrative support that generally benefits all PPL Corporation subsidiaries and, therefore, cannot be readily identified as being incurred for a specific affiliate. Allocation of indirect support is based on a multi-factor allocation guideline recommended by the PUC and described in Attachment II-D-8b. Other Support includes mostly minor charges from other affiliates.

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

- Information Services Department (ISD) – provides Information Technology, computer hardware and software, and telecommunications support. Direct Support fees are assessed based on the cost of the service provided.
- External Affairs – coordinates government relations activities and provides corporate communications functions such as media and public relations services, and strategic and employee communications. Also directs community and economic development activities and real estate support. Direct charges to clients are based on actual costs accumulated for specific services rendered.

- Human Resources (HR) – provides for the acquisition and departure of personnel, performance management, consulting, technical training, compensation and benefits programs, medical screening, and labor relations. In addition, safety training, safety program evaluation and inspections, accident/incident investigation, and regulatory compliance/consultation are provided.
- Environmental Management – provides technical support and waste management system training, corporate liability and remediation management, systems and program development, policy and direction, as well as auditing and compliance services.
- Financial Department – provides accounting, financing, financial planning, corporate receipts and disbursements and pension plan services.
- Supply Chain - provides material management services – acquisition and handling.
- Office of General Counsel – provides legal services. Direct charges to clients are based on actual cost accumulated for specific services rendered.
- Risk Management – provides support for energy acquisition and management, as well as credit and insurance services.
- Auditing – provides assessments, consultative services, and investigations.
- Facilities Management – provides building management services.
- PPLSolutions – provides electronic data interchange (EDI) and administrative services associated with alternative energy-suppliers within PPL Electric's service territory, call center services for predefined call types, and administrative support for property damage billing.

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

Services Agreement

This Agreement is made as of April 27, 1995, by and between PP&L Resources, Inc., a Pennsylvania corporation ("Resources"), and Pennsylvania Power & Light Company, a Pennsylvania corporation ("PP&L").

WHEREAS, Resources, under its Articles of Incorporation, may engage in any lawful act concerning any lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law and was formed for the purpose of separating PP&L's regulated and unregulated business activities; and

WHEREAS, PP&L is a subsidiary of Resources and is engaged in providing electric utility service to customers in portions of central eastern Pennsylvania subject to regulation by the Pennsylvania Public Utility Commission; and

WHEREAS, Resources and PP&L each possess knowledge and skill in various aspects of business operations; and

WHEREAS, the provision of certain services between Resources and PP&L will enable the parties to obtain these services effectively and efficiently; and

WHEREAS, Resources desires to procure services from PP&L on a non-exclusive basis, and PP&L is willing to provide these services; and

WHEREAS, PP&L desires to procure services from Resources on a non-exclusive basis, and Resources is willing to provide these services;

NOW, THEREFORE, in consideration of the agreements set forth herein and intending to be legally bound hereby, Resources and PP&L agree as follows:

A. Services

1. Resources agrees to provide, on an as-available basis, such services as may from time to time be requested by PP&L. These services may include any services necessary and appropriate to the safe, efficient and cost effective operation of PP&L's business, including but not limited to, executive management, administration, accounting, finance, legal, communications, purchasing, billing, information systems, corporate secretarial, human resources, insurance and other similar types of services.

2. PP&L agrees to provide, on an as-available basis, such services as may from time to time be requested by Resources. These services may include any services necessary and appropriate to the safe, efficient and cost effective operation of Resources' business, including but not limited to, executive management, administration, accounting, finance, legal, communications, purchasing, billing, information systems, corporate secretarial, human resources, insurance and other similar types of services.

3. Resources and PP&L may request services of this nature from time to time on an as-needed basis. Neither Resources nor PP&L is under any obligation to procure a set amount of services pursuant to this Agreement. In addition, neither Resources nor PP&L is obligated to procure these types of services solely from the other party to this Agreement. If they so desire, Resources and PP&L may procure these or similar services from third-party providers.

B. Costs and Accounting

1. Services provided pursuant to Section A of this Agreement are to be charged to the recipient at their full cost to the provider.

a. Direct Costs

If costs can be determined with reasonable certainty, these costs will be assumed to be the direct and full costs of providing the services at issue.

b. Indirect Costs

Costs shall include applicable indirect costs such as overhead, to the extent that such costs can be calculated with reasonable certainty and are readily ascertainable. For example, costs associated with an individual's time may include a component for additional, related costs, as appropriate (e.g., applicable employee benefit costs).

c. Allocation

If charges cannot be directly assigned to one party, they will be allocated between the parties based on a reasonable approximation of the costs attributable to each party.

2. All costs incurred by the providing party shall be determined in accordance with generally accepted accounting principles and shall include reasonable indirect costs, including overhead, as set forth in Section A of this Agreement.

C. Billing and Payment

1. The party providing services under Section A of this Agreement shall submit invoices on a monthly or more frequent basis to the party receiving such services. Such invoices shall reference the service provided and the associated costs, which shall be determined in accordance with Section B of this Agreement.

2. Invoices shall be due and payable within sixty (60) days after receipt.

D. General

1. Subsidiary Participation

“Resources” as used in this Agreement includes all subsidiary and affiliated companies of PP&L Resources, Inc. other than PP&L and its subsidiaries.

2. Term

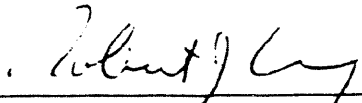
The term of this Agreement shall commence on the date first set forth above or the date on which the Pennsylvania Public Utility Commission approves this Agreement, whichever is later. Thereafter, this Agreement shall continue in full force and effect until terminated by either of the parties upon 15 days’ written notice to the other party of its election to do so.

3. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

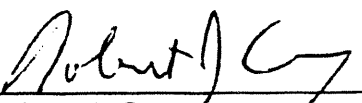
IN WITNESS WHEREOF, the parties have executed this Agreement as
set forth below.

PP&L RESOURCES, INC.

By: 

Robert J. Grey
Vice President, General Counsel
and Secretary

**PENNSYLVANIA POWER & LIGHT
COMPANY**

By: 

Robert J. Grey
Vice President, General Counsel
and Secretary

INDIRECT COST ALLOCATION METHODOLOGY AND PROCEDURES

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

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

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

CALCULATION OF THE MULTI – FACTOR INDIRECT COST ALLOCATION

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

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

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

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

1. Each year, Support Groups analyze their indirect costs to determine what PPL subsidiaries do not receive a significant portion of their services. If these services and related costs are significant, the Support Groups isolate them from other indirect costs to ensure that the PPL subsidiaries that do not receive a benefit from the costs are not allocated costs applicable to those services. Support Groups identify either specific costs to be excluded or an appropriate % of services that should be excluded based on the operation and the expenses incurred.
2. After the Support Groups determine which PPL subsidiaries benefit from their services (or a % of them if applicable), Financial Planning calculates the allocation rate for each Support Group. If all of a particular Support Group's costs benefit the same set of PPL subsidiaries equally, the appropriate allocation method for that Support Group is obtained using the average multi-factor allocation % for each subsidiary as discussed on Page 1 of Attachment II-D-8b. If, however, a portion of the costs only benefit certain subsidiaries, while the balance of the costs benefit another set of subsidiaries, then, for accounting simplicity, a Support Group blended multi-factor allocation factor is calculated for that Support Group and used for allocating all the costs of that Support Group.

PPL ELECTRIC UTILITIES CORPORATION
Affiliate Support to PPL Electric
For the 12 Months Ended December 31,
(Thousands of Dollars)

Business Line	<u>2012</u>	<u>2011</u>	<u>Difference</u>
Auditing	\$ 203	\$ 118	\$ 85
Environmental Management	640	396	244
External Affairs	2,602	2,523	78
Facilities Management	22,156	20,957	1,199
Financial Department	3,627	3,707	(80)
Human Resources	5,368	5,262	107
Information Services Department	22,812	22,910	(98)
Office of General Counsel	8,386	7,074	1,313
Risk Management	10,722	12,671	(1,949)
Supply Chain	1,675	1,756	(80)
PPL Solutions	4,860	4,826	34
Total Direct Support	<u>83,051</u>	<u>82,199</u>	<u>852</u>
Total Indirect and Other Support	57,538	34,784	22,754
Total Support	<u>\$ 140,590</u>	<u>\$ 116,983</u>	<u>\$ 23,607</u>

Explanations of major changes are:

Facilities Management \$1,199 - Increase is due primarily to occupant-requested space rearrangements, moves, and other previously-deferred work; in addition, increased maintenance for regulatory compliance.

Office of General Counsel \$1,313 - Primarily due to an increase in outside counsel fees related to the rate case.

Risk Management (\$1,949) - Decrease due to reduction of storm insurance purchased from PPL Power Insurance and corresponding increase of PPL Electric Utilities deductible.

Total Indirect and Other Support \$22,754 - Increase is due to an increase in overall Service group costs and an increase in Service Company depreciation expense allocated to PPL Electric. The 2011 indirect support amount includes a \$15.5 million credit for storm insurance recovery from PPL Power Insurance.

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

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

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

A.10. The following is the requested data:

	Years Ended December	
	2012	2011
a. <u>Union Personnel</u>	(\$000)	(\$000)
Average Number of Employees	1,426	1,414
Year-end Number of Employees	1,424	1,395
Payroll Costs		
Normal	\$ 83,211	\$ 83,832
Overtime	\$ 12,440	\$ 25,475
Benefit Costs	\$ 36,140	\$ 30,044
b. <u>Non-Union Personnel</u>		
Average Number of Employees	579	532
Year-end Number of Employees	578	536
Payroll Costs		
Normal	\$ 58,092	\$ 49,629
Overtime	\$ 317	\$ 2,815
Benefit Costs	\$ 14,663	\$ 11,304

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

c. Same as b.

	Years Ended December	
	2012	2011
	(\$000)	(\$000)
d. <u>Wage Rate</u>		
Union		
Rate	2.90%	2.70%
Annual Effect	\$ 2,696	\$ 2,874
Non-Union		
Rate	3.00%	2.70%
Annual Effect	\$ 1,701	\$ 1,379

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

e. <u>Claimed for Test Year</u>		
Payroll Expense	\$ 102,801	\$ 97,384
Benefit Expense	\$ 33,480	\$ 27,114
f. <u>Percent Applicable to O&M</u>		
Payroll Expense	66.7%	60.2%
Benefit Expense	65.9%	65.6%

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

- Q.11. Describe costs relative to leasing equipment, including computer rentals, and office space, including terms and conditions of the leases. State method for calculating monthly or annual payments.
- A.11. As of December 31, 2011, PPL Electric had numerous short-term leases for rental of miscellaneous equipment from several vendors. For 2011, these payments amounted to \$150,649. In addition, PPL Electric had a short-term lease on 12,763 square feet for its Work Asset Management project. For 2011, payments for the lease amounted to \$187,561.

- Q.12. Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures, explain any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate cases, and list all internal and independent audit reports for the most recent 2 year period.
- A.12. Attachment II-D-12a provides a list of major accounting changes since PPL Electric's most recent base rate case. Attachment II-D-12b provides a list of internal audits performed for PPL Electric in 2010 and 2011. Attachment II-D-12c provides a list of third-party audits performed for PPL Electric in 2010 and 2011.

Accounting Changes Since PPL Electric Utilities Corporation's Last Base Rate Case

2010

- Effective January 1, 2010, PPL Electric Utilities Corporation (PPL Electric) adopted accounting guidance that was issued to revise the accounting for transfers of financial assets. This guidance:
 - eliminates the concept of a qualifying special-purpose entity (QSPE); therefore, QSPEs will be subject to consolidation guidance;
 - changes the requirements for the derecognition of financial assets;
 - establishes new criteria for reporting the transfer of a portion of a financial asset as a sale;
 - requires transferors to initially recognize, at fair value, assets obtained and liabilities incurred as a result of a transfer accounted for as a sale; and
 - requires enhanced disclosures to improve the transparency around transfers of financial assets and a transferor's continuing involvement.

This guidance is applied prospectively to new transfers of financial assets. Disclosures are required for all transfers, including those entered into before the effective date. The adoption did not have a material impact on PPL Electric's financial statements.

- Effective January 1, 2010, PPL Electric adopted accounting guidance that was issued to replace the quantitative-based risks and rewards calculation for determining which entity, if any, has a controlling financial interest in a variable interest entity (VIE) and is the primary beneficiary. The primary beneficiary must consolidate the VIE. This guidance:
 - prescribes a qualitative approach focused on identifying which entity has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of or the right to receive benefits from the VIE that could potentially be significant to the VIE;
 - requires ongoing assessments of whether an entity is the primary beneficiary of a VIE;
 - requires enhanced disclosures to improve the transparency of an entity's involvement in a VIE;
 - requires that all previous consolidation conclusions be reconsidered; and
 - requires that QSPEs be evaluated for consolidation (resulting from the elimination of the QSPE concept in the guidance addressing accounting for transfers of financial assets).

The adoption did not have a material impact on PPL Electric's financial statements.

- Effective January 1, 2010, PPL Electric prospectively adopted accounting guidance that was issued to improve disclosures about fair value measurements. This guidance:
 - requires disclosures be provided for each class of assets and liabilities, with class determined on the basis of the nature and risks of the securities;
 - for recurring fair value measurements, requires disclosure of significant transfers between Levels 1 and 2 and transfers into and out of Level 3 and the reasons for those transfers; and
 - clarifies that a description of valuation techniques and inputs used to measure fair value is required for Level 2 and Level 3 recurring and nonrecurring fair value measurements.

This guidance makes corresponding amendments to employers' disclosures about pensions and other postretirement benefits.

The adoption did not have a material impact on PPL Electric's financial statements.

- Effective April 1, 2010, PPL Electric prospectively adopted accounting guidance that was issued to clarify how an entity should reflect the subsequent measurement of cash flow hedges in accumulated other comprehensive income (AOCI) if, during a prior period, hedge accounting was not permitted. This situation may arise if an entity's retrospective assessment of hedge effectiveness indicated that the hedging relationship had not been highly effective in a period, but the prospective assessment of hedge effectiveness showed an expectation that the hedging relationship would be highly effective in the future; therefore, the hedging relationship continued even though hedge accounting was not permitted for a certain period. This guidance:
 - requires that the cumulative gain or loss on the derivative that is used to determine the maximum amount of gain or loss that may be reflected in AOCI exclude the gains or losses that occurred during the period when hedge accounting was not permitted; and
 - requires that the cumulative change in the expected future cash flows on the hedged transaction exclude the changes related to the period when hedge accounting was not applied.

The adoption did not have a significant impact on PPL Electric. At December 31, 2010, PPL Electric had no derivatives that were classified as cash flow hedges.

- Effective December 31, 2010, PPL Electric prospectively adopted accounting guidance that requires disclosure of supplementary pro forma information for business combinations. Under this guidance, an entity must:
 - present the pro forma disclosures as if the business combination occurred at the beginning of the prior annual period; and
 - disclose the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the pro forma revenue and earnings

The adoption did not have a material impact on PPL Electric's financial statements.

- In March 2010, PPL Electric filed a proposed distribution rate increase of approximately \$115 million. In December 2010, the Pennsylvania Public Utility Commission (PUC) entered its order granting PPL Electric a distribution rate increase of approximately \$78 million. The approved rates became effective for service rendered on and after January 1, 2011. In January 2011, the PP&L Industrial Customers Alliance (PPLICA) filed a Petition for Reconsideration of the PUC's order regarding PPLICA's proposal for a special rate schedule for certain large commercial and industrial customers. The PUC granted reconsideration and assigned the case to an Administrative Law Judge. Hearings were held in September 2011. In January 2012, the Administrative Law Judge issued a recommended decision that the PUC deny PPLICA's proposal. Exceptions and reply exceptions to the recommended decision were filed in February 2012.

2011

- Effective December 31, 2011, PPL Electric retrospectively adopted accounting guidance issued to improve the transparency about an employer's participation in a multiemployer plan. The disclosures required by this guidance include the significant multiemployer plans in which an employer participates, the level of the employer's participation in these plans, the financial health of these plans and the nature of employer commitments to these plans. For plans for which users are unable to obtain additional publicly available information outside the employer's financial statements, additional disclosures are required.

The adoption of this standard did not have a significant impact on PPL Electric.

- Effective December 31, 2011, PPL Electric retrospectively adopted accounting guidance that was issued to improve the comparability, consistency and transparency of financial reporting and to

increase the prominence of items that are recorded in other comprehensive income (OCI). This guidance requires that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements where the first statement includes the components of net income and the second statement includes the components of OCI.

Regardless of whether an entity chooses to present comprehensive income in a single continuous statement or in two separate but consecutive statements, the guidance also would have required an entity to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. However, subsequent to the issuance of this new accounting guidance, this requirement that companies present reclassification adjustments for each component of OCI in both net income and OCI on the face of the financial statements was deferred for further evaluation. The deferral did not change the requirement to present items of net income, items of other comprehensive income and total comprehensive income in either one continuous statement or two separate consecutive statements.

The adoption of this standard did not have an impact on PPL Electric.

- During 2011, there were two major storms that caused severe damages to facilities in PPL Electric's service territory. Hurricane Irene struck in August and a snow storm in late October. The total cost of restoring service was \$53 million. In November 2011, PPL Electric filed two petitions with the PUC seeking authorization to defer, for accounting and financial reporting purposes, unanticipated expenses attributable to the storms. In December 2011, the PUC issued two Orders granting PPL Electric the authority to defer and amortize for regulatory accounting and reporting purposes a portion of these storm costs subject to certain conditions. As a result of the PUC Order and in accordance with the Accounting Standards Codification 980, PPL Electric deferred \$25 million of its previously expensed storm costs. The ratemaking treatment of these costs is to be decided in the current general base rate proceeding.
- In June 2011, the Pennsylvania House Consumer Affairs Committee approved legislation that would authorize the PUC to approve regulatory procedures and mechanisms to provide for more timely recovery of a utility's costs. Those procedures and mechanisms include, but are not limited to, the use of a fully projected future test year and an automatic adjustment clause to recover certain capital costs and related operating expenses. In October 2011, the legislation was passed by the Pennsylvania House of Representatives (Pennsylvania House). In January 2012, the Senate Consumer Affairs Committee adopted significant amendments to the legislation. The amended legislation authorizes the PUC to approve only two specific ratemaking mechanisms -- a fully projected future test year and a distribution system improvement charge. In addition, the amendments impose a number of conditions on the use of such a charge. In January 2012, the Pennsylvania Senate passed the amended legislation and in February 2012, the Pennsylvania House unanimously concurred with the Senate amendments. The Governor signed the bill in February 2012 which becomes effective 60 days thereafter. Utilities cannot file a petition with the PUC before January 1, 2013 requesting permission to establish the charge.

2012 and Beyond

- Effective January 1, 2012, PPL Electric will prospectively adopt accounting guidance that was issued to clarify existing fair value measurement guidance as well as enhance fair value disclosures. The additional disclosures required by this guidance include quantitative information about significant unobservable inputs used for Level 3 measurements, qualitative information about the sensitivity of recurring Level 3 measurements, information about any transfers between Level 1 and 2 of the fair value hierarchy, information about when the current use of a non-financial asset is different from the highest and best use, and the hierarchy classification for assets and liabilities whose fair value is disclosed only in the notes to the financial statements.

Any fair value measurement differences resulting from the adoption of this guidance will be recognized in income in the period of adoption. The adoption of this guidance is not expected to have a significant impact on PPL Electric.

- Effective January 1, 2012, PPL Electric will prospectively adopt accounting guidance which will allow an entity to elect the option to first make a qualitative evaluation about the likelihood of an impairment of goodwill. If, based on this assessment, the entity determines it is not more likely than not the fair value of a reporting unit is less than the carrying amount, the two-step goodwill impairment test is not necessary. However, the first step of the impairment test is required if an entity concludes it is more likely than not the fair value of a reporting unit is less than the carrying amount based on the qualitative assessment.

The adoption of this standard is not expected to have a significant impact on PPL Electric.

- Effective January 1, 2013, PPL Electric will retrospectively adopt accounting guidance issued to enhance disclosures about financial instruments and derivative instruments that either (1) offset on the balance sheet or (2) are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset on the balance sheet.

Upon adoption, the enhanced disclosure requirements are not expected to have a significant impact on PPL Electric.

- In March 2012, PPL Electric filed a request with the Federal Energy Regulatory Commission (FERC) seeking recovery, over a 34-year period beginning in June 2012, of its unrecovered regulatory asset related to the deferred state tax liability that resulted from the transition from the flow-through treatment of state income taxes to full normalization. This change in tax treatment occurred in 2008 as a result of prior FERC initiatives that transferred regulatory jurisdiction of certain transmission assets from the PUC to the FERC. A regulatory asset of \$51 million related to this transition had been recorded.

CONFIDENTIAL

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

**Listing of Internal Audits
Performed for PPL Electric Utilities Corporation
(2010 and 2011)**

Request for Internal Audit Reports in Support of PPL Electric's 2012 Rate Case Filing

Below is a listing of internal audit reports for PPL Electric Utilities for 2010 and 2011. This listing does not include investigations / independent fact gathering reviews and FERC/NERC-related audits.

2010

The following is a list of completed PPL Electric internal operational audit reports for 2010 (list also includes audits in part relating to assessing support services provided to PPL Electric):

- Results of Corporate Audit Services Evaluation of Internal Control Over Financial Reporting (as of December 31, 2009) – [SOX 404 Summary Report] (104-10)
- Quarterly Disclosure Controls and Procedures [for Q4 '09, Q1 '10, Q2 '10, Q3 '10] (171-10, 172-10, 173-10, 174-10)
- Pre-Implementation Review of the Security Request System (161-10)
- Evaluation of Potential Co-Employment Risks (218-10)
- SecureWorks Monitoring (149-10)
- Review of Selected Sourcing Processes (162-10)
- Susquehanna-Roseland Transmission Line Project – Procurement Process Review (179-10)
- PPL's Readiness to Comply with Red Flag Rules (190-10)
- Review of Safety Inspection Program for Hoist Ropes and Winch Cables on PPL Trucks (194-003-10)
- Review of Safety Testing Program for Insulated Aerial Devices (194-002-10)
- Review of Safety Inspection Program for Pilot Lines and Pulling Lines (194-004-10)
- Review of Safety Testing Program for Rubber Gloves and Sleeves (194-001-10)
- Rate Phase-In Plan Bill Calculations (227-10)
- PPL Electric Utilities (EU) Readiness to Comply with PUC Inspection and Maintenance Record Keeping Requirements (221-10)
- Corporate Services to Affiliates (217-10)
- Consultative Review of Safety and Health Services Compliance Process (230-10)
- Consultative Assistance – Electric Utilities Purchase of Receivables (223-10)
- Linux Operating System Security (206-10)
- Rate Case Preparation Process (198-10)
- VMware Controls and Security (197-10)
- Review of Phone Calls Relating to Residential Service Terminations (228-10)
- Consultative Assistance – Review of the Major Contract Review Process (176-10)
- Retiree Rehire Procedure Review (255-10)
- Energy Procurement (Life of Trade) Review (184-10)
- Pre-Implementation Review of the Legal Hold Application (193-10)
- Payroll Reporting and Reconciliation Process (234-10)
- Review of Officer and Employee Business Expenses (188-10)
- Regulatory Asset Cost Recovery (196-10)
- Network Vulnerability Assessment (229-10)
- Review of PPL Electric Utilities Act 129 Energy Efficiency and Conservation Plan (264-10)
- Compliance with the Payment Card Industry (PCI) Data Security Standard (205-10)
- Consultative Assistance for Identity and Access Management Project (226-10)

2011

The following is a list of completed PPL Electric internal operational audit reports audits for 2011 (list also includes audits in part relating to assessing support services provided to PPL Electric):

- Results of Corporate Audit Services Evaluation of Internal Control Over Financial Reporting (as of December 31, 2010) – [SOX 404 Summary Report] (192-11)
- Quarterly Disclosure Controls and Procedures [for Q4 '10, Q1 '11, Q2 '11 , Q3 '11] (277-11, 279-11, 290-11, 291-11)
- Electric Generation Supplier Payment Process (270-11)
- Smart Grid-Compliance with DOE Requirements (249-11)
- Periodic Fraud Monitoring – Approved Suppliers List (256-11)
- Accounts Receivable Under the Miscellaneous Commerce System (189-11)
- Management of Personnel Changes (309-11)
- Emergency Planning and Business Continuity (268-11)
- Database Security Review of SQL (312-11)
- Emergency Planning and Business Continuity – Financial Department (377-11)
- Public Utility Holding Company Act of 2005 (PUCHA) Regulatory Reporting Process (373-11)
- Emergency Planning and Business Continuity – Facilities Management (383-11)
- ICS Pre-Implementation Review (382-11)
- Third Party Logistics Implementation (367-11)
- Review of Material Issuance Process (318-11)
- Vegetation Management – Contract Administration (299-11)
- Post-Implementation Review of Identity and Access Management (370-11)
- PPL EU Contractor Environmental Controls (343-11)
- Follow-up Review of the Company's Compliance to the Department of Homeland Security's Chemical Facility Anti-Terrorism Standards (410-11)
- Review of Risk Management Programs for Debt Financing Activities and Foreign Currency Exchange Rates (388-11, 389-11)
- Review of FLSA Classification Process (261-11)
- Capitalization of PPL Electric Utilities Construction Projects (387-11)
- Wallstreet Suite Pre-Implementation Review (348-11)
- Review of PPL Electric Utilities PJM Settlement B Reconciliation Process (398-11)
- Centrifify (IT user account management) (371-11)
- Review of PPL Electric Utilities Variable Pay Goal Results (404-11)
- PPL Audit Services Internal Quality Assurance Review (433-11)
- Review of Windows 7 Implementation (380-11)

CONFIDENTIAL

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

**Listing of Completed Third-Party Audits
Performed for PPL Electric Utilities Corporation
(2010 and 2011)**

CONFIDENTIAL

PPL Corporate Audit Services

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

Request for Third-Party Audit Reports in Support of PPL Electric's 2012 Rate Case Filing

Below is a listing of completed third-party audit reports for PPL Electric Utilities for years 2010 and 2011. This listing includes financial, regulatory compliance, and audits performed by / for outside parties. This listing excludes employee benefit plan audits, FERC / NERC related audits and IRS audits on the PPL Corporation consolidated tax return.

FINANCIAL AUDITS

Ernst & Young LLP

- Audit of the Financial Statements of Operation Help for the years ended December 31, 2009 and December 31, 2010
- Audit of the Financial Statements of PPL Electric Utilities Corporation for the years ended December 31, 2009 and December 31, 2010
- Audit of the Financial Statements included in PPL Electric Utilities Corporation FERC Form 1 filing for the years ended December 31, 2009 and December 31, 2010
- Audit of PPL Electric Utilities Corporation DOE Smart Grid Investment Grant for 2010

REGULATORY COMPLIANCE AUDITS

PaPUC

- Audit of PPL Electric Utilities Competitive Transition Charge for the years 2007 through 2009
- Audit of PPL Electric Utilities Transmission Service Charge for the 28 month period ended November 30, 2009
- Audit of PPL Electric Utilities Universal Service Rider for the years 2008 and 2009
- Audit of PPL Electric Utilities Remand Rider for the 29 month period ended December 31, 2009

AUDITS BY / FOR OUTSIDE PARTIES

North American Transmission Forum

- Best practice peer review of PPL Electric Utilities Corporation (2010)

Bank of Tokyo-Mitsubishi / FTI Consulting

- Annual Review of PPL Electric Utilities Corporation Asset Backed Commercial Paper program (2010 & 2011)

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

PPL ELECTRIC UTILITIES CORPORATION

Negative Net Salvage
(Thousands of Dollars)

<u>12 Months Ending</u>	<u>Cost of Removal</u>	<u>Gross Salvage</u>	<u>Negative Net Salvage</u>
December 31, 2007	\$ 16,005	\$ (5,869)	\$ 10,136
December 31, 2008	13,805	(5,466)	8,339
December 31, 2009	16,062	(13,349)	2,713
December 31, 2010	20,032	(6,462)	13,570
December 31, 2011	<u>25,391</u>	<u>(12,021)</u>	<u>13,370</u>
Total for 5-year period ended December 31, 2011	<u>\$ 91,295</u>	<u>\$ (43,167)</u>	<u>\$ 48,128</u>
	Five-year average and Negative Net Salvage claim		<u>\$ 9,626</u>

- Q.14. State the amount of debt interest utilized for test year income tax calculations, including the amount so utilized which has been allocated from the debt interest of an affiliate, and provide details of debt interest and allocation computations.
- A.14. PPL Electric does not utilize any debt interest, which has been allocated from the debt interest of an affiliate, in the computation of taxable income. The debt interest utilized for test year income tax calculations is provided in Schedule D-12 of Exhibit Future 1.

- Q.15. Provide a schedule for the test year of Federal and Pennsylvania taxes other than income taxes, per books, pro forma at present rates, and pro forma at proposed rates, including the following tax categories:
- a) Social security.
 - b) Unemployment.
 - c) Capital stock.
 - d) Public utility.
 - e) P.U.C. assessment.
 - f) Other property taxes.
 - g) Any other appropriate categories.
- A.15. Attachment II-D-15 provides a schedule of taxes other than income.

PPL ELECTRIC UTILITIES CORPORATION

**Schedule of Taxes Other Than Income
Year Ended December 31, 2012**

(Thousands of Dollars)

<u>Description</u>	<u>Total Amount Per Budget</u>	<u>T&D Operations Per Budget</u>	<u>T&D Pro forma at Present Rates</u>	<u>D Only Pro forma at Present Rates</u>	<u>D Only Pro forma at Proposed Rates</u>
a. Social Security	\$ 7,231	\$ 7,220	\$ 7,186	\$ 6,340	\$ 6,340
b. Unemployment	578	577	574	507	507
c. Capital Stock	2,447	2,447	1,954	813	956
d. Public Utility	2,698	2,698	2,832	134	134
e. Other Property Taxes	2,064	2,064	2,064	2,064	2,064
f. Gross Receipts	95,926	43,953	43,930	43,930	50,048
	<u>\$ 110,944</u>	<u>\$ 58,959</u>	<u>\$ 58,540</u>	<u>\$ 53,788</u>	<u>\$ 60,049</u>

- Q.16. Submit a schedule showing the adjustments from taxable net income per books to taxable net income pro forma under existing rates and pro forma under proposed rates, together with an explanation of all normalizing adjustments. Submit detailed calculations supporting taxable income before State and Federal income taxes where the income tax is subject to allocation due to operations in another state or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.
- A.16. Detailed calculations supporting PPL Electric's taxable income are shown in Schedule D-12 of Exhibit Future 1.

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

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

<u>Year</u> <u>Received</u>	<u>Tax</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	2008	\$ 58,204,937	\$ 0	\$ 58,204,937
2011	2009	\$ 18,555	\$ 0	\$ 18,555
2011	2010	\$ 62,255,376	\$ 0	\$ 62,255,376

- Q.18. Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits, reserves and associated reversals on liberalized depreciation.
- A.18. Attachment II-D-18 provides a breakdown of the major items comprising prepaid and deferred income tax charges and other deferred income tax credits as reflected on the Company's future test year Balance Sheet shown in Exhibit Future 1, Schedule B-1.

PPL ELECTRIC UTILITIES CORPORATION

Prepaid and Deferred Taxes
Year Ended December 31, 2012
(Thousands of Dollars)

	<u>Current</u>	<u>Non-Current</u>
Accumulated Deferred Income Taxes (Account 190)		
Bad Debt Provision	\$ 7,031	\$ 0
Contribution in Aid of Construction	0	110,487
Environmental Clean Up	(725)	3,136
Federal NOL Carryforward	0	29,984
Pension and Post-Retirement Benefits	32	125,527
Post Employment Benefits	0	3,388
RAR Adjustments	1,813	(551)
Rate Rider Recovery Mechanisms	20,941	2,913
SFAS 109	0	2,395
STAS Adjustment	1,089	0
State NOL Carryforward	2,778	18,383
Taxes	1,874	0
Tax Reserves	(18,434)	5,109
Vacation Pay	4,718	0
Miscellaneous	391	645
	<hr/>	<hr/>
Total Account 190	<u>\$ 21,508</u>	<u>\$ 301,416</u>
Accumulated Deferred Income Taxes (Accounts 282 and 283)		
Other Property (Account 282)		
Accelerated Cost Recovery System		\$ 634,230
Net/Book Tax Plant (Excluding CIAC) - Transmission		190,662
RAR Adjustments		(5,850)
Repair Allowance & Other Basis Differences		212,996
SFAS 109		172,610
Tax Reserves		10,246
		<hr/>
		1,214,894
Other (Account 283)		
Clearing Account	\$ 1,061	\$ 0
Loss on Reacquired Debt	0	27,233
Pension and Post Retirement Benefits	0	164,059
Prepays	992	0
Rate Rider Recovery Mechanisms	(2,935)	683
Receivables Factoring	4,283	0
SFAS 109	0	122,596
Storm Deferrals	0	13,293
Tax Reserves	0	6,964
TradeMark	0	661
Miscellaneous	0	215
	<hr/>	<hr/>
	3,401	335,704
	<hr/>	<hr/>
Total Account 282 and 283	<u>\$ 3,401</u>	<u>\$ 1,550,598</u>

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

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

Tax savings are computed and allocated between the parent corporation and affiliates. PPL Corporation, the parent of the affiliated group, allocates federal income tax based upon the taxable income of each member included in the consolidated return. PPL Corporation allocates Foreign tax credits to those members that generated the credits in proportion to the amount of credits they could have used on an unconsolidated basis. PPL Corporation allocates other credits to the members that generated the credits in proportion to the amount of credits such members generated on a separate return basis. Similarly, members that generate losses are allocated a credit equivalent to the tax benefit associated with such loss.

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

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

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

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

Q.21. Show income tax loss/gain carryovers from previous years. Show loss/gain carryovers by years of origin and amounts remaining by years at the beginning of the test year.

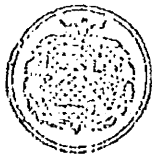
A.21. For federal income tax purposes, PPL Electric experienced net operating losses in 2011 in the amount of \$62,121,126. The amount of the net operating loss carry forward remaining at December 31, 2011 is \$62,121,126.

For Pennsylvania income tax purposes, PPL Electric experienced net operating losses in 2010 and 2011 in the amount of \$246,201,678 and \$211,635,026 respectively. The amount of the net operating loss carry forward remaining at December 31, 2011 is \$457,836,704.

- Q.22. State whether the company eliminates tax savings by the payment of actual interest on construction work in progress not in rate base claim.
If response is affirmative:
- a) Set forth amount of construction claimed in this tax savings reduction, and explain the basis for this amount.
 - b) Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.
 - c) State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.
 - d) Provide details of calculation to determine tax savings reduction, and state whether State taxes are increased to reflect the construction interest elimination.
- A.22. The adjustment necessary to reflect the pro forma interest charges on measures of value for the test year is provided in Schedule D-12 of Exhibit Future 1.

- Q.23. Under section 1552 of the Internal Revenue Code (26 U.S.C.A. § 1552) and 26 CFR 1.1552-1 (1983), if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the Federal government (if this interrogatory is not applicable, so state):
- a) State what option has been chosen by the group.
 - b) Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return for the test year and the most recent 3 years for which data is available.
 - c) Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
 - d) Provide the most recent annual income tax return for the group.
 - e) Provide details of the amount of the net operating losses of any member allocated to the income tax returns of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.
 - f) Provide details of the amount of net negative income taxes, after all tax credits are accounted for, of any member allocated to the income tax return of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.
- A.23. a) PPL Electric Utilities Corporation is owned by PPL Corporation (PPL). Internal Revenue Code Section 1552 provides for an allocation of consolidated income tax for "earnings and profits" purposes only. PPL elected option (a) (1), i.e., ratio of taxable income of each company having income to total consolidated taxable income as modified by Commissioner of Internal Revenue for consolidated income tax return purposes only. A copy of the IRS authorization is included as Attachment II-D-23a. PPL has chosen, for book purposes and all other purposes, to allocate consolidated Federal income tax among all companies based on net taxable income or loss and credits on a separate return basis. PPL Corporation became the common parent of the affiliated group in 1995 and elected to continue this allocation methodology in its 1995 Federal income tax return.

- b) Attachment II-D-23b details the tax liability allocated to each of the participating members in the consolidated federal income tax return for the 2009, 2010 and 2011.
- c) PPL Corporation is the parent company of the PPL consolidated group that includes PPL Electric and makes all necessary income tax payments to the Internal Revenue Service for the net tax liability that is due for the consolidated group. PPL Corporation bills member companies that have a positive federal income tax allocation and pays member companies that have a negative federal income tax allocation. The amounts PPL Corporation receives from, or pays to, each member company are the same amounts as detailed in Attachment II-D-23b.
- d) The most recent Federal income tax return filed by the consolidated group is tax year 2010; the complete tax return is voluminous. Attachment II-D-23c includes pages 1 through 5 of the Federal Form 1120 and a summary of taxable income by member company. Attachment II-D-23d includes the Federal Form 1120X, Amended U.S Corporation Income Tax Return for tax year 2010. Additional schedules will be furnished upon request.
- e) Attachment II-D-23b includes details of the actual payments made to members of the consolidated group with net operating losses.
- f) Attachment II-D-23b includes details of the actual payments made to members of the consolidated group with a net negative income tax allocation after credits.



U. S. TREASURY DEPARTMENT
WASHINGTON 25

OFFICE OF
COMMISSIONER OF INTERNAL REVENUE

OCT 13 1955

ADDRESS REPLY TO
COMMISSIONER OF INTERNAL REVENUE
WASHINGTON 25 D. C.

AND REFER TO
T:R:C
TFG

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

Attention: F. H. Markley, Treasurer

Gentlemen:

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

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

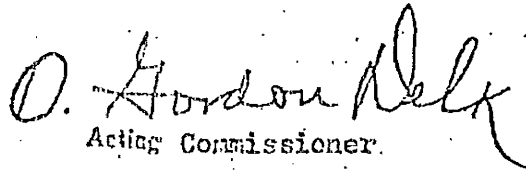
- (1) That the tax allocated to each subsidiary company shall not exceed the amount of tax of such company based upon a separate return computed as if such company had always filed its tax returns on a separate return basis; and
- (2) That any excess of liability over a separate return tax which would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

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

2 - Pennsylvania Power & Light Co.

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

Very truly yours,


Acting Commissioner.

Enclosure:
Copy of this letter

PPL CORPORATION AND SUBSIDIARY COMPANIES
ALLOCATION OF 2011 FEDERAL INCOME TAX

	Taxable Income / (Loss) Before Prior Year Loss <u>Utilization</u>	Utilization of Prior Year <u>NOL</u>	2010 NOL <u>Carryforward</u>	Taxable Income / (Loss) after NOL <u>Carryforwards</u>	Tax <u>35%</u>	Less <u>Credits</u>	Tax <u>35%</u>
PPL Electric Utilities Corporation	\$ (231,909,628)		\$ 62,121,126	\$ (169,788,502)	\$ (59,425,976)		\$ (59,425,976)
BDW Corp.	215,818			215,818	75,536		75,536
Burns Mechanical, Inc.	(260,720)		69,838	(190,882)	(66,809)		(66,809)
CEP Lending, Inc.	1,988,044			1,988,044	695,815		695,815
CEP Reserves, Inc.	79,271,176			79,271,176	27,744,912		27,744,912
FCD LLC	(262,782)			(262,782)	(91,974)		(91,974)
H.T. Lyons, Inc.	(2,231,376)		597,714	(1,633,662)	(571,782)		(571,782)
Kentucky Utilities Company	6,922,408			6,922,408	2,422,843		2,422,843
Lady Jane Collieries, Inc.	(17,143)		4,592	(12,551)	(4,393)		(4,393)
LG&E & KU Capital Corp.	(40,797,781)			(40,797,781)	(14,279,223)		(14,279,223)
LG&E & KU Energy LLC	(2,112,046)			(2,112,046)	(739,216)		(739,216)
LG&E and KU Services Company	11,666,316			11,666,316	4,083,211		4,083,211
LG&E Energy Marketing Inc.	(2,027,500)			(2,027,500)	(709,625)		(709,625)
LG&E Home Services Inc.	(1,774)			(1,774)	(621)		(621)
LG&E International Inc.	(636,377)	\$ (69,865,652)		(70,502,029)	(24,675,710)		(24,675,710)
LG&E Power Argentina III Inc.	(728,326)	(66,503,469)		(67,231,795)	(23,531,128)		(23,531,128)
Louisville Gas & Electric Company	48,038,162			48,038,162	16,813,357		16,813,357
McCarl's Inc.	7,931,987			7,931,987	2,776,195		2,776,195
McClure Company	2,107,022			2,107,022	737,458		737,458
Ninth Street and Hamilton Corporation	(7,120)		1,907	(5,213)	(1,825)		(1,825)
PPL Capital Funding, Inc.	81,960			81,960	28,686		28,686
PPL Corporation	(73,174,388)		19,601,063	(53,573,325)	(18,750,665)		(18,750,665)
PPL Energy Funding Corporation	(134,757,331)		36,097,152	(98,660,179)	(34,531,063)		(34,531,063)
PPL Energy Services Northeast, Inc.	(2,393,446)		641,127	(1,752,319)	(613,312)		(613,312)
PPL Interstate Energy Company	1,015,633			1,015,633	355,472		355,472
PPL Investment Corporation	145,789,095			145,789,095	51,026,183		51,026,183
PPL Montana Holdings, LLC	111,357,353			111,357,353	38,975,074		38,975,074
PPL Power Insurance, Ltd.	(8,523,992)		2,283,303	(6,240,689)	(2,184,241)		(2,184,241)
PPL Properties, Inc.	39,581,433			39,581,433	13,853,502		13,853,502
PPL Receivables Corporation	66,790,162			66,790,162	23,376,557		23,376,557
PPL Services Corporation	12,618,837			12,618,837	4,416,593		4,416,593
PPL Spectrum, Inc.	(55,034)		14,742	(40,292)	(14,102)		(14,102)
PPL University Park, LLC	(6,921,616)		1,854,078	(5,067,538)	(1,773,638)		(1,773,638)
Realty Company of Pennsylvania	594,528			594,528	208,085		208,085
Western Kentucky Energy Corp.	(3,201,407)	(12,867,668)		(16,069,075)	(5,624,176)		(5,624,176)
Total Consolidated	\$ 25,950,147	\$ (149,236,789)	\$ 123,286,642	\$ 0	\$ 0	\$ 0	\$ 0

PPL CORPORATION AND SUBSIDIARY COMPANIES
ALLOCATION OF 2011 FEDERAL INCOME TAX

	Taxable Income / (Loss) Before Prior Year Loss <u>Utilization</u>	Utilization of Prior Year <u>NOL</u>	2010 NOL <u>Carryforward</u>	Taxable Income / (Loss) after NOL <u>Carryforwards</u>	Tax <u>35%</u>	Less <u>Credits</u>	Tax <u>35%</u>
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CEP Reserves, Inc.	79,271,176			79,271,176	27,744,912		27,744,912
FCD LLC	(262,782)			(262,782)	(91,974)		(91,974)
H.T. Lyons, Inc.	(2,231,376)		597,714	(1,633,662)	(571,782)		(571,782)
Kentucky Utilities Company	6,922,408			6,922,408	2,422,843		2,422,843
Lady Jane Collieries, Inc.	(17,143)		4,592	(12,551)	(4,393)		(4,393)
LG&E & KU Capital Corp.	(40,797,781)			(40,797,781)	(14,279,223)		(14,279,223)
LG&E & KU Energy LLC	(2,112,046)			(2,112,046)	(739,216)		(739,216)
LG&E and KU Services Company	11,666,316			11,666,316	4,083,211		4,083,211
LG&E Energy Marketing Inc.	(2,027,500)			(2,027,500)	(709,625)		(709,625)
LG&E Home Services Inc.	(1,774)			(1,774)	(621)		(621)
LG&E International Inc.	(636,377)	\$ (69,865,652)		(70,502,029)	(24,675,710)		(24,675,710)
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McClure Company	2,107,022			2,107,022	737,458		737,458
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PPL Capital Funding, Inc.	81,960			81,960	28,686		28,686
PPL Corporation	(73,174,388)		19,601,063	(53,573,325)	(18,750,665)		(18,750,665)
PPL Energy Funding Corporation	(134,757,331)		36,097,152	(98,660,179)	(34,531,063)		(34,531,063)
PPL Energy Services Northeast, Inc.	(2,393,446)		641,127	(1,752,319)	(613,312)		(613,312)
PPL Interstate Energy Company	1,015,633			1,015,633	355,472		355,472
PPL Investment Corporation	145,789,095			145,789,095	51,026,183		51,026,183
PPL Montana Holdings, LLC	111,357,353			111,357,353	38,975,074		38,975,074
PPL Power Insurance, Ltd.	(8,523,992)		2,283,303	(6,240,689)	(2,184,241)		(2,184,241)
PPL Properties, Inc.	39,581,433			39,581,433	13,853,502		13,853,502
PPL Receivables Corporation	66,790,162			66,790,162	23,376,557		23,376,557
PPL Services Corporation	12,618,837			12,618,837	4,416,593		4,416,593
PPL Spectrum, Inc.	(55,034)		14,742	(40,292)	(14,102)		(14,102)
PPL University Park, LLC	(6,921,616)		1,854,078	(5,067,538)	(1,773,638)		(1,773,638)
Realty Company of Pennsylvania	594,528			594,528	208,085		208,085
Western Kentucky Energy Corp.	(3,201,407)	(12,867,668)		(16,069,075)	(5,624,176)		(5,624,176)
Total Consolidated	\$ 25,950,147	\$ (149,236,789)	\$ 123,286,642	\$ 0	\$ 0	\$ 0	\$ 0

PPL CORPORATION AND SUBSIDIARY COMPANIES
ALLOCATION OF 2010 FEDERAL INCOME TAX

	Taxable Income / (Loss) Before Prior Year Loss <u>Utilization</u>	Utilization of Prior Year NOL	Taxable Income / (Loss) after NOL <u>Utilization</u>	Tax <u>35%</u>	Less <u>Credits</u>	Tax <u>35%</u>
PPL Electric Utilities Corporation	\$ (315,672,704)		\$ (315,672,704)	\$ (110,485,446)		\$ (110,485,446)
BDW Corp.	2,511		2,511	879		879
Burns Mechanical, Inc.	(62,601)		(62,601)	(21,910)		(21,910)
CEP Lending, Inc.	1,902,177		1,902,177	665,762		665,762
CEP Reserves, Inc.	47,414,732		47,414,732	16,595,156		16,595,156
H.T. Lyons, Inc.	(233,713)		(233,713)	(81,800)		(81,800)
Kentucky Utilities Company	2,076,377		2,076,377	726,732	\$ 1	726,731
Lady Jane Collieries, Inc.	(33,706)		(33,706)	(11,797)		(11,797)
LG&E & KU Capital Corp.	(3,284,311)		(3,284,311)	(1,149,509)		(1,149,509)
LG&E & KU Energy LLC	(8,606,856)	\$ (3,491,525)	(12,098,381)	(4,234,433)		(4,234,433)
LG&E and KU Services Company	(59,105,586)		(59,105,586)	(20,686,955)		(20,686,955)
LG&E Energy Marketing, Inc.	(675,117)	(1,985,525)	(2,660,642)	(931,225)		(931,225)
LG&E Home Services, Inc.	73		73	26		26
LG&E International Inc.	(263,339)	(68,008)	(331,347)	(115,971)		(115,971)
LG&E Power Argentina III Inc.	(297,504)	(815,651)	(1,113,155)	(389,604)		(389,604)
LG&E Power Development Inc.	20,780		20,780	7,273		7,273
LG&E Power Operations Inc.	22,583		22,583	7,904		7,904
LG&E Power Inc.	(10,248)		(10,248)	(3,587)		(3,587)
Louisville Gas & Electric Company	(31,233,529)		(31,233,529)	(10,931,735)	77	(10,931,812)
McCarl's Inc.	4,302,294		4,302,294	1,505,803		1,505,803
McClure Company	935,169		935,169	327,309		327,309
Ninth Street and Hamilton Corporation	(6,221)		(6,221)	(2,177)		(2,177)
PPL Capital Funding, Inc.	48,917		48,917	17,121		17,121
PPL Corporation	(135,656,709)		(135,656,709)	(47,479,852)		(47,479,852)
PPL Energy Funding Corporation	1,263,590,289		1,263,590,289	442,256,601	318,664,055	123,592,546
PPL Energy Services Northeast, Inc.	885,799		885,799	310,030		310,030
PPL Interstate Energy Company	1,206,197		1,206,197	422,169		422,169
PPL Investment Corporation	162,042,922		162,042,922	56,715,023		56,715,023
PPL Montana Holdings, LLC	102,639,531		102,639,531	35,923,836	17,598,764	18,325,072
PPL Power Insurance, Ltd.	(3,261,741)		(3,261,741)	(1,141,609)		(1,141,609)
PPL Properties, Inc.	39,571,411		39,571,411	13,849,994		13,849,994
PPL Receivables Corporation	55,989,910		55,989,910	19,596,469		19,596,469
PPL Services Corporation	(49,266,291)		(49,266,291)	(17,243,202)		(17,243,202)
PPL Spectrum, Inc.	(126,941)		(126,941)	(44,429)		(44,429)
PPL University Park, LLC	3,731,886		3,731,886	1,306,160		1,306,160
Realty Company of Pennsylvania	640,068		640,068	224,024		224,024
Western Kentucky Energy Corp.	(20,874,203)	(49,995,054)	(70,869,257)	(24,804,240)		(24,804,240)
Total Consolidated	\$ 1,058,352,306	\$ (56,355,763)	\$ 1,001,996,543	\$ 350,698,790	\$ 336,262,897	\$ 14,435,893

PPL CORPORATION AND SUBSIDIARY COMPANIES
ALLOCATION OF 2009 FEDERAL INCOME TAX

	<u>Taxable</u> <u>Income</u>	<u>Tax</u> <u>35%</u>	<u>Less</u> <u>Credits</u>	<u>Tax</u> <u>35%</u>
PPL Electric Utilities Corporation	\$ 303,889,879	\$ 106,361,458	\$ 38,895	\$ 106,322,563
Burns Mechanical, Inc.	823,405	288,192		288,192
CEP Lending, Inc.	3,874,882	1,356,209		1,356,209
CEP Reserves, Inc.	18,321,316	6,412,461		6,412,461
H.T. Lyons, Inc.	5,348,990	1,872,147		1,872,147
Kentucky Utilities Company		-	8,522	(8,522)
Lady Jane Collieries, Inc.	(47,223)	(16,528)		(16,528)
Louisville Gas & Electric Company		-	78,927	(78,927)
McCarl's Inc.	4,725,260	1,653,841		1,653,841
McClure Company	1,853,146	648,601		648,601
Ninth Street and Hamilton Corporation	14,337	5,018		5,018
Penobscot Hydro Co., Inc.	29,578,084	10,352,329		10,352,329
PPL Capital Funding, Inc.	(100)	(35)		(35)
PPL Corporation	37,966,894	13,288,413		13,288,413
PPL Energy Funding Corporation	(244,176,338)	(85,461,719)	109,194,153	(194,655,872)
PPL Energy Services Northeast, Inc.	3,012,732	1,054,456		1,054,456
PPL Fuels Asset Management, Inc.	6,758,809	2,365,583		2,365,583
PPL Interstate Energy Company	400,403	140,141		140,141
PPL Investment Corporation	158,359,984	55,425,994		55,425,994
PPL Montana Holdings, LLC	125,704,542	43,996,590	7,435,587	36,561,003
PPL Power Insurance, Ltd.	1,005,165	351,808		351,808
PPL Properties, Inc.	39,663,050	13,882,068		13,882,068
PPL Receivables Corporation	35,878,381	12,557,433		12,557,433
PPL Services Corporation	(11,542,542)	(4,039,890)		(4,039,890)
PPL Spectrum, Inc.	(136,779)	(47,873)		(47,873)
PPL University Park, LLC	(20,579,120)	(7,202,692)		(7,202,692)
Realty Company of Pennsylvania	359,024	125,658		125,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Consolidated	<u>\$ 501,056,181</u>	<u>\$ 175,369,663</u>	<u>\$ 116,756,084</u>	<u>\$ 58,613,579</u>

1120
Form
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

OMB No. 1545-0123

2010

For calendar year 2010 or tax year beginning _____, ending _____
▶ See separate instructions.

- A Check if:**
1a Consolidated return (attach Form 851)
b If a nonlife consolidated return
2 Personal holding co. (attach Sch. PH)
3 Personal service corp. (see instructions)
4 Schedule M-3 attached

Print or type	Name PPL Corporation and Subsidiaries	B Employer identification number 23-2758192
	Number, street, and room or suite no. If a P.O. box, see instructions. Two North Ninth Street	C Date incorporated 03/15/1994
	City or town, state, and ZIP code Allentown, PA 18101	D Total assets (see instructions) \$ 33,380,276,662.

		E Check if:	(1)	Initial return (2)	Final return (3)	Name change (4)	Address change
1a Gross receipts or sales			6,868,622,618.	b Less returns and allowances		c Bal ▶	1c 6,868,622,618.
Income	2 Cost of goods sold (Schedule A, line 8)						2 385,617,044.
	3 Gross profit. Subtract line 2 from line 1c						3 6,483,005,574.
	4 Dividends (Schedule C, line 19)						4 902,740,964.
	5 Interest						5 34,201,662.
	6 Gross rents						6 26,892,041.
	7 Gross royalties						7 380,384.
	8 Capital gain net income (attach Schedule D (Form 1120))						8 NONE
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)						9 -40,004,193.
	10 Other income (see instructions - attach schedule)					See Statement 10.	10 4,420,237,028.
	11 Total income. Add lines 3 through 10						11 11,827,453,460.
	Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)					
13 Salaries and wages (less employment credits)							13 384,100,301.
14 Repairs and maintenance							14 537,173,945.
15 Bad debts							15 28,432,348.
16 Rents							16 112,400,575.
17 Taxes and licenses							17 249,773,139.
18 Interest							18 394,112,696.
19 Charitable contributions						See Statement 19.	19 10,609,297.
20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)							20 917,374,854.
21 Depletion							21 259,412.
22 Advertising							22 7,365,058.
23 Pension, profit-sharing, etc., plans							23 518,443,569.
24 Employee benefit programs							24 45,847,450.
25 Domestic production activities deduction (attach Form 8903)							25 43,855,840.
26 Other deductions (attach schedule)						See Statement 29.	26 7,484,817,135.
27 Total deductions. Add lines 12 through 26							27 10,767,395,459.
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11							28 1,060,058,001.
29 Less:	a Net operating loss deduction (see instructions)	29a	56,355,762.				29a Stmt 38
	b Special deductions (Schedule C, line 20)	29b	1,705,695.				29b
		29c					29c 58,061,457.
30 Taxable income. Subtract line 29c from line 28 (see instructions)						30 1,001,996,544.	
31 Total tax (Schedule J, line 10)						31 15,887,575.	
Tax, Refundable Credits, and Payments	32a 2009 overpayment credited to 2010	32a	89,476,448.				
	b 2010 estimated tax payments	32b	210,000,000.				
	c 2010 refund applied for on Form 4466	32c	(220,000,000.)	d Bal ▶	32d	79,476,448.	
	e Tax deposited with Form 7004	32e					
	f Credits: (1) Form 2439 (2) Form 4136	32f	78.			78.	
	g Refundable credits from Form 3800, line 19c, and Form 8827, line 8c	32g					32g 79,476,526.
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached						33
34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed						34	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						35 63,588,951.	
36 Enter amount from line 35 you want: Credited to 2011 estimated tax ▶ 20,000,000. Refunded ▶						36 43,588,951.	

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

Sign Here ▶ *Alexander J. Torok* 9/6/11 ▶ Assistant Treasurer
Signature of officer: Alexander J. Torok Date: 9/6/11 Title: Assistant Treasurer

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶	Phone no.		

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	318,584,951.
2	Purchases	2	59,362,227.
3	Cost of labor	3	122,916,642.
4	Additional section 263A costs (attach schedule)	4	-1,495.
5	Other costs (attach schedule)	5	See Statement, 54. 187,525,292.
6	Total. Add lines 1 through 5	6	688,387,617.
7	Inventory at end of year	7	302,770,573.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	385,617,044.

9a Check all methods used for valuing closing inventory:

(i) Cost

(ii) Lower of cost or market

(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	24,294.	70	17,006.
2	1,940,000.	80	1,552,000.
3		***	
4		42	
5		48	
6		70	
7		80	
8		100	
9	Total. Add lines 1 through 8. See instructions for limitation		1,569,006.
10		100	
11		100	
12		100	
13	624,097,208.		
14	3,169,924.		
15	273,509,538.		
16			
17			
18			136,689.
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4		902,740,964.
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		1,705,695.

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
1	See Statement 73		%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					32,829,840.
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12					32,829,840.

PPL Corporation and Subsidiaries
Form 1120 (2010)

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) . . .	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions) . Stmt. 79 . . .	<input type="checkbox"/>	350,698,790.
3	Alternative minimum tax (attach Form 4626)		NONE
4	Add lines 2 and 3		350,698,790.
5a	Foreign tax credit (attach Form 1118)	5a	287,123,491.
5b	Credit from Form 8834, line 29	5b	
5c	General business credit (attach Form 3800)	5c	47,687,724.
5d	Credit for prior year minimum tax (attach Form 8827)	5d	
5e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	334,811,215.
7	Subtract line 6 from line 4	7	15,887,575.
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	10	15,887,575.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 551112		
b	Business activity ▶ Holding Company		
c	Product or service ▶		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv). See Statement 80		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

PPL Corporation and Subsidiaries

Form 1120 (2010)

Schedule K *Continued*

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. Yes No
 If "Yes," complete (i) through (iv).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Western Power Distribution Holdings Limi	98-0192789	UK	100.00

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) Yes No
 If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.
 If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? Yes No
 For rules of attribution, see section 318. If "Yes," enter:
 (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____
 (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount
 If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 163,074.

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here
 If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ 879,104,988.

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? Yes No
 If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? Yes No
 If "Yes," complete and attach Schedule UTP.

Form 1120 (2010)

PPL Corporation and Subsidiaries

Form 1120 (2010)

Page 5

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		896,954,936.		625,749,275.
2a	Trade notes and accounts receivable	3,338,822,762.	Stmt 100	5,007,837,366.	
b	Less allowance for bad debts	(33,685,127.)	3,305,137,635.	(54,090,646.)	4,953,746,720.
3	Inventories		504,519,004.		810,005,633.
4	U.S. government obligations				
5	Tax-exempt securities (see Instructions)				
6	Other current assets (attach schedule)	Stmt 105	2,657,358,334.		2,898,713,558.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)	Stmt 121	1,934,604,674.		2,290,789,058.
10a	Buildings and other depreciable assets	16,783,067,090.		23,346,824,575.	
b	Less accumulated depreciation	(7,552,925,097.)	9,230,141,993.	(7,698,294,419.)	15,648,530,156.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		674,569.		674,569.
13a	Intangible assets (amortizable only)	303,297,480.		1,637,340,289.	
b	Less accumulated amortization	(8,795,425.)	294,502,055.	(8,498,434.)	1,628,841,855.
14	Other assets (attach schedule)	Stmt 137	2,775,157,766.		4,523,225,838.
15	Total assets		21,599,050,966.		33,380,276,662.
Liabilities and Shareholders' Equity					
16	Accounts payable	Stmt 153	582,066,428.		1,028,885,544.
17	Mortgages, notes, bonds payable in less than 1 year		3,282,327,566.		5,458,788,992.
18	Other current liabilities (attach schedule)	Stmt 158	2,643,772,047.		2,976,151,367.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more	Stmt 174	5,385,730,949.		9,848,939,903.
21	Other liabilities (attach schedule)	Stmt 176	3,891,408,588.		5,512,942,040.
22	Capital stock: a Preferred stock	300,518,900.		250,000,000.	
b	Common stock	208,703,157.	509,222,057.	5,186,205.	255,186,205.
23	Additional paid-in capital	Stmt 192	2,537,792,565.		4,516,261,417.
24	Retained earnings-Appropriated (attach schedule)	Stmt 208	319,566,699.		318,629,794.
25	Retained earnings - Unappropriated		2,717,679,882.		3,737,489,120.
26	Adjustments to shareholders' equity (attach schedule)	Stmt 224	(-270,515,815.)		(-272,997,720.)
27	Less cost of treasury stock		()		()
28	Total liabilities and shareholders' equity		21,599,050,966.		33,380,276,662.

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

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books	938,136,117.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	305,258,812.		Tax-exempt interest \$	163,074.
3	Excess of capital losses over capital gains	16,555,435.		See Statement 267	394,995,173.
4	Income subject to tax not recorded on books this year (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
	See Statement 249	1,384,910,398.	a	Depreciation \$	919,518,578.
5	Expenses recorded on books this year not deducted on this return (itemize):		b	Charitable contributions \$	4,320,301.
a	Depreciation \$	446,456,285.		See Statement 276	1,236,566,110.
b	Charitable contributions \$		9	Add lines 7 and 8	2,555,563,236.
c	Travel and entertainment \$	1,754,892.	10	Income (page 1, line 28) - line 6 less line 9	1,060,058,001.
	See Statement 258	522,549,298.			
6	Add lines 1 through 5	3,615,621,237.			

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

1	Balance at beginning of year	2,717,679,882.	5	Distributions: a Cash	605,260,754.
2	Net income (loss) per books	938,136,117.		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	1,485,999.
		688,419,874.	7	Add lines 5 and 6	606,746,753.
4	Add lines 1, 2, and 3	4,344,235,873.	8	Balance at end of year (line 4 less line 7)	3,737,489,120.

Form 1120 (2010)

SCHEDULE G
(Form 1120)

Department of the Treasury
Internal Revenue Service

Information on Certain Persons Owning the
Corporation's Voting Stock

▶ Attach to Form 1120.
▶ See instructions on page 2.

OMB No. 1545-0123

2010

Name

Employer identification number (EIN)

PPL Corporation and Subsidiaries

23-2758192

Part I Certain Entities Owning the Corporation's Voting Stock. (Form 1120, Schedule K, Question 4a). Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock

Part II Certain Individuals and Estates Owning the Corporation's Voting Stock. (Form 1120, Schedule K, Question 4b). Complete columns (i) through (iv) below for any individual or estate that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock

23-2758192

PPL Corporation and Subsidiaries
Combined

Consolidated Schedules
1120 Page 1

	Combined	PPL Corporation and Subsidiaries Eliminations	Adjustments	PPL Corporation and Subsidiaries
1a	7,760,685,715.	-692,064,097.		6,868,622,618.
1b	7,760,686,715.	-692,064,097.		6,868,622,618.
1c	385,617,044.	-692,064,097.		385,617,044.
2	7,375,069,671.	-652,865,051.		6,483,005,574.
3	1,555,606,015.	-308,634,732.		902,740,864.
4	342,636,394.	-95,636.		34,201,662.
5	26,987,877.	-39,999,000.		26,892,041.
6	40,379,384.		16,555,435.	360,364.
7	-16,555,435.			NONE
8	-40,004,193.			-40,004,193.
9	4,422,029,010.	-1,791,982.		4,420,237,028.
10	13,706,348,723.	-1,695,450,698.	16,555,435.	11,827,453,460.
11	32,829,840.			32,829,840.
12	364,100,301.			364,100,301.
13	537,173,945.			537,173,945.
14	28,449,329.	-16,981.		28,432,348.
15	112,400,575.			112,400,575.
16	249,773,139.			249,773,139.
17	702,757,688.	-308,644,992.		394,112,696.
18	6,288,996.		4,320,301.	10,609,297.
19	919,581,554.	-2,206,703.		917,374,854.
20	259,412.			259,412.
21	7,475,568.	-110,510.		7,365,058.
22	518,443,569.			518,443,569.
23	45,847,450.			45,847,450.
24	43,855,840.			43,855,840.
25	8,417,149,105.	-932,331,970.		7,484,817,135.
26	12,006,386,311.	-1,243,311,153.	4,320,301.	10,767,395,459.
27	1,699,962,412.	-652,139,545.	12,235,134.	1,060,058,001.
28	56,355,763.			56,355,763.
29a	654,570,746.	-652,865,051.		1,705,695.
29b	999,035,903.	725,506.	12,235,134.	1,001,996,543.
30				
JSA				

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PPL Corporation and Subsidiaries		23-2756192	Burns Mechanical, Inc.	CEP Lending, Inc.	Fred Williams, Inc		
PPL Corporation		23-2756192	Burns Mechanical, Inc.	EDW Corp.	B-S Mechanical Services, Inc.	B-G Mechanical Contractors, Inc.	PPL Electric Utilities Corporation
Consolidated Schedules		23-2756192	04-2535814	51-0116798	04-2982190	04-2982190	23-0989590
1120 Page 1		60.	35,108,340.	23-2968098	20-1467156	04-1974770	23-0989590
1a	Gross receipts or sales	60.	35,108,340.				2,370,657,580.
1b	Less returns & allowances	60.					2,370,657,580.
1c	Balance	60.					2,370,657,580.
2	Cost of goods sold	60.					2,370,657,580.
3	Gross profit	460,862,895.					460,862,895.
4	Dividends	60,824.					60,824.
5	Interest						170,298.
6	Gross rents						26,172,267.
7	Gross royalties						
8	Capital gain net						
9	Net gain or (loss) income						-17,341,633.
10	Other income	-6,951,101.					46,436,424.
11	Total income	453,972,678.	4,551,194.				2,436,094,936.
12	Compensation of officers						2,188,594.
13	Salaries and wages	3,371,027.					47,583,880.
14	Repairs and maintenance						209,017,155.
15	Bad debts						25,389,094.
16	Rents						2,027,912.
17	Taxes and licenses	65,394.					138,325,550.
18	Interest	18,258,262.					86,179,593.
19	Charitable contributions						330,445.
20	Depreciation						282,389,530.
21	Depletion						
22	Advertising						7,154,498.
23	Pension, profit-sharing etc., Plans						135,367,113.
24	Employee benefit programs						4,924,576.
25	Domestic production activities deduction						
26	Other deductions	105,389,723.					1,801,859,801.
27	Total deductions	127,084,406.					2,743,857,651.
28	Taxable income before NOL & Spec. Deductions	326,888,272.					-317,742,715.
29a	NOL deduction						136,689.
29b	Special deductions	460,862,895.					
30	Taxable income	-133,974,623.					-317,879,404.
JSA							

PPL Corporation and Subsidiaries		23-2758192	McClure Company	Millennium Builders Inc.
General Control Systems, Inc.		McCarl's, Inc.		
General Mechanical Systems, Inc.		Lady Jane Collieries, Inc.		
H. T. Lyons Co.		H. T. Lyons, Inc.		
14-1795181		23-1900734	25-0955049	23-1420865
14-1642654		23-2677983	24-0856538	04-3458569
14-1795181		59,785,831.	117,198,394.	64,105,855.
1a	Gross receipts or sales			
1b	Less returns & allowances			
1c	Balance	59,785,831.	117,198,394.	64,105,855.
2	Cost of goods sold	59,785,831.	117,198,394.	64,105,855.
3	Gross profit	51,296,307.	105,986,217.	52,254,059.
4	Dividends	8,489,524.	11,212,177.	11,851,786.
5	Interest		1.	24,258.
6	Gross rents		17,438.	
7	Gross royalties			
8	Capital gain net			
9	Income from Form 4797	2,904.	-31,300.	-317.
10	Other income	38,442.	76,673.	119,585.
11	Total income	8,530,870.	11,274,989.	11,995,312.
12	Compensation of officers	1,159,352.	906,560.	1,030,749.
13	Salaries and wages	1,801,272.	2,266,179.	3,564,410.
14	Repairs and maintenance	39,146.	108,769.	59,786.
15	Bad debts		81,560.	
16	Rents	311,113.	40,924.	375,018.
17	Taxes and licenses	462,797.	776,150.	1,342,097.
18	Interest	112,017.	166,463.	123,922.
19	Charitable contributions	7,942.	10,600.	53,971.
20	Depreciation	670,652.	127,410.	62,975.
21	Depletion			
22	Advertising	5,167.	28,702.	136,553.
23	Pension, profit-sharing etc., plans	394,021.		427,458.
24	Employee benefit programs	753,169.	241,357.	642,285.
25	Domestic production activities deduction			
26	Other deductions	3,047,535.	2,218,021.	3,241,939.
27	Total deductions	8,764,583.	6,972,695.	11,060,143.
28	Taxable income before NOL & Spec. Deductions	NONE	-33,706.	935,169.
29a	NOL deduction			
29b	Special deductions			
30	Taxable income	NONE	4,302,294.	NONE

PPL Corporation and Subsidiaries		23-2758192		PPL Investment Corporation	
Ninth Street & Hamilton Corporation		PPS Energy Services Northeast Inc.		PPL Interstate Energy Company	
23-3091207		04-3125706		74-1720208	
01-0418137		23-2926644		23-1677278	
Penotscot Hydro Co PMDC International Holdings, Inc.		PPL Capital Funding, Inc.		PPL Energy Funding Corporation	
51-0368426		23-2926644		23-1677278	
01-0418137		51-0368426		04-3125706	
23-3091207		23-2926644		74-1720208	
1420 Page 1		23-2926644		88-0491205	
1a	Gross receipts or sales				
1b	Less returns & allowances				
1c	Balance			167,316,639.	7,625,828.
2	Cost of goods sold			167,316,639.	7,625,828.
3	Gross profit			145,509,155.	
4	Dividends			21,807,484.	7,625,828.
5	Interest				
6	Gross rents			14,393.	
7	Gross royalties				
8	Capital gain net				
9	Net gain or (loss) from Form 4797			45,924.	-10,020.
10	Other income			36,929.	
11	Total income			21,904,730.	7,615,808.
12	Compensation of officers			4,379,827.	
13	Salaries and wages			5,095,609.	2,338,754.
14	Repairs and maintenance			429,783.	208,973.
15	Bad debts			38,426.	
16	Rents			1,472,340.	8,374.
17	Taxes and licenses			1,249,134.	868,846.
18	Interest			300,197.	168,286.
19	Charitable contributions			28,644.	
20	Depreciation			1,002,989.	1,203,749.
21	Depletion			259,412.	
22	Advertising			70,101.	
23	Pension, profit-sharing etc. plans			116,766.	37,267.
24	Employee benefit programs			463,664.	
25	Domestic production activities deduction			35,249,775.	
26	Other deductions			6,325,921,838.	1,575,362.
27	Total deductions			21,018,931.	6,408,611.
28	Taxable income before NOL & Spec. Deductions			553,112,827.	1,206,197.
29a	NOL deduction				
29b	Special deductions				
30	Taxable income			193,554,156.	162,042,922.
JSA					
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PPL Corporation and Subsidiaries		23-2758192		Titan Mechanical Contractors, Inc.					
PPL Montana Holdings, LLC		PPL Properties, Inc.		PPL Receivables Corporation					
PPL Power Insurance Ltd.		PPL Savage/LEU, Inc.		PPL Spectrum Inc.					
PPL Montana Holdings, LLC		PPL Properties, Inc.		PPL Receivables Corporation					
PPL Power Insurance Ltd.		PPL Savage/LEU, Inc.		PPL Spectrum Inc.					
PPL Montana Holdings, LLC		PPL Properties, Inc.		PPL Receivables Corporation					
PPL Power Insurance Ltd.		PPL Savage/LEU, Inc.		PPL Spectrum Inc.					
1a	Gross receipts or sales	54-1929267	98-0389197	88-0498454	20-0897190	04-3546904	23-2816389	23-1612742	06-1409341
1b	Less returns & allowances	388,433,934.	16,515,182.				61,285.	1,320,698.	
1c	Balance	388,433,934.	16,515,182.				61,285.	1,320,698.	
2	Cost of goods sold	388,433,934.	16,515,182.				61,285.	1,320,698.	
3	Gross profit								
4	Dividends								
5	Interest	33,253.	662,224.	20,645.	22.				
6	Gross rents							160,901.	
7	Gross royalties			39,999,000.					
8	Capital gain net income	7,391.							
9	Net gain or (loss) from Form 4797	-1,987,385.							
10	Other income	-71,400.	-92,653.		58,151,484.			867,728.	
11	Total income	386,415,793.	17,084,753.	40,019,645.	58,151,506.		61,285.	2,349,327.	
12	Compensation of officers	566,055.		1,200.	1,200.				
13	Salaries and wages	11,751,119.							
14	Repairs and maintenance	33,923,363.							
15	Bad debts								
16	Rents	92,836,417.		4,397.	6,401.			491,594.	
17	Taxes and licenses	27,885,273.		105.	105.		560.		
18	Interest	5,047,130.					1.		
19	Charitable contributions								
20	Depreciation	44,832,256.			82.			75,354.	
21	Depletion								
22	Advertising	9,902.							
23	Pension, profit-sharing etc. plans	19,500,000.							
24	Employee benefit programs	682,068.							
25	Domestic production activities deduction	7,836,663.							
26	Other deductions	38,865,946.	20,346,494.	442,532.	2,153,808.		187,665.	1,142,311.	
27	Total deductions	283,776,262.	20,346,494.	448,234.	2,161,596.		188,226.	1,709,259.	
28	Taxable income before NOL & spec. Deductions	102,639,531.	-3,261,741.	39,571,411.	55,989,910.		-126,941.	640,068.	NONE
29a	NOL deduction								
29b	Special deductions								
30	Taxable income	102,639,531.	-3,261,741.	39,571,411.	55,989,910.		-126,941.	640,068.	NONE

PPL Corporation and Subsidiaries		23-2758192	23-3041441	61-0247570	61-1373430
Trystate Mechanical, Inc.		PPL Services Corporation	Kentucky Utilities Company	IG&E and KU Services Company	
13-2853805		23-3041441	61-0247570	61-1373430	
1420 Page 1					
1a	Gross receipts or sales				
1b	Less returns & allowances				
1c	Balance	50,000.	274,501,371.		
2	Cost of goods sold	50,000.	274,501,371.		
3	Gross profit	3,959.	6,250.		
4	Dividends	-2,277.	3,690.		91,447.
5	Interest	11,040.	96,092.		
6	Gross rents				
7	Gross royalties				
8	Capital gain net				
9	Net gain or (loss) from Form 4797	-3,003,956.	12,727.		-72,314.
10	Other income	53,091.	44,814.		
		1,222,526.			
11	Total income	-2,868,133.	275,887,470.		19,133.
12	Compensation of officers	15,275,401.			
13	Salaries and wages	126,807,074.	10,787,891.		21,887,426.
14	Repairs and maintenance	4,271,165.	21,987,418.		
15	Bad debts		936,267.		
16	Rents	5,110,170.	406,721.		
17	Taxes and licenses	-105,168.	64,155.		563,559.
18	Interest	-197,486.	5,039,223.		
19	Charitable contributions	1,865,744.	191,483.		NONE
20	Depreciation	18,880,564.	62,813,309.		1-9,023.
21	Depletion				
22	Advertising		36,187.		
23	Pension profit-sharing etc. plans	76,080,664.	36,510,088.		33,569,015.
24	Employee benefit programs	15,407,349.	3,976,423.		3,489,983.
25	Domestic production activities deduction		451,148.		
26	Other deductions	-221,150,116.	130,606,405.		-504,289.
27	Total deductions	46,375,380.	273,806,718.		59,124,719.
28	Taxable income before NOL & Spec. Deductions	-49,263,513.	2,080,752.		-59,105,586.
29a	NOL deduction				
29b	Special deductions	2,778.	4,375.		
30	Taxable income	-49,266,291.	2,076,377.		-59,105,586.
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PPL Corporation and Subsidiaries		23-2758192		Louisville Gas & Electric Company	
IG&E Energy Marketing Inc.		IG&E Home Services Inc.	IG&E International Inc.	IG&E Power Development Inc.	IG&E Power Operations Inc.
73-1226067		61-1296971	61-1254508	33-0204484	31-0679954
44.		44.	44.	44.	44.
1a	Gross receipts or sales				
1b	Less returns & allowances				
1c	Balance				
2	Cost of goods sold				
3	Gross profit				
4	Dividends				
5	Interest				
6	Gross rents				
7	Gross royalties				
8	Capital gain net				
9	Income from Form 4797				
10	Other income				
11	Total income				
12	Compensation of officers				
13	Salaries and wages				
14	Repairs and maintenance				
15	Bad debts				
16	Rents				
17	Taxes and licenses				
18	Interest				
19	Charitable contributions				
20	Depreciation				
21	Depletion				
22	Advertising etc. plans				
23	Pension, profit-sharing etc. plans				
24	Employee benefit programs				
25	Domestic production activities deduction				
26	Other deductions				
27	Total deductions				
28	Taxable income before NOL & Spec. Deductions				
29a	NOL deduction				
29b	Special deductions				
30	Taxable income				

PPL Corporation and Subsidiaries									
Western Kentucky Energy Corp.		31-1512073	31-1596177	61-1343558	88-0415158	20-4478153	90-0043525	61-1209411	20-4454689
-G&E Power Argentina II Inc.		-G&E Power Argentina III LLC	CEP Reserves, Inc.	IG&E Energy, Inc.	Lexington Utilities Company	IG&E and KU Hydro I, LLC			
Consolidated Schedules									
1120 Page 1									
1a	Gross receipts or sales								
1b	Less returns & allowances								
1c	Balance								
2	Cost of goods sold								
3	Gross profit								
4	Dividends								
5	Interest				47,458,215.			2,360,174.	
6	Gross rents								
7	Gross royalties								
8	Capital gain net								
9	Net gain or (loss) income from Form 4797								
10	Other income								
11	Total income	7.			47,458,215.			2,360,174.	
12	Compensation of officers								
13	Salaries and wages	1,135.			1,200.			145,572.	67,961.
14	Repairs and maintenance								
15	Bad debts								
16	Rents	1,325.			4,397.			26,500.	
17	Taxes and licenses	1,379,010.			105.			14,516.	
18	Interest	2,330,125.						2,583,228.	
19	Charitable contributions							81,500.	
20	Depreciation	4,657.						-443,645.	
21	Depletion								
22	Advertising								
23	Pension, profit-sharing etc. plans	5,335,946.						178,015.	
24	Employee benefit programs	263,563.						753,705.	
25	Domestic production activities deduction								
26	Other deductions	11,553,644.			37,781.			2,232,133.	
27	Total deductions	20,674,210.			43,483.			5,614,485.	
28	Taxable income before NOL & Spec. Deductions	-20,674,203.			47,414,732.			-3,284,311.	
29a	NOL deduction								
29b	Special deductions								
30	Taxable income	-70,869,257.			47,414,732.			-3,284,311.	

FPL Corporation and Subsidiaries
IG&E and KU Energy
LLC

Consolidated Schedules
1120 Page 1

20-0523163

1a	Gross receipts or sales	
1b	Less returns & allowances	
1c	Balance	
2	Cost of goods sold	
3	Gross profit	
4	Dividends	
5	Interest	3,798,716.
6	Gross rents	
7	Gross royalties	
8	Capital gain net	
9	Net income (loss) from Form 4797	
10	Other income	
11	Total income	3,798,716.
12	Compensation of officers	
13	Salaries and wages	322,475.
14	Repairs and maintenance	1,343.
15	Bad debts	
16	Rents	35,043.
17	Taxes and licenses	780,176.
18	Interest	4,674,780.
19	Charitable contributions	27,300.
20	Depreciation	-448,645.
21	Depletion	
22	Advertising	
23	Pension, profit-sharing etc., plans	-239,272.
24	Employee benefit programs	1,440,316.
25	Domestic production activities deduction	
26	Other deductions	1,491,753.
27	Total deductions	8,085,271.
28	Taxable income before NOL & Spec. Deductions	-4,286,555.
29a	NOL deduction	3,491,525.
29b	Special deductions	
30	Taxable income	-7,778,080.

JSA
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Form **1120X**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

**Amended U.S. Corporation
Income Tax Return**

OMB No. 1545-0132

For tax year ending
▶ 12/2010
(Enter month and year.)

Please Type or Print	Name PPL Corporation and Subsidiaries	Employer identification number 23-2758192
	Number, street, and room or suite no. (If a P.O. box, see Instructions.) Two North Ninth Street	Telephone number (optional) (610) 774-5214
	City or town, state, and ZIP code Allentown, PA 18101	

Enter name and address used on original return (If same as above, write "Same.")

Same

Internal Revenue Service Center
where original return was filed ▶ E-Filed / Ogden Service Center

Fill in applicable items and use Part II on the back to explain any changes

Part I Income and Deductions (see instructions)		(a) As originally reported or as previously adjusted	(b) Net change— increase or (decrease)— explain in Part II	(c) Correct amount
1	Total income	1 11,827,453,460		11,827,453,460
2	Total deductions	2 10,767,395,459		10,767,395,459
3	Taxable income. Subtract line 2 from line 1	3 1,060,058,001	0	1,060,058,001
4	Total tax	4 15,887,575	(1,451,604)	14,435,971
Payments and Credits (see instructions)				
5a	Overpayment in prior year allowed as a credit	5a 89,476,448		89,476,448
5b	Estimated tax payments	5b 210,000,000		210,000,000
5c	Refund applied for on Form 4466	5c 220,000,000		220,000,000
5d	Subtract line 5c from the sum of lines 5a and 5b	5d 79,476,448	0	79,476,448
5e	Tax deposited with Form 7004	5e		
5f	Credit from Form 2439	5f		
5g	Credit for federal tax on fuels and other refundable credits	5g 78		78
6	Tax deposited or paid with (or after) the filing of the original return	6		
7	Add lines 5d through 6, column (c)	7		79,476,526
8	Overpayment, if any, as shown on original return or as later adjusted	8		63,588,951
9	Subtract line 8 from line 7	9		15,887,575
Tax Due or Overpayment (see instructions)				
10	Tax due. Subtract line 9 from line 4, column (c). If paying by check, make it payable to the "United States Treasury" ▶	10		0
11	Overpayment. Subtract line 4, column (c), from line 9 ▶	11		1,451,604
12	Enter the amount of line 11 you want: Credited to 20 11 Estimated tax ▶ Refunded ▶	12		1,451,604

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

Sign Here

Signature of officer: *Alexander J. Torok* | 12/15/11 | Assistant Treasurer

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

Part I Explanation of Changes to Items in Part I (Enter the line number from page 1 for the items you are changing, and give the reason for each change. Show any computation in detail. Also, see **What To Attach** in the instructions.)

If the change is due to a net operating loss carryback, a capital loss carryback, or a general business credit carryback, see **Carryback Claims** in the instructions, and check here

Line 4 - Total Tax: The general basket foreign tax credit carryforward as shown on Form 1118, Schedule B, Line 5 in the amount of \$13,385,677 was incorrect. The correct amount should be \$19,192,092. This generated an adjustment in the to the foreign tax credit in the amount of \$5,806,415. Additionally, the general business credit as shown on Form 3800 was adjusted to reflect the correct foreign tax credit carryover amount. This changed the general business credit by \$4,354,811 from \$47,687,724 to \$43,332,913. Therefore, the net adjustment will be \$1,451,604 (\$5,806,415 - \$4,354,811). The \$1,451,604 refund is being requested using this Form 1120X. The remaining \$4,354,811 adjustment to the general business credit will be carried back one year to 2009 and included in an Form 1139.

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

U.S. Corporation Income Tax Return
For calendar year 2010 or tax year beginning _____, ending _____
▶ See separate instructions.

OMB No. 1545-0123
2010

A Check if: 1a Unconsolidated return (attach Form 951) <input checked="" type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	Print or type	Name PPL Corporation and Subsidiaries	B Employer identification number 23-2758192
		Number, street, and room or suite no. If a P.O. box, see instructions. Two North Ninth Street	C Date incorporated 3/15/1994
		City or town State ZIP code Allentown PA 18101	D Total assets (see instructions) \$ 33,380,276,662
		E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change	

Income	1a Gross receipts or sales	6,868,622,618	b Less returns and allowances		c Bal ▶	1c 6,868,622,618
	2 Cost of goods sold (Schedule A, line 8)				2	385,617,044
	3 Gross profit. Subtract line 2 from line 1c				3	6,483,005,574
	4 Dividends (Schedule C, line 19)				4	902,740,964
	5 Interest				5	34,201,662
	6 Gross rents				6	26,892,041
	7 Gross royalties				7	380,384
	8 Capital gain net income (attach Schedule D (Form 1120))				8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)				9	(40,004,193)
	10 Other income (see instructions—attach schedule)			See Statement 10	10	4,420,237,028
	11 Total income. Add lines 3 through 10				11	11,827,453,460
Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (Schedule E, line 4)				12	32,829,840
	13 Salaries and wages (less employment credits)				13	384,100,301
	14 Repairs and maintenance				14	537,173,945
	15 Bad debts				15	28,432,348
	16 Rents				16	112,400,575
	17 Taxes and licenses				17	249,773,139
	18 Interest			See Statement 19	18	394,112,696
	19 Charitable contributions				19	10,609,297
	20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)				20	917,374,854
	21 Depletion				21	259,412
	22 Advertising				22	7,365,058
	23 Pension, profit-sharing, etc., plans				23	518,443,569
	24 Employee benefit programs				24	45,847,450
	25 Domestic production activities deduction (attach Form 8903)				25	43,855,840
	26 Other deductions (attach schedule)			See Statement 29	26	7,484,817,135
	27 Total deductions. Add lines 12 through 26				27	10,767,395,459
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28	1,060,058,001
29 Less:	a Net operating loss deduction (see instructions)	29a	56,355,763		29c	58,061,458
	b Special deductions (Schedule C, line 20)	29b	1,705,695			
30 Taxable income. Subtract line 29c from line 28 (see instructions)				30	1,001,996,543	
Tax, Refundable Credits, and Payments	31 Total tax (Schedule J, line 10)				31	14,435,971
	32a 2009 overpayment credited to 2010	32a	89,476,448			
		32b	210,000,000			
		32c	(220,000,000)			
	d Bal ▶	32d	79,476,448			
	32e					
	f Credits: (1) Form 2439 (2) Form 4136	32f	78			
	32g				32h	79,476,526
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached				33	
	34 Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34	0
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35	65,040,555	
36 Enter amount from line 35 you want: Credited to 2011 estimated tax ▶ 20,000,000 Refunded ▶				36	45,040,555	

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

Sign Here

Signature of officer Alexander J. Torok	Date	Assistant Treasurer	Title
--	------	---------------------	-------

May the IRS discuss this return with the preparer shown below (see instructions)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
---	------------------------------	-----------------------------

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN		Phone no.	
Firm's address ▶	State		ZIP code	
City				

Amended

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	318,584,951.
2	Purchases	2	59,362,227.
3	Cost of labor	3	122,916,642.
4	Additional section 263A costs (attach schedule)	4	-1,495.
5	Other costs (attach schedule)	5	187,525,292.
6	Total. Add lines 1 through 5	6	688,387,617.
7	Inventory at end of year	7	302,770,573.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	385,617,044.

9 a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing

Inventory computed under LIFO

9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?

Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes,"

attach explanation

Yes No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	24,294.	70	17,006.
2	1,940,000.	80	1,552,000.
3			
4		42	
5		48	
6		70	
7		80	
8		100	
9			1,569,006.
10		100	
11		100	
12		100	
13	624,097,208.		
14	3,169,924.		
15	273,509,538.		
16			
17			
18			136,689.
19	902,740,964.		
20			1,705,695.

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1 See Statement 73		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2	Total compensation of officers				32,829,840.
3	Compensation of officers claimed on Schedule A and elsewhere on return				
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12				32,829,840.

Amended

Schedule J Tax Computation (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	350,698,790
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		350,698,790
5a	Foreign tax credit (attach Form 1118)	292,929,906	
5b	Credit from Form 8834, line 29		
5c	General business credit (attach Form 3800)	43,332,913	
5d	Credit for prior year minimum tax (attach Form 8827)		
5e	Bond credits from Form 8912		
6	Total credits. Add lines 5a through 5e		336,262,819
7	Subtract line 6 from line 4		14,435,971
8	Personal holding company tax (attach Schedule PH (Form 1120))		
9	Other taxes. Check if from:	<input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31.		14,435,971

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 551112		
b	Business activity ▶ Holding Company		
c	Product or service ▶		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X
5	At the end of the tax year, did the corporation:		
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see Instructions. If "Yes," complete (i) through (iv).	X	

See Statement 80

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

Schedule K Continued

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see Instructions. Yes No
 If "Yes," complete (i) through (iv). X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Western Power Distribution Holdings Limi	98-0192789	UK	100.00

<p>6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)</p> <p>If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.</p> <p>If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.</p>	X
<p>7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?</p> <p>For rules of attribution, see section 318. If "Yes," enter:</p> <p>(i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____</p> <p>(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____</p>	X
<p>8 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/></p> <p>If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.</p>	
<p>9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____ 163,074.</p>	
<p>10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____</p>	
<p>11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/></p> <p>If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.</p>	
<p>12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 28a.) ▶ \$ _____ 879,104,988.</p>	
<p>13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?</p> <p>If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____</p>	X
<p>14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see Instructions)?</p> <p>If "Yes," complete and attach Schedule UTP.</p>	X

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
	Cash		896,954,936.		625,749,275.
	a Trade notes and accounts receivable	3,338,822,762.	Stmt 100	5,007,837,366.	
	b Less allowance for bad debts	(33,685,127.)	3,305,137,635.	(54,090,646.)	4,953,746,720.
3	Inventories		504,519,004.		810,005,633.
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)	Stmt 105	2,657,358,334.		2,898,713,558.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)	Stmt 121	1,934,604,674.		2,290,789,058.
10a	Buildings and other depreciable assets	16,783,067,090.		23,346,824,575.	
	b Less accumulated depreciation	(7,552,925,097.)	9,230,141,993.	(7,698,294,419.)	15,648,530,156.
11a	Depletable assets				
	b Less accumulated depletion				
12	Land (net of any amortization)		674,569.		674,569.
13a	Intangible assets (amortizable only)	303,297,480.		1,637,340,289.	
	b Less accumulated amortization	(8,795,425.)	294,502,055.	(8,498,434.)	1,628,841,855.
14	Other assets (attach schedule)	Stmt 137	2,775,157,766.		4,523,225,838.
15	Total assets		21,599,050,966.		33,380,276,662.
Liabilities and Shareholders' Equity					
16	Accounts payable	Stmt 153	582,066,428.		1,028,885,544.
17	Mortgages, notes, bonds payable in less than 1 year		3,282,327,566.		5,458,788,992.
18	Other current liabilities (attach schedule)	Stmt 158	2,643,772,047.		2,976,151,367.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more	Stmt 174	5,385,730,949.		9,848,939,903.
21	Other liabilities (attach schedule)	Stmt 176	3,891,408,588.		5,512,942,040.
22	Capital stock: a Preferred stock	300,518,900.		250,000,000.	
	b Common stock	208,703,157.	509,222,057.	5,186,205.	255,186,205.
3	Additional paid-in capital	Stmt 192	2,537,792,565.		4,516,261,417.
24	Retained earnings-Appropriated (attach schedule)	Stmt 208	319,566,699.		318,629,794.
25	Retained earnings - Unappropriated		2,717,679,882.		3,737,489,120.
26	Adjustments to shareholders' equity (attach schedule)	Stmt 224	-270,515,815.		-272,997,720.
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		21,599,050,966.		33,380,276,662.

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

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books	938,136,117.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	305,258,812.		Tax-exempt interest \$	163,074.
3	Excess of capital losses over capital gains	16,555,435.			
4	Income subject to tax not recorded on books this year (itemize):			See Statement 267	394,995,173.
	See Statement 249	1,384,910,398.	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):			a Depreciation \$	919,518,578.
a	Depreciation	446,456,285.		b Charitable contributions \$	4,320,301.
b	Charitable contributions				
c	Travel and entertainment	1,754,892.		See Statement 276	1,236,566,110.
	See Statement 258	522,549,298.	9	Add lines 7 and 8	2,555,563,236.
6	Add lines 1 through 5	3,615,621,237.	10	Income (page 1, line 28) - line 6 less line 9	1,060,058,001.

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

1	Balance at beginning of year	2,717,679,882.	5	Distributions: a Cash	605,260,754.
2	Net income (loss) per books	938,136,117.		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	1,485,999.
			7	Add lines 5 and 6	606,746,753.
		688,419,874.	8	Balance at end of year (line 4 less line 7)	3,737,489,120.
	Add lines 1, 2, and 3	4,344,235,873.			

- Q.24. Provide detailed computations by vintage year showing State and Federal deferred income taxes resulting from the use of accelerated tax depreciation associated with post-1969 public utility property, ADR rates, and accelerated tax depreciation associated with post-1980 public utility property under the Accelerated Cost Recovery System (ACRS).
- a) Reconcile and explain any differences in the base used to calculate State and Federal deferred income taxes.
 - b) State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
 - c) Reconcile differences between the deferred tax balance, as shown as a reduction to rate base, and the deferred tax balance as shown on the balance sheet.
- A.24. PPL Electric does not provide for deferred income taxes related to accelerated depreciation of assets acquired prior to January 1, 1981. However, through December 31, 1980, the Company did provide for deferred taxes related to the difference in tax depreciation resulting from using class lives under the ADR system of depreciation versus tax depreciation from the use of guideline lives in effect prior to the ADR system of depreciation. In accordance with the Commission's order adopted January 31, 1981, at Docket No. R-80031114, the Company terminated provisions for deferred taxes. The Company fully amortized the December 31, 1980 balance of deferred income taxes through December 31, 2005. The Company is deferring federal income taxes associated with the use of accelerated tax depreciation under the Accelerated Cost Recovery System (ACRS) of the Economic Recovery Tax Act of 1981 in compliance with the Commission's order adopted December 18, 1981, at Docket No. R-811636. See Attachment II-D-24 for detailed computations by vintage year.
- a) PPL Electric does not provide for any state deferred income taxes associated with the use of accelerated tax depreciation on distribution property and distribution-related general property.
 - b) Tax depreciation is not based on all rate base items claimed as of the end of the test year. Certain assets that are included in rate base are fully depreciated for tax purposes. Additionally, there are basis differences between book cost and tax cost for which tax depreciation is not calculated. Tax depreciation claimed is the annual tax depreciation at the end of the future test year.
 - c) The total deferred tax balances shown on Schedule C-6 of Exhibit Future 1 agree with the rate base reduction shown on Schedule C-1 of Exhibit Future 1. Schedule C-6 of Exhibit Future 1 is cross-referenced to the deferred tax balances shown on the balance sheet provided in Schedule B-1 of Exhibit Future 1.

PPL Electric Utilities
Deferred Income Tax Calculation Due to Excess of Tax
Depreciation Over Depreciation Using Tax Basis and Book Rates
for Year Ended December 31, 2012
(\$000's)

<u>Description</u>	<u>ACRS & MACRS Tax Depreciation</u>	<u>Depreciation Using Tax Basis & Book Rates</u>	<u>Excess Depreciation</u>	<u>(a) Rate</u>	<u>Deferred Federal Income Taxes</u>
<u>Vintage 1981:</u>					
Distribution	\$ 77	\$ 874	\$ (797)	42.53%	\$ (339)
General	0	41	(41)	41.46%	(17)
Subtotal-1981 Vintage	<u>77</u>	<u>915</u>	<u>(838)</u>		<u>(356)</u>
<u>Vintage 1982:</u>					
Distribution	94	1,017	(923)	41.82%	(386)
General	0	226	(226)	41.59%	(94)
Subtotal-1982 Vintage	<u>94</u>	<u>1,243</u>	<u>(1,149)</u>		<u>(480)</u>
<u>Vintage 1983:</u>					
Distribution	45	1,788	(1,743)	40.62%	(708)
General	0	244	(244)	40.57%	(99)
Subtotal-1983 Vintage	<u>45</u>	<u>2,032</u>	<u>(1,987)</u>		<u>(807)</u>
<u>Vintage 1984:</u>					
Distribution	44	1,184	(1,140)	39.91%	(455)
General	0	21	(21)	38.10%	(8)
Subtotal-1984 Vintage	<u>44</u>	<u>1,205</u>	<u>(1,161)</u>		<u>(463)</u>
<u>Vintage 1985:</u>					
Distribution	106	1,496	(1,390)	38.85%	(540)
General	0	202	(202)	38.61%	(78)
Subtotal-1985 Vintage	<u>106</u>	<u>1,698</u>	<u>(1,592)</u>		<u>(618)</u>
<u>Vintage 1986:</u>					
Distribution	66	1,638	(1,572)	37.60%	(591)
General	0	53	(53)	37.74%	(20)
Subtotal-1986 Vintage	<u>66</u>	<u>1,691</u>	<u>(1,625)</u>		<u>(611)</u>
<u>Vintage 1987:</u>					
Distribution	96	2,198	(2,102)	36.54%	(768)
General	105	223	(118)	36.44%	(43)
Subtotal-1987 Vintage	<u>201</u>	<u>2,421</u>	<u>(2,220)</u>		<u>(811)</u>
<u>Vintage 1988:</u>					
Distribution	83	2,681	(2,598)	34.64%	(900)
General	74	107	(33)	35.00%	(12)
Subtotal-1988 Vintage	<u>157</u>	<u>2,788</u>	<u>(2,631)</u>		<u>(912)</u>
<u>Vintage 1989:</u>					
Distribution	79	2,560	(2,481)	35.00%	(861)
General	57	84	(27)	35.00%	(9)
Subtotal-1989 Vintage	<u>136</u>	<u>2,644</u>	<u>(2,508)</u>		<u>(870)</u>
<u>Vintage 1990:</u>					
Distribution	130	3,050	(2,920)	34.79%	(1,016)
General	119	201	(82)	35.00%	(29)
Subtotal-1990 Vintage	<u>249</u>	<u>3,251</u>	<u>(3,002)</u>		<u>(1,045)</u>
<u>Vintage 1991:</u>					
Distribution	112	3,022	(2,910)	34.88%	(1,015)
General	45	99	(54)	35.00%	(19)
Subtotal-1991 Vintage	<u>157</u>	<u>3,121</u>	<u>(2,964)</u>		<u>(1,034)</u>

PPL Electric Utilities
Deferred Income Tax Calculation Due to Excess of Tax
Depreciation Over Depreciation Using Tax Basis and Book Rates
for Year Ended December 31, 2012
(\$000's)

<u>Description</u>	<u>ACRS & MACRS Tax Depreciation</u>	<u>Depreciation Using Tax Basis & Book Rates</u>	<u>Excess Depreciation</u>	<u>(a) Rate</u>	<u>Deferred Federal Income Taxes</u>
<u>Vintage 1992:</u>					
Distribution	3,708	3,846	(138)	34.78%	(48)
General	740	1,061	(321)	34.89%	(112)
Subtotal-1992 Vintage	<u>4,448</u>	<u>4,907</u>	<u>(459)</u>		<u>(160)</u>
<u>Vintage 1993:</u>					
Distribution	6,713	3,549	3,164	35.00%	1,107
General	530	933	(403)	35.00%	(141)
Subtotal-1993 Vintage	<u>7,243</u>	<u>4,482</u>	<u>2,761</u>		<u>966</u>
<u>Vintage 1994:</u>					
Distribution	7,167	3,776	3,391	35.00%	1,187
General	127	337	(210)	35.00%	(73)
Subtotal-1994 Vintage	<u>7,294</u>	<u>4,113</u>	<u>3,181</u>		<u>1,114</u>
<u>Vintage 1995:</u>					
Distribution	6,103	3,279	2,824	35.00%	988
General	596	1,114	(518)	35.00%	(181)
Subtotal-1995 Vintage	<u>6,699</u>	<u>4,393</u>	<u>2,306</u>		<u>807</u>
<u>Vintage 1996:</u>					
Distribution	5,841	3,109	2,732	35.00%	956
General	150	115	35	35.00%	12
Subtotal-1996 Vintage	<u>5,991</u>	<u>3,224</u>	<u>2,767</u>		<u>968</u>
<u>Vintage 1997:</u>					
Distribution	5,427	2,880	2,547	35.00%	891
General	290	423	(133)	35.00%	(47)
Subtotal-1997 Vintage	<u>5,717</u>	<u>3,303</u>	<u>2,414</u>		<u>844</u>
<u>Vintage 1998:</u>					
Distribution	4,530	2,416	2,114	35.00%	740
General	179	356	(177)	35.00%	(62)
Subtotal-1998 Vintage	<u>4,709</u>	<u>2,772</u>	<u>1,937</u>		<u>678</u>
<u>Vintage 1999:</u>					
Distribution	4,430	2,302	2,128	35.00%	745
General	107	331	(224)	35.00%	(78)
Subtotal-1999 Vintage	<u>4,537</u>	<u>2,633</u>	<u>1,904</u>		<u>667</u>
<u>Vintage 2000:</u>					
Distribution	2,766	1,433	1,333	35.00%	466
General	401	931	(530)	35.00%	(186)
Subtotal-2000 Vintage	<u>3,167</u>	<u>2,364</u>	<u>803</u>		<u>280</u>
<u>Vintage 2001:</u>					
Distribution	2,731	1,623	1,108	35.00%	388
General	206	667	(461)	35.00%	(161)
Subtotal-2001 Vintage	<u>2,937</u>	<u>2,290</u>	<u>647</u>		<u>227</u>
<u>Vintage 2002:</u>					
Distribution	(5,100)	(2,952)	(2,148)	35.00%	(752)
General	347	929	(582)	35.00%	(204)
Subtotal-2002 Vintage	<u>(4,753)</u>	<u>(2,023)</u>	<u>(2,730)</u>		<u>(956)</u>

PPL Electric Utilities
Deferred Income Tax Calculation Due to Excess of Tax
Depreciation Over Depreciation Using Tax Basis and Book Rates
for Year Ended December 31, 2012
(\$000's)

<u>Description</u>	<u>ACRS & MACRS Tax Depreciation</u>	<u>Depreciation Using Tax Basis & Book Rates</u>	<u>Excess Depreciation</u>	<u>(a) Rate</u>	<u>Deferred Federal Income Taxes</u>
<u>Vintage 2003:</u>					
Distribution	3,997	3,994	3	35.00%	1
General	779	1,693	(914)	35.00%	(320)
Subtotal-2003 Vintage	<u>4,776</u>	<u>5,687</u>	<u>(911)</u>		<u>(319)</u>
<u>Vintage 2004:</u>					
Distribution	3,627	2,856	771	35.00%	270
General	126	595	(469)	35.00%	(164)
Subtotal-2004 Vintage	<u>3,753</u>	<u>3,451</u>	<u>302</u>		<u>106</u>
<u>Vintage 2005:</u>					
Distribution	4,159	2,083	2,076	35.00%	727
General	264	869	(605)	35.00%	(212)
Subtotal-2005 Vintage	<u>4,423</u>	<u>2,952</u>	<u>1,471</u>		<u>515</u>
<u>Vintage 2006:</u>					
Distribution	6,483	2,792	3,691	35.00%	1,292
General	468	869	(401)	35.00%	(140)
Subtotal-2006 Vintage	<u>6,951</u>	<u>3,661</u>	<u>3,290</u>		<u>1,152</u>
<u>Vintage 2007:</u>					
Distribution	6,975	2,870	4,105	35.00%	1,437
General	2,276	2,177	99	35.00%	35
Subtotal-2007 Vintage	<u>9,251</u>	<u>5,047</u>	<u>4,204</u>		<u>1,472</u>
<u>Vintage 2008:</u>					
Distribution	4,108	2,763	1,345	35.00%	471
General	1,927	2,816	(889)	35.00%	(311)
Subtotal-2008 Vintage	<u>6,035</u>	<u>5,579</u>	<u>456</u>		<u>160</u>
<u>Vintage 2009:</u>					
Distribution	3,622	2,366	1,256	35.00%	440
General	3,779	6,165	(2,386)	35.00%	(835)
Subtotal-2009 Vintage	<u>7,401</u>	<u>8,531</u>	<u>(1,130)</u>		<u>(395)</u>
<u>Vintage 2010:</u>					
Distribution	2,831	2,663	168	35.00%	59
General	4,690	5,694	(1,004)	35.00%	(352)
Subtotal-2010 Vintage	<u>7,521</u>	<u>8,357</u>	<u>(836)</u>		<u>(293)</u>
<u>Vintage 2011:</u>					
Distribution	(2,706)	3,040	(5,746)	35.00%	(2,011)
General	1,851	6,196	(4,345)	35.00%	(1,521)
Subtotal-2011 Vintage	<u>(855)</u>	<u>9,236</u>	<u>(10,091)</u>		<u>(3,532)</u>
<u>Vintage 2012:</u>					
Distribution	85,298	1,934	83,364	35.00%	29,177
General	12,890	4,340	8,550	35.00%	2,994
Subtotal-2012 Vintage	<u>98,188</u>	<u>6,274</u>	<u>91,914</u>		<u>32,171</u>
<u>Summary:</u>					
Distribution	\$ 163,642	\$ 74,130	\$ 89,512		\$ 30,952
General	33,123	40,112	(6,989)		(2,487)
Grand Total	<u>\$ 196,765</u>	<u>\$ 114,242</u>	<u>\$ 82,523</u>		<u>\$ 28,465</u>

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

PPL ELECTRIC UTILITIES CORPORATION

Electric Operations
Schedule of Deferred Investment Tax Credit (ITC)
Year Ended December 31, 2012
(Thousands of Dollars)

<u>Vintage</u> <u>Year</u>	<u>Rate</u>	<u>Accumulated ITC</u> <u>@ 12/31/2011</u>	<u>Amortization for</u> <u>Year Ended</u> <u>12/31/2012</u>	<u>Accumulated ITC</u> <u>@ 12/31/2012</u>
<u>Transmission Property:</u>				
1980	10%	\$ 118	\$ 118	\$ 0
1981	10%	423	211	212
1982	10%	184	61	123
1983	10%	7	2	5
1984	10%	118	24	94
1985	10%	103	17	86
1986	10%	87	13	74
1987	10%	75	9	66
1988	10%	15	2	13
sub total		<u>1,130</u>	<u>457</u>	<u>673</u>
<u>Distribution Property:</u>				
1980	10%	160	160	0
1981	10%	321	161	160
1982	10%	442	147	295
1983	10%	317	79	238
1984	10%	421	84	337
1985	10%	702	117	585
1986	10%	838	120	718
1987	10%	223	28	195
1988	10%	112	12	100
1989	10%	29	3	26
1990	10%	54	5	49
sub total		<u>3,619</u>	<u>916</u>	<u>2,703</u>
Total		<u>\$ 4,749</u>	<u>\$ 1,373</u>	<u>\$ 3,376</u>

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

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

- Q.1. Supply a copy of any budget utilized as a basis for any test year claim, and explains the utility's budgeting process.
- A.1. Attachment II-E-1 is a summary of the operating budget utilized as the basis for PPL Electric's future test year claim. An explanation of the Company's budgeting process is contained in Statement No. 2, the Direct Testimony of Gary L. Banzhoff.

PPL ELECTRIC UTILITIES CORPORATION

Budget 2012
(Thousands of Dollars)

	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Year 2012
Operating Revenues	\$182,534	\$170,789	\$161,500	\$138,176	\$134,473	\$147,686	\$156,221	\$158,317	\$137,351	\$141,782	\$151,454	\$182,061	\$1,862,344
Gas Operations	196	219	202	195	192	223	202	191	178	192	203	228	2,421
Wholesale Energy Marketing	182,730	171,008	161,702	138,371	134,665	147,909	156,423	158,508	137,529	141,974	151,657	182,289	1,864,765
Intercompany Sales													
Total Operating Revenues													
Operating Expenses													
Electric Fuel	74,889	68,259	62,301	49,108	46,427	52,070	58,453	58,434	46,549	49,120	54,907	71,603	692,120
Cost of Natural Gas & Propane	74,889	68,259	62,301	49,108	46,427	52,070	58,453	58,434	46,549	49,120	54,907	71,603	692,120
Energy Purchases - External													
Energy Purchases - Internal													
Total Fuel & Energy Purchases													
Other Operating Expenses - Direct	33,582	31,625	40,093	32,956	34,151	43,254	36,073	39,000	44,512	39,228	35,623	41,264	451,361
Other Operating Expenses - Intercompany	12,557	13,669	13,605	12,124	12,210	12,860	12,743	12,439	12,160	13,325	12,103	12,603	152,398
Total O&M Expense	46,139	45,294	53,698	45,080	46,361	56,114	48,816	51,439	56,672	52,553	47,726	53,867	603,759
Amort. of Transition Costs/Def Credits	190	190	191	190	190	191	190	190	191	190	190	192	2,285
Depreciation	12,349	12,425	12,616	12,811	12,904	13,013	13,113	13,199	13,285	13,369	13,452	13,534	156,070
Taxes Other Than Income	11,060	10,216	9,415	8,013	7,841	8,893	9,588	9,555	7,861	8,245	8,937	11,320	110,944
Total Operating Expenses	144,627	136,384	138,221	115,202	113,723	130,281	130,160	132,817	124,558	123,477	125,212	150,516	1,565,178
Income from Operations	38,103	34,624	23,481	23,169	20,942	17,628	26,263	25,691	12,971	18,497	26,445	31,773	299,587
Other Income and (Deductions)	(1,735)	153	36	11	40	5	57	95	47	8	(1)	(38)	(1,322)
Interest Expense													
Long Term Debt	8,121	8,121	8,121	8,121	8,121	8,715	8,715	8,715	8,715	8,703	8,701	8,701	101,570
Preferred Securities													
Short Term Debt & Other Intercompany Interest	100	100	100	100	100	100	100	100	100	100	100	100	1,200
AFUDC & Capitalized Interest	(772)	(819)	(1,187)	(985)	(1,213)	(1,130)	(1,107)	(1,147)	(1,150)	(1,275)	(1,183)	(1,150)	(13,118)
Total Interest Expense	7,449	7,402	7,034	7,236	7,008	7,685	7,708	7,668	7,665	7,528	7,518	7,651	89,652
Income Before Income Taxes	28,919	27,375	16,483	15,944	13,974	9,948	18,612	18,118	5,353	10,977	18,826	24,084	208,613
Income Taxes													
Federal Income Tax	(13,074)	2,944	(933)	(608)	(1,262)	(2,680)	516	395	(4,070)	(6,036)	640	1,902	(22,266)
State Income Tax	(3,242)	1,878	682	869	689	217	1,191	1,141	(221)	(838)	1,250	1,559	5,175
Deferred Income Taxes	27,523	5,765	5,793	5,653	5,688	5,591	5,541	5,501	5,512	10,988	5,459	5,466	94,480
Total Income Taxes	11,207	10,587	5,542	5,914	5,115	3,128	7,248	7,037	1,221	4,114	7,349	8,927	77,389
Income Before Extraordinary Item	17,712	16,788	10,941	10,030	8,859	6,820	11,364	11,081	4,132	6,863	11,477	15,157	131,224
Extraordinary Item, net of income taxes													
Net Income	17,712	16,788	10,941	10,030	8,859	6,820	11,364	11,081	4,132	6,863	11,477	15,157	131,224
Noncontrolling Interest													
Minority Interest	1,302	1,302	1,302	0	0	0	0	0	0	0	0	0	3,906
Preferred Stock Dividend Requirements	1,302	1,302	1,302	0	0	0	0	0	0	0	0	0	3,906
Net Income Attributable to Noncontrolling Interest													
Earnings Available for Common	\$16,410	\$15,486	\$9,639	\$10,030	\$8,859	\$6,820	\$11,364	\$11,081	\$4,132	\$6,863	\$11,477	\$15,157	\$127,318

- Q.2. Supply summaries of the utility's projected operating and capital budgets for the 2 calendar years following the end of the test year.
- A.2. Attachment II-E-2a provides the Company's projected operating budget for 2013 and 2014. Attachment II-E-2b provides the Company's capital budget for 2013 and 2014.

PPL ELECTRIC UTILITIES CORPORATION

Projected Operating Budget (a)
For the Years Ended December 31,
(Thousands of Dollars)

	<u>2013</u>	<u>2014</u>
Operating Revenues		
Electric Operations	\$ 1,978,409	\$ 2,131,320
Wholesale & Energy Trading	0	0
Intercompany Sales	2,421	2,421
	<hr/>	<hr/>
Total Electric Operating Revenue	<u>1,980,830</u>	<u>2,133,741</u>
Operating Expenses		
Energy Purchases - External	779,348	854,062
Energy Purchases - Internal	0	0
O&M Expense	584,794	571,590
Regulatory Debits/Credits	0	0
Depreciation	171,776	185,261
Taxes Other Than Income	107,786	113,123
Income Taxes-Federal	62,773	32,494
Income Taxes-State	18,070	25,013
Deferred Income Taxes	46,254	106,132
	<hr/>	<hr/>
Total Operating Expenses	<u>1,770,801</u>	<u>1,887,675</u>
Operating Income	<u><u>\$ 210,029</u></u>	<u><u>\$ 246,066</u></u>

(a) Does not include any effect of this rate filing.

PPL ELECTRIC UTILITIES CORPORATION

Projected Capital Budget
For the Years Ended December 31,
(Thousands of Dollars)

<u>Budget Category</u>	<u>2013</u>	<u>2014</u>
Provide Electric Service	\$ 75,688	\$ 78,146
Revenue Cycle Service	17,699	23,109
Upgrade System Facilities	242,511	200,388
Asset Optimization Strategy	161,049	174,632
Maintain System Reliability	60,216	56,149
Improve System Reliability	33,820	28,672
Respond To Customer	9,590	9,776
Other (a)	36,056	24,732
Buildings and Improvements	35,665	16,194
Susquehanna-Roseland Proj	176,104	189,340
Smart Grid	20,701	18,526
Total	<u>\$ 869,099</u>	<u>\$ 819,664</u>

(a) Includes office furniture, technology projects, and site acquisitions

- Q.1. Provide a schedule showing the major components of claimed capitalization, and the derivation of the weighted costs of capital for the rate case claim. This schedule shall include a descriptive statement concerning the major elements of changes in claimed capitalization, cost rates and overall return from comparable historical data.
- A.1. See Schedules B-6, B-7, B-8 and B-9 of Exhibit Future 1 for major components of claimed capitalization and the derivation of the weighted cost of capital.

- Q.2. Provide a schedule in the same format as Schedule 1, except for the omission of the descriptive statement, for the most immediate comparable annual historical period prior to the test year and the two calendar years most immediately preceding the rate of return claim period. Irrespective of whether the capitalization claimed on Schedule 1 includes short-term debt, Schedule 2 should reflect capital ratios with and without short-term debt.
- A.2. Attachment III-A-2 provides the capitalization data for the years 2010 and 2011.

PPL ELECTRIC UTILITIES CORPORATION

Capitalization & Capitalization Ratios - Year End
(Thousands of Dollars)

Line No.	2010			2011		
	Amount	Excluding Short-Term Debt	Including Short-Term Debt	Amount	Excluding Short-Term Debt	Including Short-Term Debt
1	\$ 1,446,574	43.8%	43.8%	\$ 1,647,407	44.8%	44.8%
2	249,824	7.6%	7.6%	249,965	6.8%	6.8%
3	1,604,384	48.6%	48.6%	1,780,183	48.4%	48.4%
4	3,300,782	100.0%	100.0%	3,677,555	100.0%	100.0%
5	0	0.0%	0.0%	0	0.0%	0.0%
6	\$ 3,300,782	100.0%	100.0%	\$ 3,677,555	100.0%	100.0%

(a) Long-term debt includes amount due within one year and the unamortized loss on reacquired debt.

(b) Preferred and preference stock includes an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock.

(c) Common equity includes an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock.

- Q.1. Provide a schedule showing the calculation of embedded cost of long-term debt by issue, supporting the related rate case claim. The schedule shall contain the following information:
- a) Date of issue.
 - b) Date of maturity.
 - c) Amount issued.
 - d) Amount outstanding.
 - e) Amount retired.
 - f) Amount reacquired.
 - g) Gain or loss on reacquisition.
 - h) Coupon rate.
 - i) Discount or premium at issuance.
 - j) Issuance expense.
 - k) Net proceeds.
 - l) Sinking fund requirements.
 - m) Effective cost rate.
 - n) Total average weighted effective cost rate.

Projected new issues, retirements and other major changes from the comparable historic data should be clearly noted.

- A.1. Schedule B-6 of Exhibit Future 1 provides the requested information.

- Q.2. In the event that a claim made for a true or economic cost of debt exceeds that shown in the preceding nominal cost schedule because of convertible features, sale with warrants or for any other reason, a full statement of the basis for such a claim should be provided.
- A.2. No claim is being made for a true economic cost of debt that exceeds that shown in the preceding nominal cost schedule.

- Q.3. Provide the following information concerning bank notes payable for test year and for latest comparable annual historical period prior to the test year:
- a) Line of credit at each bank.
 - b) Average daily balances of notes to each bank, by name of bank.
 - c) Interest rate charged on each bank note (Prime rate, formula rate, or other).
 - d) Purpose of each bank note (for example, construction, fuel storage, working capital, debt retirement).
 - e) Prospective future need for this type of financing.

A.3. a) & b) The requested information is provided in Attachments III-B-3a and III-B-3b.

- c) The applicable interest rate (effective October 2011) charged on borrowings is either a Eurodollar rate or base rate. The borrowing formulas, based on one rating lower than the then highest credit rating in effect for PPL Electric, are as follows:

Eurodollar borrowings: LIBOR +1.25%

Base Rate borrowings: The higher of: (i) the Prime Rate, (ii) the Federal Funds Rate +0.50%, or 1 month LIBOR + 1.00%

- d) PPL Electric has established its credit facilities primarily as a means to provide liquidity support for its unsecured commercial paper program.
- e) PPL Electric expects to continue to utilize the credit facilities to support its unsecured commercial paper program.

PPL ELECTRIC UTILITIES CORPORATION

**Line of Credit and Average Daily Note Balances by Bank
At December 31, 2011**

	<u>Total Commitment</u> <u>by Bank</u>	<u>Average Daily</u> <u>Balance</u>
Royal Bank of Scotland plc	\$ 10,250,000	\$ 0
Bank of America, N.A.	10,250,000	0
Wells Fargo Bank N.A.	10,250,000	0
Morgan Stanley Bank, N.A.	9,500,000	0
BNP Paribas	9,500,000	0
UBS Loan Finance LLC	9,500,000	0
The Bank of Nova Scotia	9,500,000	0
Credit Suisse, AG	9,500,000	0
Royal Bank of Canada	9,500,000	0
Goldman Sachs Bank USA	9,500,000	0
JP Morgan Chase Bank, N.A.	9,500,000	0
Barclays Bank PLC	9,500,000	0
Citibank, N.A.	9,500,000	0
Key Bank National Association	7,000,000	0
Credit Agricole Corporate and Investment Bank	7,000,000	0
U.S. Bank N.A.	7,000,000	0
Deutsche Bank AG New York/London Branches	7,000,000	0
Lloyds TSB Bank PLC	7,000,000	0
Union Bank, N.A.	4,750,000	0
The Bank of Tokyo-Mitsubishi UFJ	4,750,000	0
The Bank of New York Mellon	3,400,000	0
Banco Bilbao Vizcaya Argentaria S.A. - New York Branch	3,400,000	0
Bayerishche Landesbank	3,400,000	0
Mizuho Corporate Bank, Ltd.	3,400,000	0
Sovereign Bank(Santander Group)	3,400,000	0
SunTrust Bank	3,400,000	0
PNC Bank, N.A.	2,000,000	0
Sumitomo Mitsui Banking Corporation	2,000,000	0
CIBC Inc.	2,000,000	0
Fifth Third Bank	2,000,000	0
The Northern Trust Company	1,350,000	0
	<u>\$ 200,000,000</u>	<u>\$ 0</u>

PPL ELECTRIC UTILITIES CORPORATION

**Line of Credit and Average Daily Note Balances by Bank
At December 31, 2012**

	<u>Total</u> <u>Commitment by</u> <u>Bank</u>	<u>Average Daily</u> <u>Balance</u>
Royal Bank of Scotland plc	\$ 10,250,000	\$ 0
Bank of America, N.A.	10,250,000	0
Wells Fargo Bank N.A.	10,250,000	0
Morgan Stanley Bank, N.A.	9,500,000	0
BNP Paribas	9,500,000	0
UBS Loan Finance LLC	9,500,000	0
The Bank of Nova Scotia	9,500,000	0
Credit Suisse, AG	9,500,000	0
Royal Bank of Canada	9,500,000	0
Goldman Sachs Bank USA	9,500,000	0
JP Morgan Chase Bank, N.A.	9,500,000	0
Barclays Bank PLC	9,500,000	0
Citibank, N.A.	9,500,000	0
Key Bank National Association	7,000,000	0
Credit Agricole Corporate and Investment Bank	7,000,000	0
U.S. Bank N.A.	7,000,000	0
Deutsche Bank AG New York/London Branches	7,000,000	0
Lloyds TSB Bank PLC	7,000,000	0
Union Bank, N.A.	4,750,000	0
The Bank of Tokyo-Mitsubishi UFJ	4,750,000	0
The Bank of New York Mellon	3,400,000	0
Banco Bilbao Vizcaya Argentaria S.A. - New York Branch	3,400,000	0
Bayerische Landesbank	3,400,000	0
Mizuho Corporate Bank, Ltd.	3,400,000	0
Sovereign Bank(Santander Group)	3,400,000	0
SunTrust Bank	3,400,000	0
PNC Bank, N.A.	2,000,000	0
Sumitomo Mitsui Banking Corporation	2,000,000	0
CIBC Inc.	2,000,000	0
Fifth Third Bank	2,000,000	0
The Northern Trust Company	1,350,000	0
	<u>\$ 200,000,000</u>	<u>\$ 0</u>

Q.4. Provide detailed information concerning all other short-term debt outstanding.

A.4. PPL Electric's primary source of short-term financing is commercial paper and credit facility bank loans. Schedules showing the month-end balances of commercial paper and weighted average interest rate for the historic test year and the future test year are shown on Attachments III-B-4a and III-B-4b, respectively. The Company had no other short-term debt outstanding during the historic test year other than that identified in Question III-B-3 of Exhibit Regs. 53.53, Part III – Rate of Return.

PPL ELECTRIC UTILITIES CORPORATION

**Monthly Short Term Debt Outstanding
During Year Ended December 31, 2011**

	<u>Month-end Outstanding</u>		<u>Weighted Average Rate</u>
January	\$	0	0.00%
February		0	0.00%
March		0	0.00%
April		0	0.00%
May		0	0.00%
June		0	0.00%
July		0	0.00%
August		0	0.00%
September		0	0.00%
October		0	0.00%
November		0	0.00%
December		0	0.00%

PPL ELECTRIC UTILITIES CORPORATION

**Monthly Short Term Debt Outstanding
During Year Ended December 31, 2012**

	<u>Month-end Outstanding</u>	<u>Weighted Average Rate</u>
January	\$ 0	0.00%
February	0	0.00%
March	0	0.00%
April	0	0.00%
May	0	0.00%
June	0	0.00%
July	0	0.00%
August	0	0.00%
September	0	0.00%
October	0	0.00%
November	0	0.00%
December	0	0.00%

- Q.5. Describe long-term debt reacquisition by issue by Company and Parent as follows:
- a) Reacquisition by issue by year.
 - b) Total gain or loss on reacquisition's by issue by year.
 - c) Accounting for gain or loss for income tax and book purposes.
 - d) Proposed treatment of gain or loss on such reacquisition for ratemaking purposes.
- A.5. Attachment III-B-5 provides the requested information.

PPL ELECTRIC UTILITIES CORPORATION

Long-term Debt Reacquisition by Issue

Line No.	Description	Amount	Total Loss on Reacquired Debt (b)	Unamortized Loss as of December 31, 2011	Unamortized Loss as of December 31, 2012
1986					
1	15-5/8% Series due 2010 (c)	\$ 100,000,000	\$ 14,022,896	\$ 637,561	\$ 477,734
1987					
2	13-1/4% Series due 2012 (c)	100,000,000	11,529,725	117,583	0
1988					
3	13-1/8% Series due 2013 (c)	125,000,000	13,759,884	342,188	154,982
1989					
4	13-1/2% Series due 1994 (c)	125,000,000	5,503,632	439,023	376,158
5	12-3/4% Series due 2014 (c)	125,000,000	13,787,793	1,214,077	1,057,007
1990					
6	12% Series due 2015 (c)	125,000,000	13,037,869	662,752	485,437
1992					
7	10-7/8% Series due 2016 (c)	125,000,000	10,585,931	1,243,114	1,122,557
1993					
8	7-7/8% - 8-1/8% PC Series C due 2000-2010 (c)	20,000,000	940,413	108,749	97,668
9	11-1/4%- 11-1/2% PC Series D due 2002-2012 (c)	70,000,000	3,410,648	394,383	354,198
10	9-1/4% Series due 2004 (c)	80,000,000	459,626	57,718	52,500
11	9-3/4% Series due 2005 (c)	125,000,000	773,476	97,175	88,389
12	9% Series due 2016 (c)	125,000,000	8,993,234	1,200,952	1,098,541
1994					
13	5-5/8% PC Series A due 1984-2003 (a), (c)	15,500,000	94,917	14,790	13,807
14	10-5/8% PC Series E due 2014 (c)	37,750,000	1,930,733	299,967	280,042
15	10% Series due 2019 (c)	125,000,000	10,533,430	1,452,033	1,332,365
16	10-5/8% PC Series F due 2014 (c)	115,500,000	4,325,015	741,849	699,766
1995					
17	9-3/8% PC Series G due 2015 (c)	55,000,000	2,511,825	441,409	416,248
18	9-1/4% Series due 2019 (c)	35,000,000	2,962,890	367,044	329,309
19	9-3/8% Series due 2021 (c)	50,250,000	5,289,859	665,809	595,542
2000					
20	9-1/4% Series FMB due 2019	27,584,000	71,688	28,488	24,802
2001					
21	9-3/8% Series due 2021	5,168,000	49,861	23,682	21,183
22	6-1/2% Series due 2005	15,000,000	619,354	0	0
2002					
23	8-1/2% Series due 2022	10,911,000	88,945	45,961	41,504
2003					
24	6-4/10% PC Series H due 2021	90,000,000	2,987,069	0	0
25	7-7/8% Series due 2023	46,213,000	520,056	291,850	265,462
26	6-3/4% Series due 2023	19,497,000	261,154	155,331	142,082

PPL ELECTRIC UTILITIES CORPORATION
Long-term Debt Reacquisition by Issue

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Total Loss on Reacquired Debt (b)</u>	<u>Unamortized Loss as of December 31, 2011</u>	<u>Unamortized Loss as of December 31, 2012</u>
2004					
27	7.3% Series FMB due 2024	5,805,000	57,103	34,527	31,683
28	6-1/2% Series FMB due 2005	40,566,000	2,038,247	316,588	92,466
29	6.25% Senior Secured Bonds due 2009	45,134,000	1,963,529	308,484	90,099
30	5.875% Senior Secured Bonds due 2007	14,215,000	3,867,452	603,967	176,401
2005					
31	6.4% PC Series J due 2029	115,500,000	4,061,324	2,931,960	2,765,665
32	5.5% PC Series I due 2027	53,250,000	1,527,182	1,066,303	995,653
33	6.15% PC Series K due 2029	55,000,000	2,286,021	1,605,265	1,498,906
2009					
34	Variable Rate PC Facilities Note due 2027	9,475,000	66,360	56,858	53,162
35	4.30% Senior Secured Bonds due 2013	100,000,000	9,667,948	3,948,372	1,153,200
2011					
36	7.125% Senior Secured Bonds due 2013	375,000,000	55,402,703	51,326,329	46,027,194
37	7.125% Senior Secured Bonds due 2014	25,000,000	3,659,964	3,390,674	3,040,608
				<u>\$ 76,632,815</u>	<u>\$ 65,452,319</u>

(a) These bonds were reacquired in the open market and were used to satisfy sinking fund requirements of this issue.

(b) The unamortized debt expense and discount/premium associated with bonds that are reacquired at a loss were added to the premium paid to reacquire the bonds. In accordance with General Instruction 17 of the Uniform System of Accounts, the loss is amortized over the remaining life of the bonds, or, if the bonds were refinanced, the life of the new issuance.

(c) In June 1998, the generation portion of PPL Electric became deregulated. As a result, losses on reacquired debt attributable to the generation portion of PPL Electric's business are being expensed as incurred in accordance with SFAS 4 "Reporting Gains and Losses from Extinguishment of Debt."

Accounting for losses for income tax purposes:

Loss on reacquired debt set forth above was deducted as incurred for income tax purposes.

Proposed treatment of losses for ratemaking purposes:

The Company proposes that the current practice of adhering to General Instruction 17 of the Uniform System of Accounts be continued.

- Q.1. Provide a schedule showing the calculation of the embedded cost of preferred stock equity by issue, supporting the related rate case claim. The schedule shall contain the following information:
- a) Date of issue.
 - b) Date of maturity.
 - c) Amount issued.
 - d) Amount outstanding.
 - e) Amount retired.
 - f) Amount reacquired.
 - g) Gain or loss on reacquisitions.
 - h) Dividend rate.
 - i) Discount or premium at issuance.
 - j) Issuance expenses.
 - k) Net proceeds.
 - l) Sinking fund requirements.
 - m) Effective cost rate.
 - n) Total average weighted effective cost rate.
 - o) Projected new issues, retirement and other major changes from the comparable historical data should be clearly noted.
- A.1. Schedule B-7 of Exhibit Future 1 provides the requested information.

- Q.1. Provide complete support for claimed common equity rate of return.
- A.1. See Statement No. 11 the Direct Testimony of Paul R. Moul.

Q.2. Provide a summary statement of all stock dividends, splits or par value changes during the 2 calendar year period preceding the rate case filing.

A.2. None.

Q.3. Provide a schedule of all issuances of common stock, whether or not underwriters are used, for the most immediately available annual historical period and the 2 calendar years most immediately proceeding the test year.

A.3. The Company has issued no common stock in the most immediate annual historical period and in the two calendar years most immediately proceeding the test year.

- Q.4. Submit details on the utility and parent company stock offerings - past 5 years to present - as follows:
- a) Date of prospectus.
 - b) Date of offering.
 - c) Record date.
 - d) Offering period - dates and numbers of days.
 - e) Amount and number of shares offered.
 - f) Offering ratio, if rights offering.
 - g) Percent subscribed.
 - h) Offering price.
 - i) Gross proceeds per share.
 - j) Expenses per share.
 - k) Net proceeds per share (i - j).
 - l) Market price per share.
 - (1) At record date.
 - (2) At offering date.
 - (3) One month after close of offering.
 - m) Average market price during offering.
 - (1) Price per share.
 - (2) Rights per share - average value of rights.
 - n) Latest reported earnings per share at time of offering.
 - o) Latest reported dividends at time of offering.

A.4. **PPL Electric Utilities Corporation**

There were no common stock offerings by PPL Electric Utilities Corporation during the last five years.

PPL Corporation

PPL Corporation completed publicly underwritten common stock issuances in June 2010 and April 2011. The details are noted in Attachment III-D-4. In addition to these publicly underwritten offerings, PPL Corporation also issued common stock periodically during the last five years under an Employee Stock Ownership Plan, under a Dividend Reinvestment Program, under other stock-based compensations plans, and in connection with settling the conversion premium related to conversions of PPL Energy Supply's 2-5/8% Convertible Senior Notes due 2023.

Stock Offering	2010 (a)	2011 (b)
a) Date of prospectus.		
(1) Prospectus	3/25/2009	3/25/2009
(2) Prospectus Supplement	6/22/2010	4/11/2011
b) Date of offering.	6/28/2010	4/15/2011
c) Record date.	N/A	N/A
d) Offering period - dates and numbers of days.		
(1) Dates offered	6/22 to 6/28/2010	4/11 to 4/15/2011
(2) Number of days offered	5	5
e) Amount and number of shares offered.		
(1a) Amount offered	\$ 2,160,000,000	\$ 2,024,000,000
(1b) Amount offered, including over-allotment option	\$ 2,484,000,000	\$ 2,327,600,000
(2a) Number of shares offered	90,000,000	80,000,000
(2b) Number of shares offered, including over-allotment option	103,500,000	92,000,000
f) Offering ratio, if rights offering.	N/A	N/A
g) Percent subscribed.	100% (c)	100% (c)
h) Offering price.	\$ 24.00	\$ 25.30
i) Gross proceeds per share.	\$ 24.00	\$ 25.30
j) Expenses per share.	\$ 0.72	\$ 0.76
k) Net proceeds per share (i - j).	\$ 23.28	\$ 24.54
l) Market price per share.		
(1) At record date.	N/A	N/A
(2) At offering date.	\$ 25.43	\$ 27.00
(3) One month after close of offering.	\$ 27.50	\$ 27.93
m) Average market price during offering.		
(1) Price per share.	\$ 24.85	\$ 26.62
(2) Rights per share - average value of rights.	N/A	N/A
n) Latest reported earnings per share at time of offering.		
(1) 12/31/2009 diluted EPS	\$ 1.18	
(2) 03/31/2010 diluted EPS	\$ 0.66	
(3) 12/31/2010 diluted EPS		\$ 2.20
o) Latest reported dividends at time of offering.		
(1) 12/31/2009 annual dividend	\$ 1.38	
(2) 03/31/2010 quarterly dividend	\$ 0.35	
(3) 12/31/2010 annual dividend		\$ 1.40

- (a) In conjunction with the acquisition of LG&E and KU.
(b) In conjunction with the acquisition of Central Networks.
(c) The underwriters were granted an option to purchase additional shares to cover over-allotments.
The underwriters exercised the option in both the 2010 and 2011 offerings.

- Q.1. If a claim of the filing utility is based on utilization of the capital structure or capital costs of the parent company and system - consolidated - the reasons for this claim must be fully stated and supported.
- A.1. PPL Electric's capital structure and capital costs claim in this filing are based on the Company's operations only.

- Q.2. Regardless of the claim made, provide the capitalization data requested at Item III.A.2. for the parent company and for the system - consolidated.
- A.2. Attachment III-E-2 provides the capitalization data for the years 2010 and 2011 for PPL Corporation.

PPL CORPORATION

Capitalization & Capitalization Ratios - Year End
(Thousands of Dollars)

Line No.	2010			2011		
	Amount	Excluding Short-Term Debt	Including Short-Term Debt	Amount	Excluding Short-Term Debt	Including Short-Term Debt
1	\$ 12,629,219	58.3%	56.5%	\$ 17,935,413	59.9%	58.7%
2	249,824	1.2%	1.1%	249,965	0.8%	0.8%
3	8,767,048	40.5%	39.3%	11,773,301	39.3%	38.6%
4	21,646,091	100.0%	96.9%	29,958,679	100.0%	98.1%
5	694,000		3.1%	578,000		1.9%
6	\$ 22,340,091		100.0%	\$ 30,536,679		100.0%

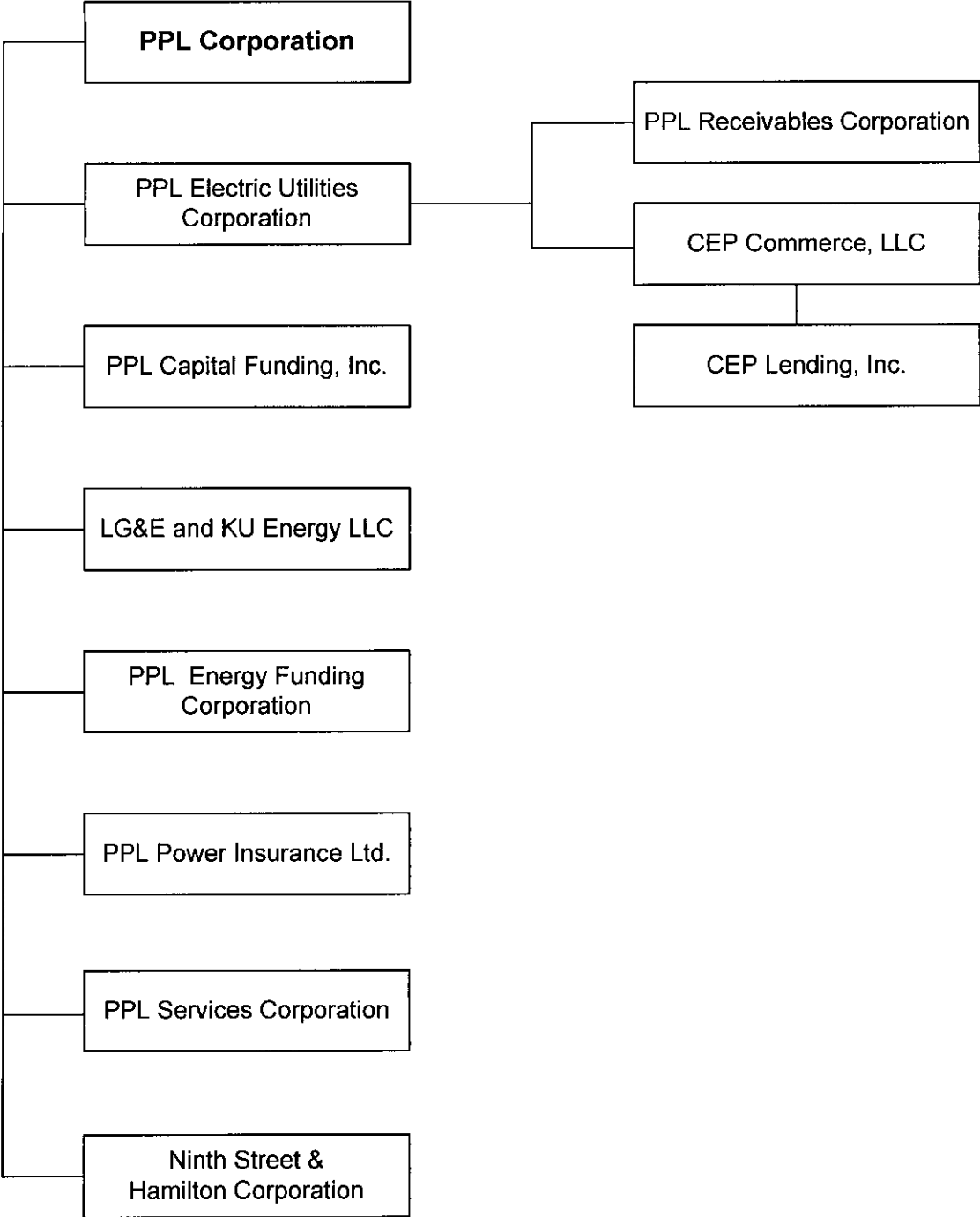
(a) Long-term debt includes amount due within one year.

(b) Preferred and preference stock include an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock.

(c) Common equity includes an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock.

- Q.3. Provide the latest available balance sheet and income statement for the parent company and system - consolidated.
- A.3. See the response to Question III-F-1 of Exhibit Regs. §53.53, Part III - Rate of Return, for the requested data.

- Q.4. Provide an organizational chart explaining the filing utility's corporate relationship to its affiliates - system structure.
- A.4. See Attachment III-E-4 for a first-tier organizational chart.



- Q.1. The latest available quarterly operating and financial report, annual report to the stockholders and prospectus shall be supplied for the utility and for the utility's parent, if the relationship exists.
- A.1. Attachment III-F-1a provides the Quarterly Reports to the Securities and Exchange Commission (SEC) for the Quarter Ended September 30, 2011 (Form 10-Q) for PPL Corporation and its subsidiaries that are SEC registrants. Attachment III-F-1b provides the latest Prospectus for PPL Electric; and Attachment III-F-1c provides the Annual Reports to the SEC for the year ended December 31, 2011 (Form 10-K) for PPL Corporation and its subsidiaries that are SEC registrants.

PROSPECTUS SUPPLEMENT
(To Prospectus dated March 25, 2009)

\$400,000,000



PPL Electric Utilities

PPL Electric Utilities Corporation

3.00% First Mortgage Bonds due 2021

PPL Electric Utilities Corporation (“PPL Electric”) is offering its First Mortgage Bonds, 3.00% Series due 2021 (the “Bonds”). Interest on the Bonds will be payable on March 15 and September 15 of each year, commencing March 15, 2012, and at Maturity (as hereinafter defined), as further described in this prospectus supplement. The Bonds will mature on September 15, 2021, unless redeemed on an earlier date. We may, at our option, redeem the Bonds, in whole at any time or in part from time to time, as described herein. See “Description of the Bonds — Redemption.”

The Bonds will be secured by a lien on substantially all of our electric distribution properties and certain of our electric transmission properties, subject to certain exceptions and exclusions, as described in this prospectus supplement and in the accompanying prospectus. See “Description of the Bonds — Security; Lien of the Mortgage” herein.

Investing in the Bonds involves certain risks. See “Risk Factors” beginning on page S-5 of this prospectus supplement and on page 3 of the accompanying prospectus.

These securities have not been approved or disapproved by the Securities and Exchange Commission (the “SEC”) or any state securities commission, nor has the SEC or any state securities commission determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to Public(1)	Underwriting Discount	Proceeds, Before Expenses, to Us(1)
Per Bond	99.191%	0.650%	98.541%
Total	\$396,764,000	\$2,600,000	\$394,164,000

(1) Plus accrued interest, if any, from August 23, 2011.

The underwriters expect to deliver the Bonds to the purchasers in book-entry form through the facilities of The Depository Trust Company on or about August 23, 2011.

Joint Book-Running Managers

Barclays Capital

Citigroup

J.P. Morgan

Morgan Stanley

Co-Managers

Fifth Third Securities, Inc
RBC Capital Markets

KeyBanc Capital Markets
SunTrust Robinson Humphrey

The date of this prospectus supplement is August 18, 2011

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized anyone to provide you with different information. Neither we nor the underwriters are making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date after the date of this prospectus supplement.

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Prospectus

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As used in this prospectus supplement and the accompanying prospectus, the terms “we,” “our” and “us” may, depending on the context, refer to PPL Electric or to PPL Electric together with PPL Electric’s consolidated subsidiaries, taken as a whole.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a registration statement that PPL Electric has filed with the SEC utilizing a “shelf” registration process. Under this shelf process, we are offering to sell the Bonds using this prospectus supplement and the accompanying prospectus. This prospectus supplement describes the specific terms of this offering. The accompanying prospectus and the information incorporated by reference therein describe our business and give more general information, some of which may not apply to this offering. Generally, when we refer only to the “prospectus,” we are referring to both parts combined. You should read this prospectus supplement together with the accompanying prospectus before making a decision to invest in the Bonds. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus, the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

Certain affiliates of PPL Electric, specifically PPL Corporation, PPL Energy Supply, LLC and PPL Capital Funding, Inc., have also registered their securities on the “shelf” registration statement referred to above. However, the Bonds are solely obligations of PPL Electric, and not of PPL Corporation or any of PPL Corporation’s other subsidiaries or of any other affiliate of PPL Electric. None of PPL Corporation, PPL Energy Supply, LLC or PPL Capital Funding, Inc. or any of PPL Electric’s subsidiaries or other affiliates will guarantee or provide any credit support for the Bonds.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

PPL Electric files reports and other information with the SEC. You may obtain copies of this information by mail from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC’s Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

PPL Electric’s Internet Web site is www.ppelectric.com. Our parent, PPL Corporation, maintains an Internet Web site at www.pplweb.com. On the Investor Center page of that Web site, PPL Corporation provides access to SEC filings of PPL Electric free of charge, as soon as reasonably practicable after filing with the SEC. Neither the information at PPL Electric’s Web site nor the information at PPL Corporation’s Web site is incorporated in this prospectus supplement by reference, and you should not consider it a part of this prospectus supplement. PPL Electric’s filings are also available at the SEC’s Web site (www.sec.gov).

In addition, reports and other information concerning PPL Electric can be inspected at its offices at Two North Ninth Street, Allentown, Pennsylvania 18101-1179.

Incorporation by Reference

PPL Electric will “incorporate by reference” information into this prospectus supplement by disclosing important information to you by referring you to other documents that it files separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede that information. This prospectus supplement incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about PPL Electric.

<u>SEC Filings</u>	<u>Period/Date</u>
Annual Report on Form 10-K	Year ended December 31, 2010
Quarterly Reports on Form 10-Q	Quarters ended March 31, 2011 and June 30, 2011
Current Reports on Form 8-K	Filed on January 6, 2011, July 13, 2011 and July 18, 2011

Additional documents that PPL Electric files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, between the date of this prospectus supplement and the termination of the offering of the Bonds are also incorporated herein by reference.

PPL Electric will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus supplement has been delivered, a copy of any and all of its filings with the SEC. You may request a copy of these filings by writing or telephoning PPL Electric at:

Two North Ninth Street
Allentown, Pennsylvania 18101-1179
Attention: Investor Services Department
Telephone: 1-800-345-3085

SUMMARY

The following summary contains information about the offering by PPL Electric of its Bonds. It does not contain all of the information that may be important to you in making a decision to purchase the Bonds. For a more complete understanding of PPL Electric and the offering of the Bonds, we urge you to read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein carefully, including the "Risk Factors" sections and our financial statements and the notes to those statements.

The Offering

Issuer	PPL Electric Utilities Corporation
Securities Offered	\$400,000,000 aggregate principal amount of PPL Electric's First Mortgage Bonds, 3.00% Series due 2021
Stated Maturity Date	September 15, 2021
Interest Payment Dates	Interest on the Bonds will be payable on March 15 and September 15 of each year, commencing on March 15, 2012, and at Maturity, or upon earlier redemption.
Interest Rate	3.00% per annum
Redemption	The Bonds may be redeemed at our option, in whole at any time or in part from time to time, at the redemption prices set forth in this prospectus supplement. The Bonds will not be entitled to the benefit of any sinking fund or other mandatory redemption and will not be repayable at the option of the Holder of a Bond prior to the Stated Maturity Date. See "Description of the Bonds — Redemption."
Ranking; Security	The Bonds will be secured by a lien on substantially all of our electric distribution properties and certain of our electric transmission properties, subject to certain exceptions and exclusions, as described in this prospectus supplement. See "Description of the Bonds — General" and "Description of the Bonds — Security; Lien of the Mortgage."
Listing	We do not intend to list the Bonds on any securities exchange.
Form and Denomination	The Bonds will be initially issued in the form of one or more global securities, without coupons, in denominations of \$1,000 and integral multiples in excess thereof, and deposited with the Trustee (as hereinafter defined) on behalf of The Depository Trust Company ("DTC"), as depository, and registered in the name of DTC or its nominee. See "Description of the Bonds — General" and "Description of the Bonds — Book-Entry Only Issuance — The Depository Trust Company."
Use of Proceeds	We intend to use a portion of the net proceeds of this offering to repay short-term debt, including \$150 million borrowed pursuant to our revolving credit agreement and an intercompany loan from an affiliate of \$100 million, incurred to pay the redemption price for redeeming \$400 million aggregate principal amount of our Senior Secured Bonds, 7.125% Series due 2013 on July 26, 2011. The balance of the redemption price was paid using cash on hand and we intend to use the remainder of net proceeds of this offering to replenish such cash. See "Use of Proceeds."
Reopening of the Series	We may, without the consent of the Holders of the Bonds, increase the principal amount of the series and issue additional bonds of such series

having the same ranking, interest rate, maturity and other terms as the Bonds, other than the date of initial issuance and price to public and, in some circumstances, the initial interest accrual date and the initial interest payment date. Any such additional bonds may, together with the Bonds, constitute a single series of securities under the Mortgage. See "Description of the Bonds — General."

Governing Law The Bonds and the Mortgage are governed by the laws of the State of New York, except to the extent the Trust Indenture Act is applicable and except where otherwise required by law. The effectiveness of the lien of the Mortgage, and the perfection and priority thereof, will be governed by Pennsylvania law.

RISK FACTORS

Before making a decision to invest in the Bonds, you should carefully consider the risk factors described below, the risk factors described on page 3 of the accompanying prospectus, and the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2010, beginning on page 17, as well as the other information included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks Relating to the Bonds

An active trading market for the Bonds may not develop.

The Bonds are new securities and we do not intend to apply for listing of the Bonds on any securities exchange. We cannot assure that an active trading market for the Bonds will develop. There can be no assurances as to the liquidity of any market that may develop for the Bonds, the ability of Holders to sell their Bonds or the price at which the Holders will be able to sell their Bonds. Future trading prices of the Bonds will depend on many factors including, among other things, prevailing interest rates, our operating results and the market for similar securities.

USE OF PROCEEDS

We intend to use a portion of the net proceeds of this offering to repay short-term debt, including \$150 million borrowed pursuant to our revolving credit agreement at an interest rate of 2.19% per annum and an intercompany loan from an affiliate of \$100 million at an interest rate of 1.69% per annum, incurred to pay the redemption price for redeeming \$400 million aggregate principal amount of our Senior Secured Bonds, 7.125% Series due 2013 on July 26, 2011. The balance of the redemption price was paid using cash on hand and we intend to use the remainder of net proceeds of this offering to replenish such cash.

CAPITALIZATION

The following table sets forth our historical unaudited consolidated capitalization as of June 30, 2011 on an actual basis, and on an as adjusted basis to give effect to (i) the issuance of the Bonds in this offering, (ii) the application of the proceeds of the issuance of the Bonds, as described under “Use of Proceeds,” (iii) the issuance of \$250 million aggregate principal amount of our First Mortgage Bonds, 5.20% Series due 2041, on July 15, 2011 and (iv) the redemption of \$400 million aggregate principal amount of our Senior Secured Bonds, 7.125% Series due 2013, on July 26, 2011. This table should be read in conjunction with our consolidated financial statements, the notes related thereto and the financial and operating data incorporated by reference into this prospectus supplement and the accompanying prospectus.

	<u>As of June 30, 2011</u>	
	<u>Actual</u>	<u>As Adjusted</u>
	(In millions)	
Long-term debt, including current portion	\$1,472	\$1,322
Bonds offered hereby	—	400
Total long-term debt	<u>1,472</u>	<u>1,722</u>
Total shareowner’s equity	1,980	1,980
Total capitalization	<u>\$3,452</u>	<u>\$3,702</u>

DESCRIPTION OF THE BONDS

The following summary description sets forth certain terms and provisions of the Bonds that we are offering by this prospectus supplement. Because this description is a summary, it does not describe every aspect of the Bonds or the Mortgage (as defined below) under which the Bonds will be issued, as described below. The Mortgage is filed as an exhibit to the registration statement of which the accompanying prospectus is a part. The Mortgage and its associated documents contain the full legal text of the matters described in this section. This summary is subject to and qualified in its entirety by reference to all of the provisions of the Bonds and the Mortgage, including definitions of certain terms used in the Mortgage. We also include references in parentheses to certain sections of the Mortgage. Whenever we refer to particular sections or defined terms of the Mortgage in this prospectus supplement, such sections or defined terms are incorporated by reference herein. The Mortgage has been qualified under the Trust Indenture Act, and you should refer to the Trust Indenture Act for provisions that apply to the Bonds.

General

We will issue the Bonds as a series of debt securities under our Indenture, dated as of August 1, 2001 (as such indenture has been and may be amended and supplemented from time to time, the "Mortgage"), with The Bank of New York Mellon, as successor trustee (the "Trustee"). The Mortgage does not limit the aggregate principal amount of bonds or other debt securities that may be issued thereunder, subject to meeting certain conditions to issuance, including those described below under "— Issuance of Additional Mortgage Securities." The Bonds and all other debt securities issued previously or hereafter under the Mortgage are collectively referred to herein as "Mortgage Securities." The Mortgage constitutes a first mortgage lien, subject to Permitted Liens and exceptions and exclusions described below and in the accompanying prospectus, on substantially all of our tangible electric distribution properties and certain of our electric transmission properties located in Pennsylvania. (See "— Security; Lien of the Mortgage — Class A Bonds" below.) As of the date of this prospectus supplement, approximately \$1.31 billion of bonds are issued and outstanding under the Mortgage.

The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially represented by one or more fully registered global securities (the "Global Securities") deposited with the Trustee, as custodian for DTC, as depository, and registered in the name of DTC or DTC's nominee. A beneficial interest in a Global Security will be shown on, and transfers or exchanges thereof will be effected only through, records maintained by DTC and its participants, as described below under "— Book-Entry Only Issuance — The Depository Trust Company." The authorized denominations of the Bonds will be \$1,000 and any larger amount that is an integral multiple of \$1,000. Except in limited circumstances described below, the Bonds will not be exchangeable for Bonds in definitive certificated form.

The Bonds are initially being offered in one series in the principal amount of \$400,000,000. We may, without the consent of the Holders of the Bonds, increase the principal amount of the series and issue additional bonds of such series having the same ranking, interest rate, maturity and other terms (other than the date of issuance and price to public and, in some circumstances, the initial interest accrual date and initial interest payment date) as the Bonds. Any such additional bonds may, together with the Bonds, constitute a single series of securities under the Mortgage and may be treated as a single class for all purposes under the Mortgage, including, without limitation, voting waivers and amendments.

Maturity; Interest

The Bonds will mature on September 15, 2021 (the "Stated Maturity Date") and will bear interest from August 23, 2011 at a rate of 3.00% per annum. Interest will be payable on March 15 and September 15 of each year (each, an "Interest Payment Date"), commencing on March 15, 2012, and at maturity (whether at the Stated Maturity Date, upon redemption, or otherwise, "Maturity"). Subject to certain exceptions, the Mortgage provides for the payment of interest on an Interest Payment Date only to persons in whose names the Bonds are registered at the close of business on the Regular Record Date, which will be the March 1 and September 1 (whether or not a Business Day), as the case may be, immediately preceding the applicable Interest Payment Date; except that interest payable at Maturity will be paid to the person to whom principal is paid.

Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and with respect to any period less than a full calendar month, on the basis of the actual number of days elapsed during the period.

Payment

So long as the Bonds are registered in the name of DTC, as depository for the Bonds as described herein under “— Book-Entry Only Issuance — The Depository Trust Company” or DTC’s nominee, payments on the Bonds will be made as described therein.

If we default in paying interest on a Bond, we will pay such defaulted interest either

- to Holders as of a special record date between 10 and 15 days before the proposed payment; or
- in any other lawful manner of payment that is consistent with the requirements of any securities exchange on which the Bonds may be listed for trading. (See Section 307.)

We will pay principal of and interest and premium, if any, on the Bonds at Maturity upon presentation of the Bonds at the corporate trust office of The Bank of New York Mellon in New York, New York, as our Paying Agent.

In our discretion, we may change the place of payment on the Bonds, and we may remove any Paying Agent and may appoint one or more additional Paying Agents (including us or any of our affiliates). (See Section 702.) If any Interest Payment Date, Redemption Date or Maturity of a Bond falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such Interest Payment Date, Redemption Date or Maturity, as the case may be, to the date of such payment on the next succeeding Business Day.

“Business Day” means any day, other than a Saturday or Sunday, that is not a day on which banking institutions or trust companies in The City of New York, New York, or other city in which a paying agent for such Bond is located, are generally authorized or required by law, regulation or executive order to remain closed. (See Section 116.)

Form; Transfers; Exchanges

You may have your Bonds divided into Bonds of smaller denominations (of at least \$1,000) or combined into Bonds of larger denominations, as long as the total principal amount is not changed. This is called an “exchange.” (See Section 305.)

So long as the Bonds are registered in the name of DTC, as depository for the Bonds as described herein under “— Book-Entry Only Issuance — The Depository Trust Company,” or DTC’s nominee, transfers and exchanges of beneficial interest in the Bonds will be made as described therein. In the event that the book-entry only system is discontinued and the Bonds are issued in certificated form, you may exchange or transfer Bonds at the corporate trust office of the Trustee. The Trustee acts as our agent for registering Bonds in the names of Holders and transferring debt securities. We may appoint another agent (including one of our affiliates) or act as our own agent for this purpose. The entity performing the role of maintaining the list of registered Holders is called the “Security Registrar.” It will also perform transfers. In our discretion, we may change the place for registration of transfer of the Bonds and may designate a different entity as the Security Registrar, including us or one of our affiliates. (See Sections 305 and 702.)

There will be no service charge for any transfer or exchange of the Bonds, but you may be required to pay a sum sufficient to cover any tax or other governmental charge payable in connection therewith. We may block the transfer or exchange of (1) Bonds during a period of 15 days prior to giving any notice of redemption or (2) any Bond selected for redemption in whole or in part, except the unredeemed portion of any Bond being redeemed in part. (See Section 305.)

Redemption

We may, at our option, redeem the Bonds, in whole at any time or in part from time to time. If we redeem the Bonds before June 15, 2021 (the date that is three months prior to the Stated Maturity Date), the Bonds will be redeemed by us at a redemption price equal to the greater of:

- 100% of the principal amount of the Bonds to be so redeemed; or
- as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds to be so redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 15 basis points;

plus, in either of the above cases, accrued and unpaid interest to the Redemption Date.

If we redeem the Bonds on or after June 15, 2021, the Bonds will be redeemed by us at a redemption price equal to 100% of the principal amount of the Bonds to be so redeemed, plus accrued and unpaid interest to the Redemption Date.

“Adjusted Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Bonds to the Stated Maturity Date that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

“Comparable Treasury Price” means, with respect to any Redemption Date:

- the average of five Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations; or
- if the Quotation Agent obtains fewer than five Reference Treasury Dealer Quotations, the average of all of those quotations received.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by us.

“Reference Treasury Dealer” means:

- each of Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”), in which case we will substitute another Primary Treasury Dealer; and
- any other Primary Treasury Dealer selected by us.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount), as provided to the Quotation Agent by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

The Bonds will not be subject to a sinking fund or other mandatory redemption provisions and will not be repayable at the option of the Holder prior to the Stated Maturity Date.

The Bonds will be redeemable upon notice by mail between 30 days and 60 days prior to the Redemption Date. If less than all of the Bonds are to be redeemed, the Trustee will select the Bonds to be redeemed. The Trustee will choose a method of random selection that it deems fair and appropriate. (See Sections 503 and 504.)

Bonds called for redemption will cease to bear interest on the Redemption Date. We will pay the redemption price and any accrued interest once you surrender the Bond for redemption. (See Section 505.) If only part of a Bond is redeemed, the Trustee will deliver to you a new Bond of the same series for the remaining portion without charge. (See Section 506.)

We may make any redemption at our option conditional upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the Paying Agent has not received such money by the date fixed for redemption, we will not be required to redeem such Bonds. (See Section 504.)

Security; Lien of the Mortgage

Except as described below under this heading and under “— Issuance of Additional Mortgage Securities,” and subject to the exceptions described under “— Satisfaction and Discharge,” all Mortgage Securities, including the Bonds, will be secured, equally and ratably, by:

- the lien of the Mortgage, which constitutes, subject to Permitted Liens and certain exceptions and exclusions, a first mortgage lien on substantially all of our tangible electric distribution properties and certain of our electric transmission properties located in Pennsylvania. We sometimes refer to our property that is subject to the lien of the Mortgage as “Mortgaged Property;” and
- any Class A Bonds, as described below, delivered to the Trustee.

The Mortgage creates a lien on substantially all tangible properties of PPL Electric in Pennsylvania used in the distribution and transmission of electric energy, other than property duly released from the lien thereof in accordance with the provisions of the Mortgage and certain other excepted property, and subject to certain Permitted Liens and excepted encumbrances, as described below. We sometimes refer to PPL Electric’s distribution and transmission properties of the type subject to the lien of the Mortgage, exclusive of the Excepted Property described below, as “Electric Utility Property.”

We may obtain the release of property from the lien of the Mortgage from time to time, upon the bases provided for such release in the Mortgage. See “— Release of Property.”

Federal regulatory initiatives have encouraged separate ownership of transmission assets and provided economic incentives for divestiture of transmission assets. While we have no current intention to sell our transmission properties, we believe that it is prudent to take steps to release transmission property from the lien of our Mortgage so that we can act expeditiously in the event that attractive opportunities arise. As a result, we may release certain portions of our transmission properties from such lien from time to time upon the deposit of cash, the certification of property additions or retired bonds, or other permitted bases as provided in the Mortgage. Since 2003, we have obtained the release from the lien of the Mortgage of transmission property having an aggregate fair value (at or near the time of release) of approximately \$527 million.

Permitted Liens. The lien of the Mortgage is subject to Permitted Liens described in the Mortgage. Such Permitted Liens include liens existing at the execution date of the Mortgage, liens on property at the time we acquire such property, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics’, construction and materialmen’s liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in our property, and defects, irregularities, exceptions and limitations of title in our property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by us or by others on our property, rights and interests of Persons other than us arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such Persons in such property, liens which have been bonded or for which other security arrangements have been made, liens created in connection with the issuance of tax-exempt debt securities, purchase money liens and liens related to the construction or acquisition of property, or the development or expansion of property, liens which secure specified Mortgage Securities equally and ratably with other obligations, and additional liens on any of our property (other than Excepted Property, as described below) to secure debt for borrowed money in an aggregate principal amount not exceeding 10% of the total assets of PPL Electric and its consolidated subsidiaries, as shown on the latest audited balance sheet of PPL Electric and such subsidiaries. (See Granting Clauses and Sections 101 and 707.)

The Mortgage also provides that the Trustee will have a lien, prior to the lien on behalf of the Holders of the Mortgage Securities, upon the Mortgaged Property as security for our payment of its reasonable compensation and expenses and for indemnity against certain liabilities. (See Section 1007.) Any such lien would be a Permitted Lien under the Mortgage.

Excepted Property. The lien of the Mortgage does not cover, among other things, the following types of property: property located outside of Pennsylvania; property not used by us in our electric transmission and distribution business; cash and securities not paid, deposited or held under the Mortgage; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of our business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the Mortgage; and leasehold interests. We sometimes refer to property of PPL Electric not covered by the lien of the Mortgage as “Excepted Property.” (See Granting Clauses.) Properties held by any of our subsidiaries, as well as properties leased from others, would not be subject to the lien of the Mortgage.

We may enter into supplemental indentures with the Trustee, without the consent of the Holders, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the Mortgage. (See Section 1301.) This property would constitute Property Additions and would be available as a basis for the issuance of Mortgage Securities. See “— Issuance of Additional Mortgage Securities.”

The Mortgage provides that after-acquired Electric Utility Property (other than Excepted Property) will be subject to the lien of the Mortgage. (See Granting Clause Second.) However, in the case of consolidation or merger (whether or not we are the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the Mortgage will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from us in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the Mortgage) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See Section 1203 and “— Consolidation, Merger and Conveyance of Assets as an Entirety.”

Class A Bonds

As discussed below under “— Consolidation, Merger and Conveyance of Assets as an Entirety,” we will be permitted to merge or consolidate with another company upon meeting specified requirements. Following merger or consolidation of another company into us, we could deliver to the Trustee bonds issued under an existing mortgage on the properties of such other company as the basis for issuing new Mortgage Securities. The term “Class A Mortgage” means a mortgage or deed of trust or similar indenture entered into by another corporation with which we are so merged or consolidated and, in connection with such merger or consolidation, is assumed by us and designated a “Class A Mortgage” in accordance with the Mortgage. The term “Class A Bonds” means bonds or other obligations now or hereafter issued and outstanding under and secured by any Class A Mortgage. In such event, the Mortgage Securities would be secured, additionally, by such Class A Bonds and by the lien of the Mortgage on the properties of such other company, which would be junior to the liens of such existing Class A Mortgages. (See Section 1706.)

Class A Bonds to be made the basis for the authentication and delivery of Mortgage Securities (a) will be delivered to, and registered in the name of, the Trustee or its nominee and will be owned and held by such trustee, subject to the provisions of the Mortgage, for the benefit of the Holders of all Mortgage Securities outstanding from time to time; (b) will mature or be subject to mandatory redemption on the same dates, and in the same principal

amounts, as such Mortgage Securities; and (c)(i) may, but need not, bear interest and (ii) may, but need not, contain provisions for redemption at our option, any such redemption to be made at a redemption price or prices not less than the principal amount of such Class A Bonds. (See Sections 1602 and 1701.) To the extent that Class A Bonds do not bear interest, Holders of Mortgage Securities will not have the benefit of the lien of a Class A Mortgage in respect of an amount equal to accrued interest, if any, on the Mortgage Securities; however, such Holders will nevertheless have the benefit of the lien of the Mortgage in respect of the amount of accrued interest.

Any payment by us of principal of or premium or interest on the Class A Bonds delivered to and held by the Trustee will be applied by the Trustee to the payment of any principal, premium or interest, as the case may be, in respect of the Mortgage Securities which is then due, and our obligation under the Mortgage to make such payment in respect of the Mortgage Securities will be deemed satisfied and discharged to the extent of such payment. If, at the time of any such payment of principal of Class A Bonds, there is no principal then due in respect of the Mortgage Securities, the proceeds of the payment will constitute Funded Cash and will be held by the Trustee as part of the Mortgaged Property, to be withdrawn, used or applied as provided in the Mortgage. If, at the time of any such payment of premium or interest on Class A Bonds, there is no premium or interest then due on the Mortgage Securities, the payment will be remitted to us at our request; provided, however, that if any Event of Default, as described below, has occurred and is continuing, the payment will be held as part of the Mortgaged Property until the Event of Default has been cured or waived. See Section 1702 and “— Withdrawal of Cash” below.

Any payment by us of principal of or interest or premium, if any, on Mortgage Securities authenticated and delivered on the basis of the delivery to the Trustee of Class A Bonds (other than by application of the proceeds of a payment in respect of such Class A Bonds) will, to the extent thereof, be deemed to satisfy and discharge our obligations, if any, to make a corresponding payment, in respect of such Class A Bonds which is then due. (See Section 1702.)

The Trustee may not sell, assign or otherwise transfer any Class A Bonds except to a successor trustee under the Mortgage. (See Section 1704.) At the time any Mortgage Securities which have been authenticated and delivered upon the basis of Class A Bonds, cease to be outstanding (other than as a result of the application of the proceeds of the payment or redemption of such Class A Bonds), the Trustee will surrender to us, or upon our order, an equal principal amount of such Class A Bonds. (See Section 1703.)

When no Class A Bonds are outstanding under a Class A Mortgage except for Class A Bonds delivered to and held by the Trustee, then, at our request and subject to satisfaction of certain conditions, the Trustee will surrender such Class A Bonds for cancellation, the related Class A Mortgage will be satisfied and discharged, the lien of such Class A Mortgage on our property subject thereto will cease to exist and the priority of the lien of the Mortgage, as to such property, will be increased accordingly. (See Sections 1703 and 1707.) If no Class A Mortgages are in effect, the Mortgage will constitute a direct, first mortgage lien on the Company’s electric utility property, subject to certain Permitted Liens and certain other exclusions and exceptions as described above.

At the date of this prospectus supplement, there is no Class A Mortgage on any of our property and no Class A Bonds are held by the Trustee to secure Mortgage Securities.

Issuance of Additional Mortgage Securities

Subject to the issuance restrictions described below, the maximum principal amount of Mortgage Securities that may be authenticated and delivered under the Mortgage is unlimited. (See Section 301.) Mortgage Securities of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

- the aggregate principal amount of Class A Bonds delivered to the Trustee;
- 100% of the Cost or Fair Value to PPL Electric (whichever is less) of Property Additions (as described below) which do not constitute Funded Property (generally, Property Additions which have been made the basis of the authentication and delivery of Mortgage Securities, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired Funded Property or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;

- the aggregate principal amount of Retired Securities (as described below), but if Class A Bonds had been made the basis for the authentication and delivery of such Retired Securities, only after the discharge of the related Class A Mortgage; or
- an amount of cash deposited with the Trustee. (See Article Sixteen.)

The Company and the Trustee have entered into a supplemental indenture that contains prospective amendments to the Mortgage, including amendments to reduce the amount of Mortgage Securities issuable on the basis of Property Additions from 100% of the Cost or Fair Value (whichever is less) of such Property Additions to 66 ²/₃% of such Cost or Fair Value. We refer to this percentage as the “Bonding Ratio.” These amendments will not be effective at the time the Bonds are issued but will become effective the next time the Company uses Property Additions for any purpose under the Mortgage. We expect effectiveness of these amendments to occur in the third quarter of 2011.

Property Additions generally include any property which is owned by PPL Electric and is subject to the lien of the Mortgage. (See Section 104.)

Retired Securities means, generally, Mortgage Securities which are no longer Outstanding under the Mortgage, which have not been retired by the application of Funded Cash and which have not been used as the basis for the authentication and delivery of Mortgage Securities, the release of property or the withdrawal of cash.

Bonds Issuable. We intend to issue the Bonds on the basis of Retired Securities. At July 31, 2011, approximately \$840 million in Retired Securities were available to be used as the basis for the authentication and delivery of Mortgage Securities; and, at that date, approximately \$1.035 billion of Property Additions were available to be so used. (See Article Sixteen) In connection with effectiveness of the amendments to the Bonding Ratio described above, our Property Additions available for use for any purpose under the Mortgage will be reduced by approximately \$154 million.

Release of Property

Unless an Event of Default has occurred and is continuing, we may obtain the release from the lien of the Mortgage of any Mortgaged Property, except for cash held by the Trustee, upon delivery to the Trustee of an amount in cash equal to the amount, if any, by which 100% of the Cost of the property to be released (or, if less, the Fair Value to us of such property at the time it became Funded Property) exceeds the aggregate of:

- an amount equal to 100% of the aggregate principal amount of obligations secured by Purchase Money Liens upon the property to be released and delivered to the Trustee;
- an amount equal to 100% of the Cost or Fair Value to us (whichever is less) of certified Property Additions not constituting Funded Property after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such Property Additions were acquired or made within the 90-day period preceding the release);
- the aggregate principal amount of Mortgage Securities we would be entitled to issue on the basis of Retired Securities (with such entitlement being waived by operation of such release);
- the aggregate principal amount of Mortgage Securities delivered to the Trustee (with such Mortgage Securities to be canceled by the Trustee);
- any amount of cash and/or an amount equal to 100% of the aggregate principal amount of obligations secured by Purchase Money Liens upon the property released that is delivered to the trustee or other Holder of a lien prior to the lien of the Mortgage, subject to certain limitations described in the Mortgage; and
- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

(See Section 1803.)

At the time the amendments to the Mortgage to reduce the Bonding Ratio described above become effective, corresponding amendments to the Mortgage to change the references to “100%” in the preceding paragraph (including in the first, second and fifth bullet points above) to “66 ²/₃%” will also become effective.

Property which is not Funded Property may generally be released from the lien of the Mortgage without depositing any cash or property with the Trustee as long as (a) the aggregate amount of Cost or Fair Value to us (whichever is less) of all Property Additions which do not constitute Funded Property (excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the Cost or Fair Value (whichever is less) of property to be released does not exceed the aggregate amount of the Cost or Fair Value to us (whichever is less) of Property Additions acquired or made within the 90-day period preceding the release. (See Section 1804.)

The Mortgage provides simplified procedures for the release of property which has been released from the lien of a Class A Mortgage, minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the Trustee. (See Sections 1802, 1805 and 1807.)

If we retain any interest in any property released from the lien of the Mortgage, the Mortgage will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof. (See Section 1810.)

Withdrawal of Cash

Unless an Event of Default has occurred and is continuing, and subject to certain limitations, cash held by the Trustee may, generally, (1) be withdrawn by us (a) to the extent of 100% of the Cost or Fair Value to us (whichever is less) of Property Additions not constituting Funded Property, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such Property Additions were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of Mortgage Securities that we would be entitled to issue on the basis of Retired Securities (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding Mortgage Securities delivered to the Trustee; or (2) upon our request, be applied to (a) the purchase of Mortgage Securities in a manner and at a price approved by us or (b) the payment (or provision for payment) at stated maturity of any Mortgage Securities or the redemption (or provision for payment) of any Mortgage Securities which are redeemable (see Section 1806); provided, however, that cash deposited with the Trustee as the basis for the authentication and delivery of Mortgage Securities, as well as cash representing a payment of principal of Class A Bonds, may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash or Class A Bonds delivered to the Trustee, as the case may be, for such purpose. (See Sections 1605 and 1702.)

At the time the amendments to the Mortgage to reduce the Bonding Ratio described above become effective, corresponding amendments to the Mortgage to change the reference to "100%" in the preceding paragraph to "66 2/3%" will also become effective.

Events of Default

An "Event of Default" occurs under the Mortgage if

- we do not pay any interest on a Mortgage Security within 30 days of the due date;
- we do not pay principal or premium, if any, on a Mortgage Security on its due date;
- we remain in breach of any other covenant under the Mortgage (excluding covenants specifically dealt with elsewhere in this section) for 90 days after we receive a written notice of such default from the Trustee or Holders of at least 25% in aggregate principal amount of outstanding Mortgage Securities stating we are in breach and requiring remedy of the breach; provided that the Trustee or such Holders can agree to extend the 90-day period and such an agreement to extend will be deemed to occur if we are diligently pursuing action to correct the default;
- we file for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur; or
- for so long as the Trustee holds any outstanding Class A Bonds that were delivered as the basis for the authentication and delivery of outstanding Mortgage Securities, the occurrence of a matured event of default

under the related Class A Mortgage (other than any such matured event of default which (i) is not a failure to make payments on Class A Bonds and is not of similar kind or character to the Event of Default described in the immediately preceding bullet point above and (ii) has not resulted in the acceleration of the outstanding Class A Bonds under such Class A Mortgage); provided, however, that the waiver or cure of such event of default under the Class A Mortgage will constitute a waiver and cure of the corresponding Event of Default under the Mortgage, and the rescission and annulment of the consequences thereof will also constitute a rescission and annulment of the corresponding consequences under the Mortgage.

(See Section 901.)

Remedies

Acceleration

If an Event of Default occurs and is continuing, then either the Trustee or the Holders of not less than 25% in principal amount of the outstanding Mortgage Securities may declare the principal amount of all of the Mortgage Securities to be immediately due and payable. (See Section 902.)

Rescission of Acceleration

After the declaration of acceleration has been made and before the Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if

- we pay or deposit with the Trustee a sum sufficient to pay:
 - all overdue interest;
 - the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;
 - interest on overdue interest to the extent lawful; and
 - all amounts due to the Trustee under the Mortgage; and
- all Events of Default, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the Mortgage.

(See Section 902.)

For more information as to waiver of defaults, see “— Waiver of Default and of Compliance” below.

Appointment of Receiver and Other Remedies

Subject to the Mortgage, under certain circumstances and to the extent permitted by law, if an Event of Default occurs and is continuing, the Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law. (See Section 917.)

In addition to every other right and remedy provided in the Mortgage, the Trustee may exercise any right or remedy available to the Trustee in its capacity as owner and Holder of Class A Bonds which arises as a result of a default or matured event of default under any Class A Mortgage, whether or not an Event of Default under the Mortgage has occurred and is continuing. (See Section 916.)

Control by Holders; Limitations

Subject to the Mortgage, if an Event of Default occurs and is continuing, the Holders of a majority in principal amount of the outstanding Mortgage Securities will have the right to

- direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or
- exercise any trust or power conferred on the Trustee with respect to the Mortgage Securities.

The rights of Holders to make direction are subject to the following limitations:

- the Holders' directions may not conflict with any law or the Mortgage; and
- the Holders' directions may not involve the Trustee in personal liability where the Trustee believes indemnity is not adequate.

The Trustee may also take any other action it deems proper which is not inconsistent with the Holders' direction. (See Sections 912 and 1003.)

In addition, the Mortgage provides that no Holder of any Mortgage Security will have any right to institute any proceeding, judicial or otherwise, with respect to the Mortgage for the appointment of a receiver or for any other remedy thereunder unless

- that Holder has previously given the Trustee written notice of a continuing Event of Default;
- the Holders of 25% in aggregate principal amount of the outstanding Mortgage Securities have made written request to the Trustee to institute proceedings in respect of that Event of Default and have offered the Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and
- for 60 days after receipt of such notice, request and offer of indemnity, the Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of outstanding Mortgage Securities.

Furthermore, no Holder will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other Holders. (See Sections 907 and 1003.)

However, each Holder has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right. (See Section 908.)

Notice of Default

The Trustee is required to give the Holders of the Mortgage Securities notice of any default under the Mortgage to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an Event of Default of the character specified in the third bullet point under “— Events of Default” (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such Holders until at least 60 days after the occurrence thereof. (See Section 1002.) The Trust Indenture Act currently permits the Trustee to withhold notices of default (except for certain payment defaults) if the Trustee in good faith determines the withholding of such notice is in the interests of the Holders.

We will furnish the Trustee with an annual statement as to our compliance with the conditions and covenants in the Mortgage. (See Section 705.)

Waiver of Default and of Compliance

The Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities may waive, on behalf of the Holders of all outstanding Mortgage Securities, any past default under the Mortgage, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the Mortgage that cannot be amended without the consent of the Holder of each outstanding Mortgage Security affected. (See Section 913.)

Compliance with certain covenants in the Mortgage or otherwise provided with respect to Mortgage Securities may be waived by the Holders of a majority in aggregate principal amount of the affected Mortgage Securities, considered as one class. (See Section 706.)

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, we have agreed to preserve our corporate existence. (See Section 704.)

We have agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease our Electric Utility Property as or substantially as an entirety to any entity unless:

- the entity formed by such consolidation or into which we merge, or the entity which acquires or which leases our Electric Utility Property substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State thereof or the District of Columbia, and
- expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding Mortgage Securities and the performance of all of our covenants under the Mortgage, and
- such entity confirms the lien of the Mortgage on the Mortgaged Property;
- in the case of a lease, such lease is made expressly subject to termination by (i) us or by the Trustee, and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an Event of Default; and
- immediately after giving effect to such transaction, no Event of Default, and no event which after notice or lapse of time or both would become an Event of Default, will have occurred and be continuing.

(See Section 1201.)

In the case of the conveyance or other transfer of the Electric Utility Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above we would be released and discharged from all obligations under the Mortgage and on the Mortgage Securities then outstanding unless we elect to waive such release and discharge. (See Section 1204.)

The Mortgage does not prevent or restrict:

- any consolidation or merger after the consummation of which we would be the surviving or resulting entity;
- any conveyance or other transfer, or lease, of any part of our Electric Utility Property which does not constitute the entirety or substantially the entirety thereof; or
- any conveyance or transfer where we retain Electric Utility Property with a fair value in excess of the aggregate principal amount of all outstanding Mortgage Securities. This fair value will be determined within 90 days of the conveyance or transfer by an independent expert that we select and that is approved by the Trustee.

(See Sections 1205 and 1206.)

Modification of Mortgage

Without Holder Consent. Without the consent of any Holders of Mortgage Securities, we and the Trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the succession of another entity to us;
- to add one or more covenants or other provisions for the benefit of the Holders of all or any series or tranche of Mortgage Securities, or to surrender any right or power conferred upon us;
- to add any additional Events of Default with respect to all or any series of Mortgage Securities;
- to change or eliminate any provision of the Mortgage or to add any new provision to the Mortgage that does not adversely affect the interests of the Holders in any material respect;
- to provide additional security for any Mortgage Securities;

- to establish the form or terms of any series or tranche of Mortgage Securities;
- to provide for the issuance of bearer securities;
- to evidence and provide for the acceptance of appointment of a separate or successor Trustee;
- to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of Mortgage Securities;
- to change any place or places where
 - we may pay principal, premium and interest on Mortgage Securities of any or all series,
 - Mortgage Securities may be surrendered for transfer or exchange, and
 - notices and demands to or upon us may be served;
- to amend and restate the Mortgage as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the Holders in any material respect; or
- to cure any ambiguity, defect or inconsistency or to make any other changes that do not materially adversely affect the interests of the Holders in any material respect.

In addition, if the Trust Indenture Act is amended after the date of the Mortgage so as to require changes to the Mortgage or so as to permit changes to, or the elimination of, provisions which, at the date of the Mortgage or at any time thereafter, were required by the Trust Indenture Act to be contained in the Mortgage, the Mortgage will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and we and the Trustee may, without the consent of any Holders, enter into one or more supplemental indentures to effect or evidence such amendment.

(See Section 1301.)

With Holder Consent. Except as provided above, the consent of the Holders of at least a majority in aggregate principal amount of the Mortgage Securities of all outstanding series, considered as one class, is generally required to add to, change or eliminate any of the provisions of, the Mortgage pursuant to a supplemental indenture. However, if less than all of the series of outstanding Mortgage Securities are directly affected by a proposed supplemental indenture, then such proposal only requires the consent of the Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities of all directly affected series, considered as one class. Moreover, if the Mortgage Securities of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the Holders of Mortgage Securities of one or more, but less than all, of such tranches, then such proposal requires the consent of only the Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the Holder of each outstanding Mortgage Security directly affected thereby,

- change the stated maturity of the principal or interest on any Mortgage Security (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable or change the currency in which any Mortgage Security is payable, or impair the right to bring suit to enforce any payment;
- create any lien ranking prior to the lien of the Mortgage with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the Mortgage on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the Mortgage), or deprive any Holder of the benefits of the security of the lien of the Mortgage; or
- reduce the percentages of Holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the Mortgage or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the Mortgage.

A supplemental indenture which changes, modifies or eliminates any provision of the Mortgage expressly included solely for the benefit of Holders of Mortgage Securities of one or more particular series or tranches will be deemed not to affect the rights under the Mortgage of the Holders of Mortgage Securities of any other series or tranche.

(See Section 1302.)

Miscellaneous Provisions

The Mortgage provides that certain Mortgage Securities, including those for which payment or redemption money has been deposited or set aside in trust as described under “— Satisfaction and Discharge” below, will not be deemed to be “outstanding” in determining whether the Holders of the requisite principal amount of the outstanding Mortgage Securities have given or taken any demand, direction, consent or other action under the Mortgage as of any date, or are present at a meeting of Holders for quorum purposes. (See Section 101.)

We will be entitled to set any day as a record date for the purpose of determining the Holders of outstanding Mortgage Securities of any series entitled to give or take any demand, direction, consent or other action under the Mortgage, in the manner and subject to the limitations provided in the Mortgage. In certain circumstances, the Trustee also will be entitled to set a record date for action by Holders. If such a record date is set for any action to be taken by Holders of particular Mortgage Securities, such action may be taken only by persons who are Holders of such Mortgage Securities on the record date. (See Section 107.)

Satisfaction and Discharge

Any Mortgage Securities or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the Mortgage and, at our election, our entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than PPL Electric), in trust:

- money sufficient, or
- in the case of a deposit made prior to the maturity of such Mortgage Securities, non-redeemable Eligible Obligations (as defined in the Mortgage) sufficient, or
- a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such Mortgage Securities or portions of such Mortgage Securities on and prior to their maturity.

(See Section 801.)

The Mortgage will be deemed satisfied and discharged when no Mortgage Securities remain outstanding and when we have paid all other sums payable by us under the Mortgage. (See Section 802.)

All moneys we pay to the Trustee or any Paying Agent on Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon our order. Thereafter, the Holder of any such Bond may look only to us for payment. (See Section 703.)

Voting of Class A Bonds

The Mortgage provides that the Trustee will, as holder of Class A Bonds delivered as the basis for the issuance of Mortgage Securities, attend such meetings of bondholders under the related Class A Mortgages, or deliver its proxy in connection therewith, as related to matters with respect to which it, as such holder, is entitled to vote or consent. The Mortgage provides that, so long as no Event of Default has occurred and is continuing at the time of such meeting or required consent, the Trustee will, as holder of such Class A Bonds,

- vote or consent (without any consent or other action by the holders of the Mortgage Securities, except as described in the proviso of the last bullet below) in favor of amendments or modifications to the Class A Mortgage of substantially the same tenor and effect as follows:
 - to delete any provisions in any Class A Mortgage limiting the payment of dividends or distributions on our common stock or purchases of common stock;
 - to delete any provisions in any Class A Mortgage that require a sale, exchange or other disposition, or an agreement to sell, exchange or dispose of property to be released from the lien of a Class A Mortgage;
 - to modify any provisions in any Class A Mortgage that require insurance proceeds or other payments to be paid to the trustee under such Class A Mortgage in case of any loss so that such proceeds or payments need not be paid to such trustee with respect to any loss less than the greater of (A) \$10,000,000 and (B) 3% of the sum of (1) the principal amount of Mortgage Securities outstanding on the date of such particular loss and (2) the principal amount of the Class A Bonds outstanding on the date of such particular loss, other than Class A Bonds delivered to and held by the Trustee under the Mortgage;
 - to modify certain net earnings test requirements of any Class A Mortgage to facilitate issuances of variable rate debt by providing for calculations of annual interest requirements to be based on average annual rates or the initial interest rate;
 - to delete any requirement in any Class A Mortgage of a net earnings test or net earnings certificate as a condition precedent to the issuance or authentication of Class A Bonds under such Class A Mortgage;
 - to modify any Class A Mortgage to provide that the term “corporation” as used in such Class A Mortgage shall mean “corporation, limited liability company, partnership, or trust or other legal entity” and to provide that any provision requiring us to maintain our “corporate existence” shall not be interpreted to prevent us from changing from a corporation, limited liability company, partnership, trust or other legal entity to a corporation, limited liability company, a partnership, a trust or any other legal entity; and
 - to conform any provision of a Class A Mortgage to the correlative provision of the Mortgage, to add to a Class A Mortgage any provision not otherwise contained therein which conforms in all material respects to a provision contained in the Mortgage, to delete from a Class A Mortgage any provision to which the Mortgage contains no correlative provision, and any combination of the foregoing; and
- with respect to any amendments or modifications to any Class A Mortgage other than those amendments or modifications referred to in each of the bullet points above, vote all such Class A Bonds delivered under such Class A Mortgage, or consent with respect thereto, proportionately with the vote or consent of the holders of all other Class A Bonds outstanding under such Class A Mortgage the holders of which are eligible to vote or consent, as evidenced by a certificate delivered by the trustee under such Class A Mortgage; provided, however, that the Trustee will not vote in favor of, or consent to, any amendment or modification of a Class A Mortgage which, if it were an amendment to or modification of the Mortgage, would require the consent of Holders of Mortgage Securities as described under “Modification of Mortgage — With Holder Consent” above, without the prior consent of Holders of Mortgage Securities which would be required for such an amendment or modification of the Mortgage. (See Section 1705.)

Resignation and Removal of the Trustee; Deemed Resignation

The Trustee may resign at any time by giving written notice to us.

The Trustee may also be removed by act of the Holders of a majority in principal amount of the then outstanding Mortgage Securities of any series.

No resignation or removal of the Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the Mortgage.

Under certain circumstances, we may appoint a successor trustee and if the successor accepts, the Trustee will be deemed to have resigned.

(See Section 1010.)

Regarding the Trustee

In addition to acting as Trustee under the Mortgage, The Bank of New York Mellon and certain of its affiliates maintain banking and trust relationships with us and some of our affiliates. The Trust Indenture Act contains limitations on the rights of trustees under indentures and could require the Trustee, if it acquires any conflicting interests within the meaning of that Act, to either eliminate such conflicts upon the occurrence of an event of default under the Mortgage or resign.

Governing Law

The Mortgage and the Mortgage Securities provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. (See Section 115.) The effectiveness of the lien of the Mortgage, and the perfection and priority thereof, will be governed by Pennsylvania law.

Book-Entry Only Issuance — The Depository Trust Company

DTC will act as the initial securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. The global bonds will be deposited with the Trustee as custodian for DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities for its participants ("Direct Participants") and also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules that apply to DTC and those using its system are on file with the SEC. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners should receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which they purchased Bonds. Transfers of ownership interests on the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Notices will be sent to DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns the voting or consenting rights of Cede & Co. to those Direct Participants to whose accounts the Bonds are credited on the record date. We believe that these arrangements will enable the beneficial owners to exercise rights equivalent in substance to the rights that can be directly exercised by a registered Holder of the Bonds.

Payments of principal and interest on the Bonds will be made to Cede & Co. (or such other nominee of DTC). DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices and will be the responsibility of such participant and not of DTC, the Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the Purchase Price, principal and interest to Cede & Co. (or such other nominee of DTC) is the responsibility of us or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

A beneficial owner will not be entitled to receive physical delivery of the Bonds. Accordingly, each beneficial owner must rely on the procedures of DTC to exercise any rights under the Bonds.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving us or the Trustee reasonable notice. In the event no successor securities depository is obtained, certificates for the Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but neither we nor the underwriters take any responsibility for the accuracy of this information.

Certain Pennsylvania Tax Matters

Bonds owned by individuals residing in Pennsylvania are subject to the 4 mills (\$4.00 on each \$1,000 of principal amount) Pennsylvania corporate loans tax.

UNDERWRITING

The Company and the underwriters for the offering named below have entered into an underwriting agreement with respect to the Bonds. Subject to certain conditions, each underwriter has severally, but not jointly, agreed to purchase the principal amount of Bonds indicated in the following table:

<u>Underwriters</u>	<u>Principal Amount of Bonds</u>
Barclays Capital Inc.	\$ 80,000,000
Citigroup Global Markets Inc.	\$ 80,000,000
J.P. Morgan Securities LLC	\$ 80,000,000
Morgan Stanley & Co. LLC	\$ 80,000,000
Fifth Third Securities, Inc.	\$ 20,000,000
KeyBanc Capital Markets Inc.	\$ 20,000,000
RBC Capital Markets, LLC	\$ 20,000,000
SunTrust Robinson Humphrey, Inc.	\$ 20,000,000
Total	<u>\$400,000,000</u>

The underwriters are committed to take and pay for all of the Bonds being offered, if any are taken.

Bonds sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any Bonds sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to 0.40% of the principal amount of the Bonds. Any such securities dealers may resell any Bonds purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to 0.25% of the principal amount of the Bonds. If all the Bonds are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

The Bonds are a new issue of securities with no established trading market. The Company has been advised by the underwriters that the underwriters intend to make a market in the Bonds as permitted by applicable laws and regulations. The underwriters are not obligated, however, to do so and any such market making may be discontinued at any time without notice at the sole discretion of the underwriters. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Bonds.

In connection with the offering, the underwriters may purchase and sell Bonds in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of Bonds than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Bonds while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased Bonds sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters, as well as other purchases by the underwriters for their own accounts, may stabilize, maintain or otherwise affect the market price of the Bonds. As a result, the price of the Bonds may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

The Company estimates that its share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$500,000.

The Company has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

In the ordinary course of their business, certain of the underwriters and their affiliates have engaged and may in the future engage in investment and commercial banking transactions with PPL Electric and certain of our affiliates.

We intend to use a portion of the net proceeds of this offering to repay indebtedness borrowed under our revolving credit agreement. Affiliates of certain of the underwriters are lenders under our revolving credit agreement and will receive a portion of the net proceeds from the offering.

VALIDITY OF THE BONDS

Dewey & LeBoeuf LLP, New York, New York, and Frederick C. Paine, Esq., Senior Counsel of PPL Services Corporation, will pass upon the validity of the Bonds for PPL Electric. Sullivan & Cromwell LLP, New York, New York, will pass upon the validity of the Bonds for the underwriters. However, all matters pertaining to the organization of PPL Electric and PPL Electric's title to its property and the liens of the Mortgage upon PPL Electric's properties will be passed upon only by Mr. Paine. As to matters involving the law of the Commonwealth of Pennsylvania, Dewey & LeBoeuf LLP and Sullivan & Cromwell LLP will rely on the opinion of Mr. Paine.

PROSPECTUS

PPL Corporation
PPL Capital Funding, Inc.
PPL Energy Supply, LLC
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, Pennsylvania 18101-1179
(610) 774-5151

PPL Corporation
Common Stock, Preferred Stock,
Stock Purchase Contracts, Stock Purchase Units and Depositary Shares

PPL Capital Funding, Inc.
Debt Securities and Subordinated Debt Securities
Guaranteed by PPL Corporation as described
in a supplement to this prospectus

PPL Energy Supply, LLC
Debt Securities, Subordinated Debt Securities and Preferred Securities

PPL Electric Utilities Corporation
Preferred Stock, Preference Stock, Depositary Shares and Debt Securities

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the supplements carefully before you invest.

We may offer the securities directly or through underwriters or agents. The applicable prospectus supplement will describe the terms of any particular plan of distribution.

Investing in the securities involves certain risks. See “Risk Factors” on page 3.

PPL Corporation’s common stock is listed on the New York Stock Exchange and trades under the symbol “PPL.”

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that PPL Corporation, PPL Capital Funding, Inc. (“PPL Capital Funding”), PPL Energy Supply, LLC (“PPL Energy Supply”) and PPL Electric Utilities Corporation (“PPL Electric”) have each filed with the Securities and Exchange Commission, or SEC, using the “shelf” registration process. Under this shelf process, we may, from time to time, sell combinations of the securities described in this prospectus in one or more offerings. Each time we sell securities, we will provide a prospectus supplement that will contain a description of the securities we will offer and specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under “Where You Can Find More Information.”

We may use this prospectus to offer from time to time:

- shares of PPL Corporation Common Stock, par value \$.01 per share (“PPL Common Stock”);
- shares of PPL Corporation Preferred Stock, par value \$.01 per share (“PPL Preferred Stock”);
- contracts or other rights to purchase shares of PPL Common Stock or PPL Preferred Stock (“PPL Stock Purchase Contracts”);
- stock purchase units, each representing (1) a PPL Stock Purchase Contract and (2) debt securities or preferred trust securities of third parties (such as debt securities or subordinated debt securities of PPL Capital Funding, preferred trust securities of a subsidiary trust or United States Treasury securities) that are pledged to secure the stock purchase unit holders’ obligations to purchase PPL Common Stock or PPL Preferred Stock under the PPL Stock Purchase Contracts (“PPL Stock Purchase Units”);
- PPL Corporation’s Depositary Shares, issued under a deposit agreement and representing a fractional interest in PPL Preferred Stock;
- PPL Capital Funding’s unsecured and unsubordinated debt securities (“PPL Capital Funding Debt Securities”);
- PPL Capital Funding’s unsecured and subordinated debt securities (“PPL Capital Funding Subordinated Debt Securities”);
- PPL Energy Supply’s unsecured and unsubordinated debt securities;
- PPL Energy Supply’s unsecured and subordinated debt securities;
- PPL Energy Supply’s preferred limited liability company membership interests;
- PPL Electric’s Series Preferred Stock (“PPL Electric Preferred Stock”);
- PPL Electric’s Preference Stock (“PPL Electric Preference Stock”);
- PPL Electric’s Depositary Shares, issued under a deposit agreement and representing a fractional interest in PPL Electric Preferred Stock or PPL Electric Preference Stock; and
- PPL Electric’s senior secured debt securities issued under PPL Electric’s 2001 indenture, as amended (“PPL Electric Secured Debt Securities”), which will be secured by the lien of the 2001 indenture on PPL Electric’s electric distribution and certain transmission properties (subject to certain exceptions to be described in a prospectus supplement).

We sometimes refer to the securities listed above collectively as the “Securities.”

PPL Corporation will fully and unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities and PPL Capital Funding Subordinated Debt Securities as will be described in supplements to this prospectus. We sometimes refer to PPL Corporation’s guarantees of PPL Capital Funding Debt Securities as “PPL Guarantees” and PPL Corporation’s guarantees of PPL Capital Funding Subordinated Debt Securities as the “PPL Subordinated Guarantees.”

Information contained herein relating to each registrant is filed separately by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant or Securities or guarantees issued by any other registrant, except that information relating to PPL Capital Funding's Securities is also attributed to PPL Corporation.

As used in this prospectus, the terms "we," "our" and "us" generally refer to:

- PPL Corporation with respect to Securities, PPL Guarantees or PPL Subordinated Guarantees issued by PPL Corporation or PPL Capital Funding;
- PPL Energy Supply with respect to Securities issued by PPL Energy Supply; and
- PPL Electric, with respect to Securities issued by PPL Electric.

For more detailed information about the Securities, the PPL Guarantees and the PPL Subordinated Guarantees, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

RISK FACTORS

Investing in the Securities involves certain risks. You are urged to read and consider the risk factors relating to an investment in the Securities described in the Annual Reports on Form 10-K of PPL Corporation, PPL Energy Supply and PPL Electric, as applicable, for the year ended December 31, 2008, filed with the SEC on February 27, 2009 and incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones affecting PPL Corporation, PPL Energy Supply and PPL Electric. The prospectus supplement applicable to each type or series of Securities we offer may contain a discussion of additional risks applicable to an investment in us and the particular type of Securities we are offering under that prospectus supplement.

FORWARD-LOOKING INFORMATION

Certain statements included or incorporated by reference in this prospectus, including statements concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical facts, are "forward-looking statements" within the meaning of the federal securities laws. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. These forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the forward-looking statements. In addition to the specific factors discussed in the "Risk Factors" section in this prospectus and our reports that are incorporated by reference, the following are among the important factors that could cause actual results to differ materially from the forward-looking statements:

- fuel supply availability;
- weather conditions affecting generation production, customer energy use and operating costs;
- operation, availability and operating costs of existing generation facilities;
- transmission and distribution system conditions and operating costs;
- collective labor bargaining negotiations;
- the outcome of litigation against us;
- potential effects of threatened or actual terrorism or war or other hostilities
- our commitments and liabilities;
- market demand and prices for energy, capacity, emission allowances and delivered fuel;

- competition in retail and wholesale power markets;
- liquidity of wholesale power markets;
- defaults by our counterparties under our energy, fuel or other power product contracts;
- market prices of commodity inputs for ongoing capital expenditures;
- capital market conditions, including the availability of capital or credit, changes in interest rates, and decisions regarding capital structure;
- stock price performance of PPL Corporation;
- the fair value of debt and equity securities and the impact on defined benefit costs and resultant cash funding requirements for defined benefit plans;
- interest rates and their affect on pension, retiree medical and nuclear decommissioning liabilities;
- the impact of the current financial and economic downturn;
- volatility in financial or commodity markets;
- profitability and liquidity, including access to capital markets and credit facilities;
- new accounting requirements or new interpretations or applications of existing requirements;
- securities and credit ratings;
- foreign currency exchange rates;
- current and future environmental conditions and requirements and the related costs of compliance, including environmental capital expenditures, emission allowance costs and other expenses;
- political, regulatory or economic conditions in states, regions or countries where we conduct business;
- receipt of necessary governmental permits, approvals and rate relief;
- new state, federal or foreign legislation, including new tax legislation;
- state, federal and foreign regulatory developments;
- the impact of any state, federal or foreign investigations applicable to us and the energy industry;
- the effect of any business or industry restructuring;
- development of new projects, markets and technologies;
- performance of new ventures; and
- asset acquisitions and dispositions.

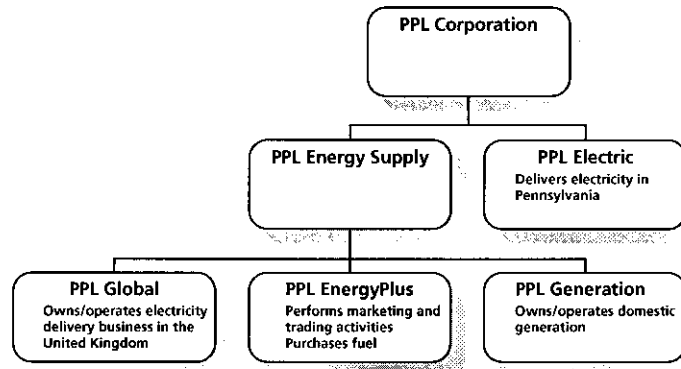
Any such forward-looking statements should be considered in light of such important factors and in conjunction with other documents we file with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all of such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update the information contained in such statement to reflect subsequent developments or information.

PPL CORPORATION

PPL Corporation, incorporated in 1994 and headquartered in Allentown, Pennsylvania, is an energy and utility holding company. Through its subsidiaries, PPL Corporation generates electricity from power plants in the northeastern and western United States; markets wholesale or retail energy primarily in the northeastern and western portions of the United States and delivers electricity to approximately 4 million customers in Pennsylvania and the United Kingdom.

PPL Corporation's principal subsidiaries are shown below:



Energy Supply

PPL Corporation, through its indirect, wholly owned subsidiaries, PPL Generation, LLC ("PPL Generation") and PPL EnergyPlus, LLC ("PPL EnergyPlus") owns and operates electricity generating power plants and markets this electricity and other purchased power to deregulated wholesale and retail markets. Both of these subsidiaries are direct, wholly owned subsidiaries of PPL Energy Supply. As of December 31, 2008, PPL Corporation owned or controlled, through its subsidiaries, 12,002 megawatts, or MW, of electric power generation capacity and has plans to implement capital projects primarily at certain of its existing generation facilities in Pennsylvania and Montana to provide 148 MW of additional capacity by 2013. See "PPL Energy Supply, LLC" below for more information.

Energy Delivery

PPL Corporation provides energy delivery services in its service territory in Pennsylvania through its regulated public utility subsidiary, PPL Electric, and in the United Kingdom through its subsidiary, PPL Global. PPL Electric delivers electricity to approximately 1.4 million customers in eastern and central Pennsylvania. See "PPL Electric Utilities Corporation" below for more information. Through its subsidiaries, PPL Global delivers electricity to approximately 2.6 million customers in the United Kingdom. PPL Global is a wholly owned subsidiary of PPL Energy Supply, LLC. See "PPL Energy Supply, LLC" below for more information.

PPL Corporation's subsidiaries, including PPL Energy Supply and PPL Electric, are separate legal entities, and are not liable for the debts of PPL Corporation, and PPL Corporation is not liable for the debts of its subsidiaries (other than under the PPL Guarantees of PPL Capital Funding Debt Securities and PPL Subordinated Guarantees of PPL Capital Funding Subordinated Debt Securities). Neither PPL Energy Supply nor PPL Electric will guarantee or provide other credit or funding support for the Securities to be offered by PPL Corporation pursuant to this prospectus.

PPL CAPITAL FUNDING, INC.

PPL Capital Funding is a Delaware corporation and a wholly owned subsidiary of PPL Corporation. PPL Capital Funding's primary business is to provide PPL Corporation with financing for its operations. PPL Corporation will fully and unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities pursuant to the PPL Guarantees and the PPL Capital Funding Subordinated Debt Securities pursuant to the PPL Subordinated Guarantees, as will be described in supplements to this prospectus.

PPL ENERGY SUPPLY, LLC

PPL Energy Supply, formed in 2000 and headquartered in Allentown, Pennsylvania, is an energy company engaged, through its subsidiaries, in the generation and marketing of power in the northeastern and western power markets of the United States and in the delivery of electricity in the United Kingdom. PPL Energy Supply's major operating subsidiaries are PPL Generation, PPL EnergyPlus and PPL Global. PPL Energy Supply is an indirect wholly owned subsidiary of PPL Corporation. See "PPL Corporation" above for more information.

Energy Supply: PPL Generation and PPL EnergyPlus

As of December 31, 2008, PPL Energy Supply owned or controlled, through its subsidiaries, 12,002 MW of electric power generation capacity. PPL Generation subsidiaries own and operate power plants in Pennsylvania, Montana, Illinois, Connecticut, New York and Maine. PPL Energy Supply's generating capacity includes power obtained through PPL EnergyPlus' tolling or power purchase agreements. In addition, PPL Generation has current plans to implement capital projects at certain of its existing generation facilities primarily in Pennsylvania and Montana to provide 148 MW of additional generating capacity by 2013. PPL Generation's plants are fueled by uranium, coal, natural gas, oil and water. The electricity from these plants is sold to PPL EnergyPlus under FERC-jurisdictional power purchase agreements.

PPL EnergyPlus markets or brokers the electricity produced by PPL Generation's subsidiaries, along with purchased power, financial transmission rights, natural gas, oil, emission allowances and renewable energy credits in competitive wholesale and deregulated retail markets. PPL EnergyPlus also provides energy-related products and services, such as engineering and mechanical contracting, construction and maintenance services, to commercial and industrial customers.

International Energy Delivery: PPL Global

PPL Energy Supply provides electricity delivery services in the United Kingdom through its PPL Global subsidiary, which owns Western Power Distribution Holdings Limited and WPD Investment Holdings Limited, which together we refer to as WPD. WPD operates two electric distribution companies in the United Kingdom, serving a total of approximately 2.6 million customers.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the securities to be offered by PPL Energy Supply pursuant to this prospectus.

PPL ELECTRIC UTILITIES CORPORATION

PPL Electric, incorporated in 1920 and headquartered in Allentown, Pennsylvania, is a direct subsidiary of PPL Corporation and a regulated public utility. PPL Electric delivers electricity to approximately 1.4 million customers in eastern and central Pennsylvania. PPL Electric also provides electricity supply as a "provider of last resort," or "PLR," to retail customers in that territory that do not choose an alternative electricity provider.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the securities to be offered by PPL Electric pursuant to this prospectus.

The offices of PPL Corporation, PPL Capital Funding, PPL Energy Supply and PPL Electric are located at Two North Ninth Street, Allentown, Pennsylvania 18101-1179, and they can be contacted through telephone number (610) 774-5151.

The information above concerning PPL Corporation, PPL Capital Funding, PPL Energy Supply and PPL Electric and, if applicable, their respective subsidiaries is only a summary and does not purport to be comprehensive. For additional information about these companies, including certain assumptions, risks and uncertainties involved in the forward-looking statements contained or incorporated by reference in this prospectus, you should refer to the information described in “Where You Can Find More Information.”

USE OF PROCEEDS

Except as otherwise described in a prospectus supplement, the net proceeds from the sale of the PPL Capital Funding Debt Securities and the PPL Capital Funding Subordinated Debt Securities will be loaned to PPL Corporation and/or its subsidiaries. PPL Corporation and/or its subsidiaries are expected to use the proceeds of such loans, and the proceeds of the other Securities issued by PPL Corporation, for general corporate purposes, including repayment of debt. Except as otherwise described in a prospectus supplement, each of PPL Energy Supply and PPL Electric is expected to use the proceeds of the Securities it issues for general corporate purposes, including repayment of debt.

RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

PPL Corporation

The following table sets forth PPL Corporation’s ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends for the periods indicated:

	Twelve Months Ended December 31,				
	2008	2007	2006	2005	2004
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends(a)	3.3	3.0	2.9	2.4	2.5

(a) In calculating the earnings component, earnings exclude income taxes, minority interest, dividends on preferred securities of a subsidiary, discontinued operations and the cumulative effects of changes in accounting principles. See PPL Corporation’s reports on file with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as described under “Where You Can Find More Information” for more information. PPL Corporation had no preferred securities outstanding during the periods indicated; therefore, the ratio of earnings to combined fixed charges and preferred stock dividends is the same as the ratio of earnings to fixed charges.

PPL Energy Supply

The following table sets forth PPL Energy Supply’s ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred securities dividends for the periods indicated:

	Twelve Months Ended December 31,				
	2008	2007	2006	2005	2004
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred securities dividends(a)	3.7	3.7	3.5	3.0	3.9

(a) In calculating the earnings component, earnings exclude income taxes, minority interest, discontinued operations and the cumulative effects of changes in accounting principles. See PPL Energy Supply’s reports on file with the SEC pursuant to the Exchange Act as described under “Where You Can Find More

Information” for more information. PPL Energy Supply had no preferred securities outstanding during the periods indicated; therefore, the ratio of earnings to combined fixed charges and preferred securities dividends is the same as the ratio of earnings to fixed charges.

PPL Electric

The following table sets forth PPL Electric’s ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends for the periods indicated:

	Twelve Months Ended December 31,				
	2008	2007	2006	2005	2004
Ratio of earnings to fixed charges(a)	3.4	2.7	2.9	2.1	1.4
Ratio of earnings to combined fixed charges and preferred stock dividends(a)	2.7	2.3	2.5	2.1	1.4

(a) In calculating the earnings component, earnings reflect income before income taxes. See PPL Electric’s reports on file with the SEC pursuant to the Exchange Act as described under “Where You Can Find More Information” for more information.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

PPL Corporation, PPL Energy Supply and PPL Electric each file reports and other information with the SEC. You may obtain copies of this information by mail from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC’s Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

PPL Corporation’s Internet Web site is www.pplweb.com. On the Investor Center page of that Web site PPL Corporation provides access to all SEC filings of PPL Corporation, PPL Energy Supply and PPL Electric free of charge, as soon as reasonably practicable after filing with the SEC. The information at PPL Corporation’s Internet Web site is not incorporated in this prospectus by reference, and you should not consider it a part of this prospectus. Additionally, PPL Corporation’s, PPL Energy Supply’s and PPL Electric’s filings are available at the SEC’s Internet Web site (www.sec.gov).

PPL Corporation Common Stock is listed on the New York Stock Exchange (“NYSE”) (symbol: PPL), and reports, proxy statements and other information concerning PPL Corporation can also be inspected at the offices of the NYSE at 20 Broad Street, New York, New York 10005.

Certain securities of PPL Energy Supply and PPL Electric are also listed on the NYSE and certain information concerning PPL Energy Supply and PPL Electric may be inspected at the NYSE offices in New York.

In addition, reports, proxy statements and other information concerning PPL Corporation, PPL Energy Supply and PPL Electric can be inspected at their offices at Two North Ninth Street, Allentown, Pennsylvania 18101-1179.

Incorporation by Reference

Each of PPL Corporation, PPL Energy Supply and PPL Electric will “incorporate by reference” information into this prospectus by disclosing important information to you by referring you to another document that it files separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede that information. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about the registrants.

PPL Corporation

<u>SEC Filings (File No. 1-11459)</u>	<u>Period/Date</u>
Annual Report on Form 10-K	Year ended December 31, 2008
Current Reports on Form 8-K	Filed on January 12, 2009, January 28, 2009, February 18, 2009, February 24, 2009, March 4, 2009 and March 17, 2009
PPL Corporation's Registration Statement on Form 8-B	Filed on April 27, 1995
PPL Corporation's 2008 Notice of Annual Meeting and Proxy Statement	Filed on March 18, 2008

PPL Energy Supply

<u>SEC Filings (File No. 1-32944)</u>	<u>Period/Date</u>
Annual Report on Form 10-K	Year ended December 31, 2008
Current Reports on Form 8-K	Filed on February 18, 2009, February 24, 2009, March 4, 2009 and March 17, 2009

PPL Electric

<u>SEC Filings (File No. 1-905)</u>	<u>Period/Date</u>
Annual Report on Form 10-K	Year ended December 31, 2008
Current Reports on Form 8-K	Filed on January 28, 2009 and February 24, 2009

Additional documents that PPL Corporation, PPL Energy Supply and PPL Electric file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, between the date of this prospectus and the termination of the offering of the Securities are also incorporated herein by reference. In addition, any additional documents that PPL Corporation, PPL Energy Supply or PPL Electric file with the SEC pursuant to these sections of the Exchange Act after the date of the filing of the registration statement containing this prospectus, and prior to the effectiveness of the registration statement are also incorporated herein by reference.

Each of PPL Corporation, PPL Energy Supply and PPL Electric will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus has been delivered, a copy of any and all of its filings with the SEC. You may request a copy of these filings by writing or telephoning the appropriate registrant at:

Two North Ninth Street
Allentown, Pennsylvania 18101-1179
Attention: Investor Services Department
Telephone: 1-800-345-3085

No separate financial statements of PPL Capital Funding are included herein or incorporated herein by reference. PPL Corporation and PPL Capital Funding do not consider those financial statements to be material to holders of the PPL Capital Funding Debt Securities or PPL Capital Funding Subordinated Debt Securities because (1) PPL Capital Funding is a wholly owned subsidiary that was formed for the primary purpose of providing financing for PPL Corporation and its subsidiaries, (2) PPL Capital Funding does not currently engage in any independent operations and (3) PPL Capital Funding does not currently plan to engage, in the future, in more than minimal independent operations. See "PPL Capital Funding." PPL Capital Funding has received a "no action" letter from the Staff of the SEC stating that the Staff would not raise any objection if PPL Capital Funding does not file periodic reports under Sections 13 and 15(d) of the Exchange Act. Accordingly, PPL Corporation and PPL Capital Funding do not expect PPL Capital Funding to file those reports.

EXPERTS

The consolidated financial statements of PPL Corporation, PPL Energy Supply, LLC and PPL Electric Utilities Corporation (the “Companies”) appearing in the Companies’ Annual Reports (Form 10-K) for the year ended December 31, 2008 and the effectiveness of PPL Corporation’s internal control over financial reporting as of December 31, 2008, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein, and incorporated herein by reference. Such financial statements have been incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

VALIDITY OF THE SECURITIES AND THE PPL GUARANTEES

Dewey & LeBoeuf LLP, New York, New York or Simpson Thacher & Bartlett LLP, New York, New York and Michael A. McGrail, Esq., Deputy General Counsel of PPL Services Corporation, will pass upon the validity of the Securities, the PPL Guarantees and the PPL Subordinated Guarantees for PPL Corporation, PPL Capital Funding, PPL Energy Supply and PPL Electric. Sullivan & Cromwell LLP, New York, New York, will pass upon the validity of the Securities, the PPL Guarantees and the PPL Subordinated Guarantees for any underwriters or agents. Dewey & LeBoeuf LLP, Simpson Thacher & Bartlett LLP and Sullivan & Cromwell LLP will rely on the opinion of Mr. McGrail as to matters involving the law of the Commonwealth of Pennsylvania. As to matters involving the law of the State of New York, Mr. McGrail will rely on the opinion of Dewey & LeBoeuf LLP or Simpson Thacher & Bartlett LLP, as applicable.

\$400,000,000



PPL Electric Utilities

PPL Electric Utilities Corporation

3.00% First Mortgage Bonds due 2021

PROSPECTUS SUPPLEMENT
August 18, 2011

Joint Book-Running Managers

Barclays Capital
Citigroup
J.P. Morgan
Morgan Stanley

Co-Managers

Fifth Third Securities, Inc
KeyBanc Capital Markets
RBC Capital Markets
SunTrust Robinson Humphrey

Q.2. Supply projected capital requirements and sources of the filing utility, its parent and system - consolidated - for the test year and each of 3 comparable future years.

A.2. Attachment III-F-2 provides the requested information.

**PPL ELECTRIC UTILITIES CORPORATION
REQUIREMENTS AND SOURCES OF FUNDS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	(Millions of Dollars)			
Capital Requirements				
Construction	\$ 671	\$ 870	\$ 821	\$ 676
Act 129 Spending	0	0	0	0
Pension Funding	66	67	64	64
Security Maturities, Redemptions and Sinking Funds	0	0	0	0
Other (including changes in working capital)	250	0	10	100
	(30)	20	32	21
Total Requirements	<u>\$ 957</u>	<u>\$ 957</u>	<u>\$ 927</u>	<u>\$ 861</u>
Sources				
Total Internal	\$ 717	\$ 547	\$ 582	\$ 491
Sale of Investments	\$ 0	\$ 0	\$ 0	\$ 0
Outside Financing				
Long-term debt	240	410	345	370
Short-term debt change	0	0	0	0
Other	0	0	0	0
Total Outside	<u>240</u>	<u>410</u>	<u>345</u>	<u>370</u>
Total Fund Sources	<u>\$ 957</u>	<u>\$ 957</u>	<u>\$ 927</u>	<u>\$ 861</u>

**PPL CORPORATION
REQUIREMENTS AND SOURCES OF FUNDS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	(Millions of Dollars)			
Capital Requirements				
Construction	\$ 3,689	\$ 4,062	\$ 3,900	\$ 3,532
Nuclear Fuel Payments	151	168	166	169
Pension Payments	444	502	461	454
Security Maturities, Redemptions and Sinking Funds	250	1,887	1,288	1,300
Other (including changes in working capital)	61	140	(10)	29
Total Requirements	<u>\$ 4,595</u>	<u>\$ 6,759</u>	<u>\$ 5,805</u>	<u>\$ 5,485</u>
Sale of Assets	0	0	0	55
Sources				
Total Internal	\$ 3,135	\$ 2,610	\$ 2,964	\$ 2,936
Outside Financing				
Long-term debt	540	2,535	2,451	2,256
Short-term debt change	536	205	(\$737)	89
Other (incl. Common Stock)	385	1,409	1,128	150
Total Outside	<u>1,461</u>	<u>4,149</u>	<u>2,841</u>	<u>2,494</u>
Total Fund Sources	<u>\$ 4,595</u>	<u>\$ 6,759</u>	<u>\$ 5,805</u>	<u>\$ 5,485</u>

- Q.3. State what coverage requirements or capital structure ratios are required in the most restrictive of applicable indentures/charter tests and how these measures have been computed.
- A.3. PPL Electric Utilities Corporation is the borrower under a credit agreement that contains a financial covenant requiring that the debt to total capitalization not exceed 70%. The manner in which the interest coverage ratio is computed is provided in Attachment III-F-3.

PPL ELECTRIC UTILITIES CORPORATION

Debt to Total Capitalization Credit Facility Covenant

PPL Electric Utilities Corporation is the borrower under a credit agreement, dated December 31, 2010, pursuant to which it has the ability to make cash borrowings and to request the lenders to issue letters of credit. This credit facility contains a financial covenant requiring that the debt to total capitalization not exceed 70%. The covenant and pertinent definitions from the credit agreement are as follows:

Section 6.09 Consolidated Debt to Consolidated Capitalization Ratio.

The ratio of Consolidated Debt of the Borrower to Consolidated Capitalization of the Borrower shall not exceed 70%, measured as of the end of each fiscal quarter.

“Consolidated Capitalization” shall mean the sum of, without duplication, (A) the Consolidated Debt (without giving effect to clause (b) of the definition of “Consolidated Debt”) and (B) the consolidated shareowners’ equity (determined in accordance with GAAP) of the common, preference and preferred shareowners of the Borrower and minority interests recorded on the Borrower’s consolidated financial statements (excluding from shareowner’s equity (i) the effect of all unrealized gains and losses reported under Financial Accounting Standards Board Accounting Standards Codification Topic 815 in connection with (x) forward contracts, futures contracts, options contracts or other derivatives or hedging agreements for the future delivery of electricity, capacity, fuel or other commodities and (y) Interest Rate Protection Agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements and (ii) the balance of accumulated other comprehensive income/loss of the Borrower on any date of determination solely with respect to the effect of any pension and other post-retirement benefit liability adjustment recorded in accordance with GAAP), except that for purposes of calculating Consolidated Capitalization of the Borrower, Consolidated Debt of the Borrower shall exclude Non-Recourse Debt and Consolidated Capitalization of the Borrower shall exclude that portion of shareowners’ equity attributable to assets securing Non-Recourse Debt.

“Consolidated Debt” means the consolidated Debt of the Borrower and its Consolidated Subsidiaries (determined in accordance with GAAP), except that for purposes of this definition (a) Consolidated Debt shall exclude Non-Recourse Debt of the Borrower and its Consolidated Subsidiaries, and (b) Consolidated Debt shall exclude (i) Hybrid Securities of the Borrower and its Consolidated

Subsidiaries in an aggregate amount as shall not exceed 15% of Consolidated Capitalization and (ii) Equity-Linked Securities in an aggregate amount as shall not exceed 15% of Consolidated Capitalization.

“Debt” of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all Guarantees by such Person of Debt of others, (iv) all Capital Lease Obligations and Synthetic Leases of such Person, (v) all obligations of such Person in respect of Interest Rate Protection Agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements (the amount of any such obligation to be the net amount that would be payable upon the acceleration, termination or liquidation thereof), but only to the extent that such net obligations exceed \$75,000,000 in the aggregate and (vi) all obligations of such Person as an account party in respect of letters of credit and bankers’ acceptances; provided, however, that “Debt” of such Person does not include (a) obligations of such Person under any installment sale, conditional sale or title retention agreement or any other agreement relating to obligations for the deferred purchase price of property or services, (b) obligations under agreements relating to the purchase and sale of any commodity, including any power sale or purchase agreements, any commodity hedge or derivative (regardless of whether any such transaction is a “financial” or physical transaction), (c) any trade obligations or other obligations of such Person incurred in the ordinary course of business or (d) obligations of such Person under any lease agreement (including any lease intended as security) that is not a Capital Lease or a Synthetic Lease.

“Non-Recourse Debt” shall mean Debt that is nonrecourse to the Borrower or any asset of the Borrower.

- Q.4. A schedule of comparative financial data shall be supplied for the test year, the most immediately available annual historical period, prior to the test year, and the 2 calendar years most immediately preceding the test year. Changes in Moody's/S&P ratings, noted on this schedule, shall be accompanied by the Moody's/S&P write-up of such change, if available. The following financial data and ratios shall be supplied for the utility's parent, where applicable, if not available for the utility.
- a) Times interest earned ratio - pre-tax and post-tax basis.
 - b) Preferred stock dividend coverage ratio - post-tax basis.
 - c) Times fixed charges earned ratio - pre-tax basis.
 - d) Earnings per share.
 - e) Dividend per share.
 - f) Average dividend yield (52-week high/low common stock price).
 - g) Average book value per share.
 - h) Average market price per share.
 - i) Market price-book value ratio.
 - j) Earnings-book value ratio (per share basis, average book value).
 - k) Dividend payout ratio.
 - l) AFUDC as a % of earnings available for common equity.
 - m) Construction work in progress as a % of net utility plant.
 - n) Effective income tax rate.
 - o) Internal cash generations as a % of total capital requirements.

A.4. Attachment III-F-4a provides the requested comparative financial data.

Attachment III-F-4b provides the requested write-ups from Moody's.

Attachment III-F-4c provides the requested write-ups from S&P.

PPL ELECTRIC UTILITIES CORPORATION

Comparative Financial Data

Description/Purpose	2010	2011	2012
a. Times interest earned ratio - pre-tax	3.24	3.57	(b)
Times interest earned ratio - post-tax	2.44	2.82	(b)
b. Preferred stock dividend coverage ratio - post-tax basis	2.42	2.76	(b)
c. Times fixed charges earned ratio - pre-tax basis	3.20	3.48	(b)
d. Earnings per share - diluted (a)	\$2.17	\$2.70	(b)
e. Dividend per share (a)	\$1.40	\$1.40	(b)
f. Average dividend yield			(b)
(52-week high/low common stock price) (a)	4.95%	5.15%	(b)
g. Average book value per share (a)	\$16.17	\$18.10	(b)
h. Average market price per share (a)	\$27.70	\$27.48	(b)
i. Market price-book value ratio (a)	1.71	1.52	(b)
j. Earnings-book value ratio			(b)
(per share basis, average book value) (a)	0.134	0.149	(b)
k. Dividend payout ratio (a)	0.645	0.519	(b)
l. AFUDC as a % of earnings available for common equity	6.06%	6.49%	(b)
m. Construction work in progress as a % of net utility plant	5.25%	6.48%	(b)
n. Effective income tax rate	29.7%	26.5%	(b)
o. Internal cash generations as a % of total capital requirements	74.9%	39.4%	(b)

(a) Information presented for PPL Corporation, as it is not applicable to PPL Electric.

(b) Requested data for the Future Test Year is confidential since it deals with a release of projected financial information. This information will be provided to the PUC upon the issuance of an appropriate protective order concerning the confidentiality of such information and will be provided to any party to the rate proceeding upon the execution of an agreement with PPL Electric to hold such information in strict confidence and not to disclose it to any person, whether or not a party to the proceeding, who has not executed a similar confidentiality agreement with PPL Electric.

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's downgrades PPL and PPL Electric, outlook stable

Global Credit Research - 28 Apr 2010

Approximately \$1.3 billion of rated instruments affected

New York, April 28, 2010 -- Moody's Investors Service (Moody's) downgraded the long-term unsecured ratings of PPL Corporation (PPL: Issuer Rating to Baa3 from Baa2), and its subsidiaries PPL Electric Utilities Corporation (PPL EU: senior unsecured to Baa2 from Baa1), and PPL Capital Funding, Inc. (PPL Capital: senior unsecured guaranteed by PPL to Baa3 from Baa2); the A3 rating for PPL EU's secured debt, and its Prime-2 rating for commercial paper are affirmed. The outlook for PPL, PPL EU, and PPL Capital is stable. The ratings of PPL's subsidiary PPL Energy Supply (PPL Supply: Baa2 senior unsecured) are affirmed and the outlook remains stable.

The rating actions follow PPL's announced agreement to acquire E.ON U.S. LLC (E.ON U.S.) and its subsidiaries Louisville Gas & Electric Company (LG&E) and Kentucky Utilities Company (KU), and while reflective of the announced transaction, are driven more by weakening financial metrics and the negative outlooks that had been in place for PPL EU and PPL for the past year.

On April 28, 2010, PPL announced that it had reached a definitive agreement with E.ON AG to acquire E.ON U.S., the parent company of LG&E and KU, two regulated utilities with operations principally in Kentucky. The transaction values E.ON U.S. at approximately \$7.6 billion, including the assumption of \$925 million of existing tax-exempt debt and the repayment of E.ON AG intercompany debt. Permanent financing for the transaction will include a combination of common equity, utility first mortgage bonds, utility holding company bonds, hybrid securities and cash on hand. We anticipate that PPL will arrange the permanent financing in a balanced manner that will be supportive of its Baa3 Issuer Rating.

PPL's Baa3 Issuer Rating considers the additional regulatory scale, diversity and cash flow stability that are likely to result from its planned acquisition of E.ON US. On a pro-forma basis, we anticipate that over 50% of PPL's assets and cash flows would be associated with regulated operations; absent the transaction, we would expect regulated contributions to remain significantly below 50%. The rating also considers the challenges the company is facing as it transitions to a fully competitive market in its Pennsylvania service territory where significant utility investment is needed while its wholesale generation business continues to operate within weakened commodities markets. The rating reflects pro-forma consolidated credit profile and cash flow credit metrics that we anticipate will remain within ranges appropriate for the rating. The Baa3 ratings for PPL and PPL Capital also recognize their structurally subordinate position relative to the Baa2 senior unsecured debt of PPL Supply and PPL EU, and to likely holding company and operating company debt at the Kentucky utilities.

The downgrade for PPL EU reflects our continued expectation that beginning in 2010, the company's cash flow credit metrics will decline dramatically from their recent levels and will remain toward the lower end of the ranges indicated in Moody's August 2009 Rating Methodology for Regulated Electric and Gas Utilities (the Regulated Methodology) rated Baa for the foreseeable future. The expected decline in metrics comes as PPL EU implements market rates for generation while simultaneously incurring increased expenditures for capital investment to support and maintain the reliability of its aging distribution and transmission systems. As a result, PPL EU's debt burden will increase, and cash flow coverage of debt and debt service is expected to be dramatically reduced. For example, for the foreseeable future, the ratio of cash flow from operations excluding changes in working capital (CFO Pre -- WC) to debt, calculated in accordance with Moody's standard analytical adjustments, is expected to remain in the low-to-mid teens, and the ratio of CFO Pre -- WC plus interest to interest is anticipated to remain around

three times.

The affirmation of the A3 rating for the senior secured debt at PPL EU reflects its priority position within PPL EU's capital structure and follows Moody's August 2009 implementation of wider notching between the vast majority of ratings for senior secured and senior unsecured debt ratings for investment grade regulated utilities. Issuers with negative outlooks were excluded from the August implementation.

The affirmation of the Baa2 senior unsecured ratings for PPL Supply considers the relatively strong market and competitive position that results from its significant base-load generation portfolio located primarily near load serving entities within the highly liquid and transparent PJM market. The affirmation also recognizes that 2010 is the first year the company is able to sell power produced by its Pennsylvania generation resources at market rates. For 2010 and beyond, we anticipate increased volatility of cash flows, mitigated to some extent by PPL Supply's hedging strategy; however, we also anticipate a strengthening of its cash flow credit metrics commensurate with the company's increased business risk. For example, we anticipate the ratio of CFO Pre-WC to debt (excluding the debt and cash flows associated with its U.K. distribution utilities) to remain above 25%. PPL Supply's published consolidated credit metrics will continue to be impacted by the ownership of its U.K. distribution utilities, which benefit from reasonably stable cash flow, but also employ leverage commensurate with their regulated network activities. We anticipate PPL Supply's consolidated published ratio of CFO Pre-WC to debt will remain above 20%.

The stable outlook for PPL EU reflects our expectation that PPL EU's financial metrics will generally remain within the ranges indicated for electric distribution and transmission utilities rated Baa. The outlook also assumes that PPL EU will finance its significant capital expenditure program in a manner that is consistent with maintaining its current credit profile and that it will continue to successfully manage its regulatory relationships as Pennsylvania continues its statewide transition to market rates.

The stable outlooks for PPL Supply, PPL Capital, and PPL reflect our view that the planned acquisition of E.ON U.S. will be financed in a balanced manner that is consistent with PPL's Baa3 Issuer rating. The stable outlooks also assume that in 2010 and beyond, PPL Supply's low-cost, strategically placed, primarily base load generating assets will generate increased cash flows, and that PPL will continue to seek to mitigate the volatility of these market based cash flow by use of disciplined hedging strategies. In addition, the stable outlooks assume that the transition to the competitive electricity market in Pennsylvania will continue to proceed relatively smoothly and that PPL EU's planned capital expenditures will be financed in a manner that is supportive of its credit quality.

The principal methodology used in rating PPL EU, PPL and PPL Capital was Rating Methodology: Regulated Electric and Gas Utilities, published August 2009 and available on www.moody.com in the Rating Methodologies sub-directory under the Research and Ratings tab. The principal methodology used in rating PPL Supply was Rating Methodology: Unregulated Utilities and Power Companies, published in August 2009 and also available on www.moody.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating these issuers can also be found in the Rating Methodologies sub-directory on Moody's website.

Moody's last rating action on PPL EU, PPL, PPL Capital and PPL Supply occurred May 11, 2009 the outlooks of PPL EU, PPL and PPL Capital were revised to negative from stable and the ratings of PPL Supply were affirmed with a stable outlook.

PPL is a diversified energy holding company headquartered in Allentown, Pennsylvania. PPL EU is a regulated transmission and distribution utility; PPL Supply is a holding company engaged primarily in non-regulated generation and marketing of power in the U.S. and the regulated delivery of electricity in the U.K.; PPL Capital is a financing subsidiary of PPL - its debt is guaranteed by PPL.

Downgrades:

PPL Corporation

Issuer Rating, Downgraded to Baa3 from Baa2

PPL Capital Funding, Inc.

Junior Subordinated Regular Bond/Debenture, Downgraded to Ba1 from Baa3

Multiple Seniority Shelf, Downgraded to (P)Baa3, (P)Ba1 from (P)Baa2, (P)Baa3

Senior Unsecured Regular Bond/Debenture, Downgraded to Baa3 from Baa2

PPL Electric Utilities Corporation

Issuer Rating, Downgraded to Baa2 from Baa1

Multiple Seniority Shelf, Downgraded to (P)Ba1 from (P)Baa3

Preferred Stock, Downgraded to Ba1 from Baa3

Senior Unsecured Bank Credit Facility, Downgraded to Baa2 from Baa1

Senior Unsecured Revenue Bonds (Lehigh County Industrial Development Authority), Downgraded to Baa2 from Baa1

Outlook Actions:

PPL Corporation

Outlook, Changed To Stable From Negative

PPL Capital Funding, Inc.

Outlook, Changed To Stable From Negative

PPL Electric Utilities Corporation

Outlook, Changed To Stable From Negative

New York

Laura Schumacher

Vice President - Senior Analyst

Infrastructure Finance Group

Moody's Investors Service

JOURNALISTS: 212-553-0376

SUBSCRIBERS: 212-553-1653

New York

William L. Hess

Managing Director

Infrastructure Finance Group

Moody's Investors Service

JOURNALISTS: 212-553-0376

SUBSCRIBERS: 212-553-1653

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October 27, 2010

Research Update:

**PPL Corp. Upgraded To 'BBB+' And
Off CreditWatch On Expected
Closing Of E.ON Acquisition**

Primary Credit Analysts:

Gerrit Jepsen, CFA, New York (1) 212-438-2529;gerrit_jepsen@standardandpoors.com
Aneesh Prabhu, New York (1) 212-438-1285;aneesh_prabhu@standardandpoors.com

Secondary Contact:

Barbara A Eiseman, New York (1) 212-438-7666;barbara_eiseman@standardandpoors.com

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Research Update:

PPL Corp. Upgraded To 'BBB+' And Off CreditWatch On Expected Closing Of E.ON Acquisition

Overview

- We resolved the CreditWatch listing on diversified energy company PPL Corp. and affiliate PPL Energy Supply LLC (PPL Energy) on the expected Nov. 1, 2010, acquisition of E.ON U.S. LLC and its utility subsidiaries, Louisville Gas & Electric Co. (LG&E) and Kentucky Utilities Co. (KU), for \$7.625 billion.
- We are upgrading PPL and PPL Energy to 'BBB+' from 'BBB' to reflect the pro forma consolidated company's expected stronger credit profile due to a reconfigured business strategy that we expect will garner at least two-thirds of the projected operating cash flows from fully regulated utilities. The outlooks are stable.
- We are revising the outlook on utility affiliate PPL Electric Utilities (PPLEU) to stable from negative and affirming the 'A-' corporate credit rating.
- We are affirming the 'BBB+' corporate credit ratings on E.ON, LG&E, and KU. The outlooks are stable.
- We are raising the issue rating to 'A/A-2' from 'BBB+' and assigning a '1+' recovery rating on LG&E's approximately \$575 million of outstanding tax-exempt pollution control bonds to reflect the addition of first mortgage bonds as collateral and their secured status.

Rating Action

On Oct. 27, 2010, Standard & Poor's Ratings Services raised the corporate credit ratings on PPL and PPL Energy to 'BBB+' from 'BBB'. At the same time, we removed the ratings from CreditWatch with positive implications, where we put them on April 28, 2010, following the acquisition announcement. The outlooks are stable. We affirmed the 'A-' rating on PPLEU and revised the outlook to stable from negative. In addition, we affirmed the 'BBB+' ratings on LG&E and KU, and their parent, E.ON U.S. The outlooks are stable. Also, we raised the ratings on LG&E's approximately \$575 million of tax-exempt pollution control revenue bonds to 'A' from 'BBB+' to reflect the addition of first mortgage bonds as collateral for the duration of the bonds. For these newly collateralized bonds, we are assigning a recovery rating of '1+', reflecting our highest expectation of full recovery of principal (100% recovery) in a default scenario. Following the closing of acquisition, E.ON U.S. will change its name to LG&E and KU Energy LLC.

The upgrade reflects our opinion of an improved credit profile of the consolidated company following the acquisition closing. The inclusion of regulated LG&E and KU into the PPL portfolio is expected to contribute at

least two-thirds of overall operating cash flow compared with existing majority of cash flow coming from unregulated operations. In our opinion, the excellent business risk profiles of the regulated utilities will more than offset PPL Energy's satisfactory business risk profile. This results in a pro forma strong consolidated business risk profile. We expect consolidated debt to EBITDA and debt to capital ratios to range in the significant financial risk profile category.

Rationale

For the \$6.7 billion cash portion of the \$7.625 billion acquisition (excluding \$250 million in related transaction expenses/fees), PPL will use cash on hand, approximately \$2 billion of LG&E and KU debt, and \$800-\$900 million of senior unsecured debt at LG&E and KU Energy LLC (intermediate holding company) that will ultimately be issued. In order to complete the acquisition, PPL will draw down its PPL Energy credit facility by about \$3 billion after which it is expected to conduct permanent financing that will be used to repay the short-term outstanding debt. PPL has also issued \$2.4 billion of common equity and PPL Capital Funding issued \$1.1 billion of equity units that receive high equity credit under our rating criteria.

Allentown, Pa.-based PPL has about \$4.7 billion of long-term debt excluding debt at PPLEU and the Western Power Distribution (WPD) group of companies. Excluding PPLEU and WPD debt, pro forma PPL debt is expected to be about \$9 billion.

LG&E and KU are fully regulated vertically-integrated electric utilities serving customers in Louisville and its surrounding area. The strengths of these utilities include relatively predictable utility operations and associated cash flows, constructive regulatory environment, and competitive rates. The offsetting factor is the reliance on a fleet of mostly coal-fired generation, but the assets are up to date for current environmental requirements and have a significant proportion of future capital spending through 2014 approved in rates.

For PPL Energy, the expiration of PPLEU's long-term provider-of-last-resort (POLR) supply contract, which hitherto provided cash flow stability, has increased volatility of realized margins and liquidity requirements for collateral. While PPL Energy's cash flow is expected to improve because it has contracted much of its 2010 and 2011 generation at substantially higher prices than in 2009, Ratings also reflect a backward-dated EBITDA profile and execution risks associated with PPL Energy's ability to achieve stronger financial metrics and counter the higher business risk that will come attendant with its greater merchant exposure. Market fundamentals also have weakened. The expected tightening of reserve margins in the PJM Interconnection has not materialized because of the economic slowdown. Some drop in demand has depressed RPM prices (rest of RTO price) as well as auctions/RFPs of neighboring utilities (FirstEnergy, Allegheny). We consider PPL's financial risk profile to be significant, with adjusted financial measures expected to be in line for the rating. We expect that financial measures will continue at current levels as full cost recovery following the acquisition. We expect consolidated debt to EBITDA and debt to capital ratios

to range in the significant financial risk profile category. Projected FFO to debt in the 22%-23% range is expected to support ratings at the higher end of the 'BBB' category.

Short-term credit factors

The short-term rating on PPL and affiliates is 'A-2'. Standard & Poor's views PPL's liquidity as strong under its corporate liquidity methodology, which categorizes liquidity in five standard descriptors. Projected sources of liquidity, mainly operating cash flow and available bank lines, exceed projected uses, mainly necessary capital expenditures, debt maturities, and common dividends, by more than 1.5x. Sources over uses would be positive even after a 50% EBITDA decline. Additional factors that support the liquidity are PPL's ability to absorb high-impact, low-probability events with limited need for refinancing, its flexibility to lower capital spending, its sound bank relationships, its solid standing in credit markets, and generally prudent risk management. We will assess the pro forma liquidity of newly combined company once bank credit facilities and other short-term financing have been finalized.

Outlook

The stable outlook on PPL and its subsidiaries, and those of LG&E and KU, reflect our expectation that management will maintain a strong business profile by focusing on its regulated utilities and not increase unregulated operations beyond current levels. The outlook also reflects expectations that cash flow protection and debt leverage measures will be in line for the rating. Specifically, our baseline forecast includes FFO to total debt of about 23%, debt to EBITDA under 4x, and debt leverage to total capital of about 52%, consistent with our expectations for the 'BBB+' rating. Given the company's mostly regulated focus, we expect that PPL will avoid any meaningful rise in business risk by reaching constructive regulatory outcomes and not expand its unregulated operations. We could lower the ratings if unregulated cash flow expectations lag due to weaker demand for power in the PJM market or forecasted financial measures are not sustained at expected levels. Although unlikely over the intermediate term, we could raise ratings if the business risk profile moves further towards excellent and financial measures exceed our base line forecast on a consistent basis, including FFO to total debt in excess of 23%, debt to EBITDA below 4x, and debt to total capital around 50%.

Related Criteria And Research

- 2008 Corporate Criteria: Analytical Methodology
- Criteria Methodology: Business Risk/Financial Risk Matrix Expanded
- 2008 Corporate Criteria: Ratios And Adjustments
- Methodology And Assumptions: Standard & Poor's Standardizes Liquidity Descriptors For Global Corporate Issuers

Ratings List

Upgraded; CreditWatch/Outlook Action

	To	From
PPL Corp.		
PPL Energy Supply LLC		
Corporate Credit Rating	BBB+/Stable/--	BBB/Watch Pos/--
PPL Capital Funding Inc.		
Senior Unsecured	BBB	BBB-/Watch Pos
Junior Subordinated	BBB-	BB+/Watch Pos
PPL Capital Funding Trust I		
Preference Stock	BBB-	BB+/Watch Pos
PPL Energy Supply LLC		
Senior Unsecured	BBB+	BBB/Watch Pos

Ratings Affirmed/Outlook Action

PPL Electric Utilities Corp.		
Corporate Credit Rating	A-/Stable/A-2	A-/Negative/A-2
Senior Secured	A-	
Recovery Rating	1	
Preference Stock	BBB	
Commercial Paper	A-2	

Ratings Affirmed

E.ON U.S. LLC		
Louisville Gas & Electric Co.		
Kentucky Utilities Co.		
Corporate credit rating	BBB+/Stable/--	

Upgraded

	To	From
--	----	------

Louisville Gas & Electric Co.		
\$575M tax-exempt pollution control bonds	A/A-2	BBB

Rating Assigned

Louisville Gas & Electric Co.		
Recovery rating	1+	

Complete ratings information is available to RatingsDirect subscribers on the Global Credit Portal at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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March 2, 2011

Research Update:

PPL Corp. Is Lowered To 'BBB' And Placed On CreditWatch Negative After Acquisition Announcement

Primary Credit Analyst:

Gerrit Jepsen, CFA, New York (1) 212-438-2529;gerrit_jepsen@standardandpoors.com

Secondary Contacts:

Aneesh Prabhu, New York (1) 212-438-1285;aneesh_prabhu@standardandpoors.com

Barbara A Eiseman, New York (1) 212-438-7666;barbara_eiseman@standardandpoors.com

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Research Update:

PPL Corp. Is Lowered To 'BBB' And Placed On CreditWatch Negative After Acquisition Announcement

Overview

- We lowered our ratings on diversified energy company PPL Corp. (PPL) and its affiliates PPL Energy Supply (PPL Energy), LG&E and KU Energy LLC (LKE), Louisville Gas & Electric Co. (LG&E), and Kentucky Utilities Co. (KU) to 'BBB' from 'BBB+'.
- We lowered the rating on PPL subsidiary PPL Electric Utilities (PPLEU) to 'BBB' from 'A-'.
- At the same time we placed all the 'BBB' ratings on CreditWatch with negative implications.
- The short-term ratings on Kentucky Utilities, Louisville Gas & Electric, and PPLEU are 'A-3'.
- The downgrades and CreditWatch listing follow PPL's proposed acquisition of E.ON UK's Central Networks West PLC (CNW) and Central Networks East PLC (CNE).

Rating Action

On March 2, 2011, Standard & Poor's Ratings Services lowered the corporate credit ratings on PPL Corp. (PPL) and its affiliates PPL Energy Supply (PPL Energy), LG&E and KU Energy LLC (LKE), Louisville Gas & Electric Co. (LG&E), and Kentucky Utilities Co. (KU) to 'BBB' from 'BBB+' and placed these ratings on CreditWatch with negative implications. We also lowered the rating on PPL subsidiary PPL Electric Utilities (PPLEU) to 'BBB' from 'A-'. The ratings actions follow PPL's planned acquisition of E.ON UK's Central Networks West PLC (CNW) and Central Networks East PLC (CNE), two distribution networks in the United Kingdom. The CreditWatch listing is directly related to the execution of the financing plan for the acquisition, which includes a commitment by the company for a substantial issuance of equity. Resolution of the CreditWatch will depend on the ability of the company to complete its financing activities consistent with our expectations for the 'BBB' ratings. Allentown, Pa.-based PPL has about \$12.7 billion of long-term debt, including \$1.63 billion of junior subordinated notes.

The CreditWatch listing will remain until demonstrated progress on the permanent financing plan has been executed in line with our expectations. The acquisition requires large permanent financing that has attendant execution risks, and we will monitor PPL's ability to finalize this permanent financing. We could remove the CreditWatch listing and assign a stable outlook if financing is consistent with our expectation. We could lower the ratings if PPL is unable to fully execute its permanent financing plan in a

credit-supportive manner consistent with our expectations for 'BBB' ratings.

Rationale

PPL's purchase price of E.ON UK's Central Networks utilities includes the assumption of \$800 million of public debt and cash of \$5.6 billion (excluding related transaction expenses and fees) that will be funded through a combination of cash, common equity issuance at PPL, unsecured debt at CNW and CNE, and unsecured debt at an intermediate holding company (generically called UK Holdings) that will own CNW and CNE. In addition, PPL will issue equity units at PPL Capital Funding, which will likely receive high equity credit under our rating criteria. This acquisition will raise PPL's regulated cash flows to approximately 75% from the current level of 60%. Before PPL bought the Kentucky utilities, its regulated cash flows comprised less than 30%. The ratings change reflects our revisions, in accordance with our criteria, of PPL's business risk profile to excellent from strong and the company's financial risk profile to aggressive from significant.

Our revision of the business profile to excellent reflects the addition of fully regulated distribution utilities that have credit-supportive U.K. regulation and no commodity exposure, since power for retail customers is procured by nonaffiliated retail suppliers. The Central Networks utilities are contiguous to PPL's existing U.K. utilities. After the acquisition of CNE and CNW, we expect U.K. operations to be about 30% of PPL's consolidated cash flow. With this transaction, we are viewing all of PPL's utility assets as part of a consolidated entity, whereas previously we considered only the quality of the utility's dividends to its parent. The stability of CNE and CNW along with existing utility assets in the U.K., Kentucky, and Pennsylvania, which we assess as excellent, will more than offset the business risk profile, which we assess as satisfactory, of PPL Energy's merchant generation, resulting in an excellent business profile. We expect the merchant generation business to comprise less than 25% of pro forma consolidated cash flows.

Our revision of the financial risk profile to aggressive reflects in part the company's financial policies toward acquisitions, including funding with aggressive levels of hybrid securities. Furthermore, due to the company's strategy to focus on fully regulated operations and also expand its U.K. presence, we are incorporating consolidated financial measures for PPL in our analysis. When reviewing the financial metrics, we are now including all cash flows and debt obligations from the U.K. utilities and PPLEU in PPL's financial measures. We expect consolidated financial measures, including ratios of debt to EBITDA, funds from operations (FFO) to total debt, and debt to capital, to range in the aggressive category of our financial risk profile. Debt to EBITDA should range between 4x and 5x, while we expect the percentage of FFO to debt to be in the mid-teens. These measures will support ratings at the 'BBB' level on successful completion of the permanent financing.

Short-term credit factors

Standard & Poor's currently views PPL's liquidity as strong under its corporate liquidity methodology, which categorizes liquidity in five standard descriptors. Our assessment of liquidity as strong supports PPL's 'BBB' issuer credit rating. Projected sources of liquidity--mainly operating cash flow and available bank lines--exceed projected uses--mainly necessary capital expenditures, debt maturities, and common dividends--by more than 1.5x. The ratio of sources over uses would be positive even after a 50% EBITDA decline. Additional factors that support the liquidity are PPL's ability to absorb high-impact, low-probability events with limited need for refinancing, its flexibility to lower capital spending, its sound bank relationships, its solid standing in credit markets, and its generally prudent risk management.

CreditWatch

The CreditWatch listing will remain until demonstrated progress on the permanent financing plan has been executed in line with our expectations. The acquisition requires large permanent financing that has attendant execution risks, and we will monitor PPL's ability to finalize this permanent financing. We could remove the CreditWatch listing and assign a stable outlook if financing is consistent with our expectation. We could lower the ratings if PPL is unable to fully execute its permanent financing plan in a credit-supportive manner consistent with our expectations for 'BBB' ratings.

Related Criteria And Research

- "Criteria Methodology: Business Risk/Financial Risk Matrix Expanded," May 27, 2009
- "2008 Corporate Criteria: Analytical Methodology," April 15, 2008
- "2008 Corporate Criteria: Ratios And Adjustments," April 15, 2008

Ratings List

Downgraded; CreditWatch Action

	To	From
PPL Corp. Corporate Credit Rating	BBB/Watch Neg/--	BBB+/Stable/--
PPL Capital Funding Inc. Senior Unsecured	BBB-/Watch Neg	BBB
Junior Subordinated	BB+/Watch Neg	BBB-
PPL Energy Supply LLC Corporate Credit Rating	BBB/Watch Neg/--	BBB+/Stable/--
Senior Unsecured	BBB/Watch Neg	BBB+
PPL Electric Utilities Corp. Corporate Credit Rating	BBB/Watch Neg/A-3	A-/Stable/A-2

Research Update: PPL Corp. Is Lowered To 'BBB' And Placed On Credit Watch Negative After Acquisition Announcement

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Senior Secured	BBB+/Watch Neg	A-
Recovery Rating	1	1
Preference Stock	BB+/Watch Neg	BBB
Commercial Paper	A-3/Watch Neg	A-2

LG&E and KU Energy LLC		
Corporate Credit Rating	BBB/Watch Neg/--	BBB+/Stable/--
Senior Unsecured	BBB-/Watch Neg	BBB

Louisville Gas & Electric Co.		
Corporate Credit Rating	BBB/Watch Neg/--	BBB+/Stable/--
Senior Secured	A-/Watch Neg	A
Recovery Rating	1+	1+

Kentucky Utilities Co.		
Corporate Credit Rating	BBB/Watch Neg/A-3	BBB+/Stable/A-2
Senior Secured	A-/Watch Neg	A
Recovery Rating	1+	1+

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Research Update:

**PPL Corp. And U.K. Affiliates Are
Taken Off CreditWatch, Ratings Are
Affirmed**

Primary Credit Analysts:

Gerrit Jepsen, CFA, New York (1) 212-438-2529;gerrit_jepsen@standardandpoors.com
Beatrice de Taisne, CFA, London (44) 20-7176-3938;beatrice_de_taisne@standardandpoors.com

Secondary Credit Analysts:

Barbara A Eiseman, New York (1) 212-438-7666;barbara_eiseman@standardandpoors.com
Karin Erlander, London (44) 20-7176-3584;karin_erlander@standardandpoors.com

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PPL Corp. And U.K. Affiliates Are Taken Off CreditWatch, Ratings Are Affirmed

Overview

- We resolved the CreditWatch with negative implications and affirmed the 'BBB' ratings on diversified energy company PPL Corp. and its affiliates PPL Electric Utilities (PPLEU), PPL Energy Supply (PPL Energy), LG&E and KU Energy LLC (LKE), Louisville Gas & Electric Co. (LG&E), and Kentucky Utilities Co. (KU). The outlook on the ratings is stable.
- At the same time, we resolved the CreditWatch listing and affirmed the 'BBB' ratings on PPL's U.K. affiliates: PPL WW Holdings Ltd. (intermediate holding company formerly known as Western Power Distribution Holdings Ltd.) and PPL WW's distribution network operators (DNOs) Western Power Distribution (South Wales) and Western Power Distribution (South West); and the new intermediate holding company PPL WEM Holdings PLC and its DNOs Western Power Distribution (West Midlands) and Western Power Distribution (East Midlands). The outlook on all the ratings is stable.
- We raised the short-term ratings on KU, LG&E, PPLEU, Western Power Distribution (East Midlands), Western Power Distribution (West Midlands), PPL WEM, PPL WW, Western Power Distribution (South Wales), and Western Power Distribution (South West) to 'A-2' from 'A-3', and we removed the CreditWatch listing.
- The ratings actions and CreditWatch actions come as the result of PPL's recently completed common stock and equity offerings.

Rating Action

On April 15, 2011, Standard & Poor's Ratings Services affirmed its 'BBB' corporate credit ratings on PPL Corp. and its affiliates PPL Electric Utilities (PPLEU), PPL Energy Supply (PPL Energy), LG&E and KU Energy LLC (LKE), Louisville Gas & Electric Co. (LG&E), and Kentucky Utilities Co. (KU). At the same time, we removed the ratings from CreditWatch with negative implications, where we put them on March 2, 2011, following the acquisition announcement. (See "PPL Corp. Is Lowered To 'BBB' And Placed On CreditWatch Negative After Acquisition Announcement," published March 2, 2011.) We also resolved the CreditWatch listings and affirmed the 'BBB' ratings on PPL's U.K. affiliates: PPL WW Holdings Ltd. (intermediate holding company formerly known as Western Power Distribution Holdings Ltd.) and PPL WW's distribution network operators (DNOs) Western Power Distribution (South Wales) and Western Power Distribution (South West); and the new intermediate holding company PPL WEM Holdings PLC and its DNOs Western Power Distribution (West Midlands) and Western Power Distribution (East Midlands). The outlook on all the ratings is stable. We raised the short-term ratings on KU, LG&E, PPLEU, Western Power Distribution (WPD) (East Midlands), WPD (West Midlands), PPL WEM, PPL WW, WPD

(South Wales), and WPD (South West) to 'A-2' from 'A-3'.

Allentown, Pa.-based PPL has about \$12.7 billion of long-term debt, including \$1.63 billion of junior subordinated notes. Including all junior subordinated notes, we estimate pro forma debt to be roughly \$16.6 billion.

The ratings affirmations and removal of the CreditWatch listings follow PPL's recently completed offerings of 92 million shares (after exercise of the overallotment option) of PPL common stock (roughly \$2.3 billion of gross proceeds), and 19.55 million (after exercise of the overallotment option) of equity units (roughly \$978 million of gross proceeds), to which we assign high equity content.

PPL completed the equity financing as part of the permanent financing plan for the completed acquisition of E.ON U.K.'s Central Networks West PLC and Central Networks East PLC. The CreditWatch listing was directly related to the execution of the financing plan for the acquisition, which included the company's commitment of a substantial issuance of equity. PPL will use proceeds from both issuances to repay a portion of a £3.6 billion 364-day bridge facility that funded the acquisition April 1. The company will repay the remaining balance on the bridge loan with proceeds from future permanent debt issuances as indicated by PPL.

Rationale

For the cash portion of its acquisition of E.ON U.K.'s Central Networks, PPL issued the common stock and equity units and expects to issue unsecured debt at intermediate holding company PPL WEM Holdings PLC and its two new operating subsidiaries, WPD (West Midlands) and WPD (East Midlands). PPL's regulated cash flows should rise to approximately 75% from 60% before it completes the acquisition. Before PPL bought the Kentucky utilities, its regulated cash flows comprised less than 30%. Due to the potential cash flow contribution to the consolidated PPL family from the enlarged U.K. operations, we believe that the U.K. group is now a core part of PPL's strategy. Therefore, we matched the ratings on all these entities with our rating on PPL. We rate PPL WW's senior unsecured debt one notch lower than its long-term rating to reflect structural subordination. We would take the same approach to rating any debt PPL WEM issues. For more information on the rating methodology for the U.K. group, please see "U.K. OpCos WPD West And East Midlands Downgraded To 'BBB/A-3' On New Owner; New HoldCo Rated 'BBB/A-3'; On Watch Neg," published April 12, 2011.

Our assessment of the business profile as excellent reflects the addition of fully regulated distribution utilities that have credit-supportive U.K. regulation and no commodity exposure, since power for retail customers is procured by nonaffiliated retail suppliers. The new DNOs are contiguous to the U.K. utilities PPL's already owns. We expect U.K. operations to be about 30% of PPL's consolidated cash flow. The stability of U.K. cash flows, which are wires-only distribution utilities, along with existing utility assets in Kentucky and Pennsylvania, all of which we assess as excellent, will more than

offset the business risk profile of PPL Energy's merchant generation, which we assess as satisfactory, resulting in an excellent business profile overall. We expect the merchant generation business to comprise less than 25% of pro forma consolidated cash flows.

We consider the financial risk profile to be aggressive, which reflects in part the company's financial policies toward acquisitions, including funding with aggressive levels of hybrid securities. The consolidated financial measures include all cash flows and debt obligations from the U.K. utilities and PPLEU in PPL's financial measures. We expect consolidated financial measures, including ratios of debt to EBITDA, funds from operations (FFO) to total debt, and debt to capital, to range into the aggressive category of our financial risk profile. Debt to EBITDA should range between 4x and 5x, while we expect the percentage of FFO to debt to be in the mid-teens. These measures will support ratings at the 'BBB' level on successful completion of all the permanent financing.

Liquidity

Standard & Poor's currently believes PPL's liquidity is adequate under its corporate liquidity methodology, which categorizes liquidity in five standard descriptors. (See "Standard & Poor's Standardizes Liquidity Descriptors for Global Corporate Issuers," published July 2, 2010.) Our assessment of PPL's liquidity supports our 'BBB' issuer credit rating on the company. Its projected sources of liquidity--mainly operating cash flow and available bank lines--exceed its projected uses--mainly necessary capital expenditures, debt maturities, and common dividends--by about 1.2x over the next 12 to 18 months. We expect net sources to remain positive, even if EBITDA declines more than 15%. Compliance with financial covenants could survive a 15% drop in EBITDA, in our view. Further supporting our liquidity assessment is PPL's ability to absorb high-impact, low-probability events with limited need for refinancing, its flexibility to lower capital spending, its sound bank relationships, its solid standing in credit markets, and its generally prudent risk management.

Outlook

The stable outlook on our ratings on PPL and its all rated subsidiaries reflects our expectation that management will maintain an excellent business profile by focusing on its regulated utilities and will not increase unregulated operations beyond current levels. The outlook also reflects our expectations that cash flow protection and debt leverage measures will be in line for the rating. Specifically, our baseline forecast includes FFO to total debt of around 15%, debt to EBITDA between 4x and 5x, and debt leverage to total capital under 60%, consistent with our expectations for the 'BBB' rating. Given the company's mostly regulated focus, we expect that PPL will avoid any meaningful rise in business risk by reaching constructive regulatory outcomes and limit its unregulated operations to existing levels. We could lower the ratings if PPL cannot sustain consolidated financial measures of FFO to total debt of at least 12%, debt to EBITDA below 5x, and debt leverage under 62%. This could occur if market power prices continue to remain weak due to ongoing depressed demand. Although unlikely over the intermediate term, we

could raise ratings if the business profile further strengthens and if financial measures exceed our base line forecast on a consistent basis, including FFO to total debt in excess of 20%, debt to EBITDA below 4x, and debt to total capital around 50%.

Related Criteria And Research

- U.K. OpCos WPD West And East Midlands Downgraded To 'BBB/A-3' On New Owner; New HoldCo Rated 'BBB/A-3'; On Watch Neg, April 12, 2011
- U.K.-Based WPD Operating Cos Downgraded To 'BBB/A-3' And Placed On Watch Neg After Same Action On U.S. Parent PPL, March 3, 2011
- Standard & Poor's Standardizes Liquidity Descriptors for Global Corporate Issuers, July 2, 2010
- Criteria Methodology: Business Risk/Financial Risk Matrix Expanded, May 27, 2009
- Corporate Ratings Criteria 2008: Analytical Methodology, April 15, 2008
- Corporate Ratings Criteria 2008: Ratios And Adjustments, April 15, 2008

Ratings List

Ratings Affirmed; CreditWatch Action; Upgraded

	To	From
PPL Corp.		
PPL Energy Supply LLC		
LG&E and KU Energy LLC		
Corporate Credit Rating	BBB/Stable/--	BBB/Watch Neg/--
Kentucky Utilities Co.		
Western Power Distribution (South West) PLC		
Western Power Distribution (South Wales) PLC		
WPD West Midlands PLC		
WPD East Midlands PLC		
PPL WW Holdings Ltd.		
PPL WEM Holdings PLC		
PPL Electric Utilities Corp.		
Louisville Gas & Electric Co.		
Corporate Credit Rating	BBB/Stable/A-2	BBB/Watch Neg/A-3
Kentucky Utilities Co.		
Senior Secured	A-	A-/Watch Neg
Recovery Rating	1+	
LG&E and KU Energy LLC		
Senior Unsecured	BBB-	BBB-/Watch Neg
Louisville Gas & Electric Co.		
Senior Secured	A-	A-/Watch Neg
Recovery Rating	1+	

Research Update: PPL Corp. And U.K. Affiliates Are Taken Off CreditWatch, Ratings Are Affirmed

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PPL Capital Funding Inc.		
Senior Unsecured	BBB-	BBB-/Watch Neg
Junior Subordinated	BB+	BB+/Watch Neg
PPL Electric Utilities Corp.		
Senior Secured	BBB+	BBB+/Watch Neg
Recovery Rating	1	
Preference Stock	BB+	BB+/Watch Neg
PPL Energy Supply LLC		
Senior Unsecured	BBB	BBB/Watch Neg
PPL WEM Holdings PLC		
Senior Unsecured	BBB-	BBB-/Watch Neg
PPL WW Holdings Ltd.		
Senior Unsecured	BBB-	BBB-/Watch Neg
WPD East Midlands PLC		
Senior Unsecured	BBB	BBB/Watch Neg
WPD West Midlands PLC		
Senior Unsecured	BBB	BBB/Watch Neg
Western Power Distribution (South Wales) PLC		
Senior Unsecured	BBB	BBB/Watch Neg
Western Power Distribution (South West) PLC		
Senior Unsecured	BBB	BBB/Watch Neg

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July 8, 2011

PPL Electric Utilities' First Mortgage Bond Rating Raised To 'A-'; Recovery Rating Now '1+'

Primary Credit Analyst:

Gerrit Jepsen, CFA, New York (1) 212-438-2529; gerrit_jepsen@standardandpoors.com

Secondary Contact:

Todd A Shipman, CFA, New York (1) 212-438-7676; todd_shipman@standardandpoors.com

NEW YORK (Standard & Poor's) July 8, 2011--Standard & Poor's Ratings Services said today it raised the issue-level ratings to 'A-' from 'BBB+' and the recovery ratings to '1+' from '1' on about \$1.4 billion of PPL Electric Utilities Corp.'s (PPLEU) outstanding first mortgage bonds and industrial revenue bonds secured by them. A '1+' recovery rating reflects our highest expectation of full recovery of principal (100%) in a default scenario.

The upgrades reflect PPLEU's amended indenture that limits new secured bonds in an amount not to exceed 66.67% of new property additions. The amended indenture requires PPLEU to true-up to 150% the bonded electric property relative to the existing first mortgage bonds. According to PPLEU, this will require at least an incremental \$154 million of electric utility property being bonded.

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- Q.1. Provide a summary schedule of the individual rate effects. For each state jurisdictional rate, show the following information for the test period elected:
1. Rate schedule designation.
 2. For existing rates:
 - a) Customers served as of the end period.
 - b) Annual KWH sales
 - c) Base rate revenues adjusted for any changes in base rate application that may have occurred during the test period.
 - d) Tax Surcharge revenues.
 - e) Energy Cost Adjustment clause revenues.
 - f) Revenues received from other clauses or riders separately accounted for.
 - g) Total of all revenues.
 3. For proposed rates:
 - a) Estimated number of customers whose charges for electric service will be increased or decreased as a result of this filing.
 - b) Base rate revenues:
 - i) Annual dollar amount of increase or decrease.
 - ii) Percent change.
 - c) Estimate Tax Surcharge revenues based on the assumption that the base rate changes proposed were in place.
 - d) Estimate Energy Cost Adjustment clause revenues.
 - e) Revenues received from other clauses or riders separately accounted for.
 - f) Total of all revenues:
 - i) Amount of total annual dollar changes.
 - ii) Percent change.
 4. Supplement the revenue summary to obtain a complete revenue statement of the electric business, that is, show delayed payments, other electric revenues, FERC jurisdictional sales and revenues, and all other appropriate revenue items and adjustments.
 5. Develop the grand total showing total sales and revenues as adjusted and the various increases and decreases and percent effect as described above.
- A.1. Schedule D-3 of Exhibit Future 1 provides the requested information.

Q. Provide a description of changes proposed for the new tariff:

1. For each rate schedule proposed to be modified.
2. For each rate schedule proposed to be deleted.
3. For each new rate schedule proposed to be added.

A. Exhibit DAK 2 provides the requested information.

- Q. The annual revenue effect of any proposed change to any rate must be supported by a billing analysis. This may consist of the use of bill frequency distributions or individual customer billing records for the most recent annual periods available. All billing determinants should be displayed. The blocking and corresponding prices of the existing rate and the proposed rate should be applied to the determinants to derive the base rate revenues under both present and proposed rates. The derived base rate revenues should form the basis for measuring the annual base rate effect of the rates in question for the test periods.
- A. A proof of revenue for each existing rate schedule is provided in Attachment IV-C.

The bill frequency distributions were prepared from customer records for the 12-month period January 1, 2011 through December 31, 2011. This billing data was assembled into the block forms of the present and proposed rates.

Billing charges are applied to the appropriate billing blocks to compute the rate revenue under present and proposed rates. The proposed increase percent change is applied to test year ending December 31, 2012 revenue to determine the proposed revenue level.

PPL Electric Utilities Corporation
Rate Schedule RS
Residential Service
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	14,410,100	\$ 8.75	\$126,088,375
First 200 KWH	2,727,190,515	\$0.02556	\$69,706,990
Next 600 KWH	5,960,752,044	\$0.02556	\$152,356,822
Excess KWH	5,327,453,133	\$0.02556	\$136,169,702
Subtotal	<u>14,015,395,692</u>		<u>\$484,321,889</u>
RWO			\$28,190
RW1			\$44,180
Total Rate Revenue			<u><u>\$484,394,259</u></u>

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	14,410,100	\$16.00	\$230,561,600
All KWH	14,015,395,692	\$0.02526	\$354,028,895
Subtotal	<u>14,015,395,692</u>		<u>\$584,590,495</u>
RWO			\$44,902
RW1			\$50,743
Total Rate Revenue			<u><u>\$584,686,140</u></u>

<u>Summary of Distribution Revenues</u>		
Total from bill distributions Proposed Rates		\$584,686,140
Total from bill distributions Present Rates		\$484,394,259
Rate Change Amount		\$100,291,881
Percent		20.70%
2011 Rate revenue under Present Rates		\$480,252,066
Rate Change Percent		20.70%
Amount		\$99,412,178
2011 Projected Revenue under Proposed Rates		\$579,664,244
2012 Rate revenue under Present Rates		\$474,657,870
Rate Change Percent		20.70%
Amount		\$98,254,179
2012 Projected Revenue under Proposed Rates		\$572,912,049

PPL Electric Utilities Corporation
Rate Schedule RS with Off-Peak Water Heating-Separate Meter (RWO)
Residential Service
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	2,318	\$8.75	\$20,283
First 200 KWH	211,515	\$0.02556	\$5,406
Next 600 KWH	88,928	\$0.02556	\$2,273
Excess KWH	8,923	\$0.02556	\$228
Subtotal	<u>309,366</u>		<u>\$28,190</u>
Total Rate Revenue			<u><u>\$28,190</u></u>
<hr/>			
PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	2,318	\$16.00	\$37,088
All KWH	309,366	\$0.02526	\$7,814
Subtotal	<u>309,366</u>		<u>\$44,902</u>
Total Rate Revenue			<u><u>\$44,902</u></u>

PPL Electric Utilities Corporation
Rate Schedule RS with Off-Peak Water Heating-Single Meter (RW1)
Residential Service
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

<u>PRESENT RATE</u>	<u>Units</u>	<u>Rate</u>	<u>Rate Revenue</u>
<u>Distribution</u>			
Customer Charge	963	\$8.75	\$8,426
First 200 KWH	190,890	\$0.02556	\$4,879
Next 600 KWH	514,158	\$0.02556	\$13,142
Excess KWH	693,794	\$0.02556	\$17,733
Subtotal	<u>1,398,842</u>		<u>\$44,180</u>
Total Rate Revenue			<u><u>\$44,180</u></u>
<u>PROPOSED RATE</u>	<u>Units</u>	<u>Rate</u>	<u>Rate Revenue</u>
<u>Distribution</u>			
Customer Charge	963	\$16.00	\$15,408
All KWH	1,398,842	\$0.02526	\$35,335
Subtotal	<u>1,398,842</u>		<u>\$50,743</u>
Total Rate Revenue			<u><u>\$50,743</u></u>

PPL Electric Utilities Corporation
Rate Schedule RTS (R)
Residential Service - Thermal Storage
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	152,154	\$18.06	\$2,747,901
First 200 KWH	30,252,962	\$0.00617	\$186,661
Next 600 KWH	86,204,311	\$0.00617	\$531,881
Excess KWH	190,258,990	\$0.00617	\$1,173,898
Subtotal	306,716,263		\$4,640,341
Total Rate Revenue			<u>\$4,640,341</u>

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	152,154	\$18.06	\$2,747,901
All KWH	306,716,263	\$0.01790	\$5,490,221
Subtotal	306,716,263		\$8,238,122
Total Rate Revenue			<u>\$8,238,122</u>

<u>Summary of Distribution Revenues</u>		
Total from bill distributions Proposed Rates		\$8,238,122
Total from bill distributions Present Rates		\$4,640,341
Rate Change Amount		\$3,597,781
Percent		77.53%
2011 Rate revenue under Present Rates		\$4,208,267
Rate Change Percent		77.53%
Amount		\$3,262,669
2011 Projected Revenue under Proposed Rates		\$7,470,936
2012 Rate revenue under Present Rates		\$4,604,044
Rate Change Percent		77.53%
Amount		\$3,569,515
2012 Projected Revenue under Proposed Rates		\$8,173,559

PPL Electric Utilities Corporation
Rate Schedule RTD(R)*
Residential Service - Time-of-Day
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	2,415	\$8.75	\$21,131
First 200 KWH	475,019	\$0.02556	\$12,141
Next 600 KWH	1,331,870	\$0.02556	\$34,043
Excess KWH	4,860,582	\$0.02556	\$124,236
Subtotal	6,667,471		\$191,551
Total Rate Revenue			<u>\$191,551</u>

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	0	\$16.00	\$0
First 200 KWH	0	\$0.02532	\$0
Next 600 KWH	0	\$0.02532	\$0
Excess KWH	0	\$0.02532	\$0
Subtotal	0		\$0
Total Rate Revenue			<u>\$0</u>

Summary of Distribution Revenues

Total from bill distributions Proposed Rates	\$0
Total from bill distributions Present Rates	\$191,551
Rate Change Amount	-\$191,551
Percent	-100.00%
2011 Rate revenue under Present Rates	\$109,545
Rate Change Percent	-100.00%
Amount	-\$109,545
2011 Projected Revenue under Proposed Rates	\$0
2012 Rate revenue under Present Rates	\$120,436
Rate Change Percent	-100.00%
Amount	-\$120,436
2012 Projected Revenue under Proposed Rates	\$0

*The customers served under this Rate Schedule have been migrated to Rate Schedule RS.

PPL Electric Utilities Corporation
Rate Schedule GS-1
Small General Service (Single Phase) at Secondary Voltage
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

<u>PRESENT RATE</u>	<u>Units</u>	<u>Rate</u>	<u>Rate Revenue</u>
<u>Distribution</u>			
Customer Charge	1,729,875	\$14.00	\$24,218,250
All KW	10,064,885	\$4.530	\$45,593,929
First 150 Hours	195,098,204	\$0.00000	\$0
Excess KWH	1,702,157,830	\$0.00000	\$0
Subtotal	1,897,256,034		\$69,812,179
G1V			\$749,643
G1C			\$0
Total Rate Revenue			<u>\$70,561,822</u>

<u>PROPOSED RATE</u>	<u>Units</u>	<u>Rate</u>	<u>Rate Revenue</u>
<u>Distribution</u>			
Customer Charge	1,729,875	\$16.00	\$27,678,000
All KW	10,064,885	\$4.258	\$42,856,280
Subtotal			\$70,534,280
G1V			\$807,386
G1C			\$0
Total Rate Revenue			<u>\$71,341,666</u>

<u>Summary of Distribution Revenues</u>		
Total from bill distributions Proposed Rates		\$71,341,666
Total from bill distributions Present Rates		\$70,561,822
Rate Change Amount		\$779,844
Percent		1.11%
2011 Rate revenue under Present Rates		\$70,863,881
Rate Change Percent		1.11%
Amount		\$786,589
2011 Projected Revenue under Proposed Rates		\$71,650,470
2012 Rate revenue under Present Rates		\$71,872,096
Rate Change Percent		1.11%
Amount		\$797,780
2012 Projected Revenue under Proposed Rates		\$72,669,876

PPL Electric Utilities Corporation
Rate Schedule GS-1
Volunteer Fire Co./Sr. Citizens Centers (G1V)
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

<u>PRESENT RATE</u>	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	9,050	\$ 8.75	\$79,188
First 200 KWH	1,675,170	\$0.02556	\$42,817
Next 600 KWH	4,503,048	\$0.02556	\$115,098
Excess KWH	20,052,422	\$0.02556	\$512,540
Subtotal	26,230,640		\$749,643
Total Rate Revenue			<u>\$749,643</u>
<u>PROPOSED RATE</u>			
	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	9,050	\$16.00	\$144,800
All KWH	26,230,640	\$0.02526	\$662,586
Subtotal	26,230,640		\$807,386
Total Rate Revenue			<u>\$807,386</u>

PPL Electric Utilities Corporation
Rate Schedule GS-1
Off-Peak Space Conditioning and Water Heating (G1C)
Calculation of Effect of Proposed Rate vs. Current Tariff
based on bill frequency distribution for 12 months ended December 2011

<u>PRESENT RATE</u>	<u>Units</u>	<u>Rate</u>	<u>Rate Revenue</u>
<u>Distribution</u>			
Customer Charge	0	\$14.00	\$0
Excess KW	0	\$ 4.530	\$0
All KWH	0	\$0.00000	\$0
Subtotal	0		\$0
Total Rate Revenue			<u><u>\$0</u></u>
<u>PROPOSED RATE</u>	<u>Units</u>	<u>Rate</u>	<u>Rate Revenue</u>
<u>Distribution</u>			
Customer Charge	0	\$16.00	\$0
Excess KW	0	\$ 4.258	\$0
Subtotal			\$0
Total Rate Revenue			<u><u>\$0</u></u>

PPL Electric Utilities Corporation
Rate Schedule GS-3
Large General Service at Secondary Voltage (3 Phase)
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	331,517	\$30.00	\$9,945,510
All KW	24,855,619	\$4.510	\$112,098,842
First 200 Hours	4,763,534,429	\$0.00000	\$0
Next 200 Hours	3,013,572,446	\$0.00000	\$0
Excess KWH	779,264,083	\$0.00000	\$0
Subtotal	8,556,370,958		\$122,044,352
G3V			\$103,694
G3C			\$0
Total Rate Revenue			<u>\$122,148,046</u>

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	331,517	\$40.00	\$13,260,680
All KW	24,855,619	\$4.192	\$104,194,755
Subtotal			\$117,455,435
G3V			\$106,329
G3C			\$0
Total Rate Revenue			<u>\$117,561,764</u>

<u>Summary of Distribution Revenues</u>		
Total from bill distributions Proposed Rates		\$117,561,764
Total from bill distributions Present Rates		\$122,148,046
Rate Change Amount		-\$4,586,282
Percent		-3.75%
2011 Rate revenue under Present Rates		\$128,200,121
Rate Change Percent		-3.75%
Amount		-\$4,807,505
2011 Projected Revenue under Proposed Rates		\$123,392,616
2012 Rate revenue under Present Rates		\$123,316,199
Rate Change Percent		-3.75%
Amount		-\$4,624,357
2012 Projected Revenue under Proposed Rates		\$118,691,842

PPL Electric Utilities Corporation
Rate Schedule GS-3
Volunteer Fire Co./Sr. Citizens Centers (G3V)
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	524	\$ 8.75	\$4,585
First 200 KWH	104,766	\$0.02556	\$2,678
Next 600 KWH	313,649	\$0.02556	\$8,017
Excess KWH	3,459,077	\$0.02556	\$88,414
Subtotal	<u>3,877,492</u>		<u>\$103,694</u>
Total Rate Revenue			<u><u>\$103,694</u></u>
<u>PROPOSED RATE</u>			
	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	524	\$16.00	\$8,384
All KWH	3,877,492	\$0.02526	\$97,945
Subtotal	<u>3,877,492</u>		<u>\$106,329</u>
Total Rate Revenue			<u><u>\$106,329</u></u>

PPL Electric Utilities Corporation
Rate Schedule GS-3
Off-Peak Space Conditioning and Water Heating (G3C)
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

<u>PRESENT RATE</u>	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	0	\$30.00	\$0
Excess KW	0	\$4.510	\$0
All KWH	0	\$0.00000	\$0
Subtotal	0		<u>\$0</u>
Total Rate Revenue			<u><u>\$0</u></u>
<u>PROPOSED RATE</u>	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	0	\$40.00	\$0
Excess KW	0	\$4.192	\$0
Subtotal			<u>\$0</u>
Total Rate Revenue			<u><u>\$0</u></u>

PPL Electric Utilities Corporation
Rate Schedule LP-4
Large General Service at Secondary Voltage
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	13,575	\$160.19	\$2,174,579
All KW	14,247,130	\$2.136	<u>\$30,431,870</u>
Subtotal			<u>\$32,606,449</u>
Total Rate Revenue			<u><u>\$32,606,449</u></u>

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	13,575	\$170.00	\$2,307,750
All KW	14,247,130	\$2.127	<u>\$30,303,646</u>
Subtotal			<u>\$32,611,396</u>
Total Rate Revenue			<u><u>\$32,611,396</u></u>

Summary of Distribution Revenues

Total from bill distributions Proposed Rates	\$32,611,396
Total from bill distributions Present Rates	\$32,606,449
Rate Change Amount	\$4,947
Percent	0.02%
2011 Rate revenue under Present Rates	\$26,247,512
Rate Change Percent	0.02%
Amount	\$5,250
2011 Projected Revenue under Proposed Rates	\$26,252,762
2012 Rate revenue under Present Rates	\$35,491,310
Rate Change Percent	0.02%
Amount	\$7,098
2012 Projected Revenue under Proposed Rates	\$35,498,408

PPL Electric Utilities Corporation
Rate Schedule IS-P (R)*
Interruptible Large General Service at 12,470 Volts or Higher
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	29	\$152.00	\$4,408
All KW	113,253	\$2.008	<u>\$227,412</u>
Subtotal			\$231,820
Total Rate Revenue			<u><u>\$231,820</u></u>
PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	0	\$170.00	\$0
All KW	0	\$2.127	<u>\$0</u>
Subtotal			\$0
Total Rate Revenue			<u><u>\$0</u></u>

Summary of Distribution Revenues

Total from bill distributions Proposed Rates	\$0
Total from bill distributions Present Rates	\$231,820
Rate Change Amount	-\$231,820
Percent	-100.00%
2011 Rate revenue under Present Rates	\$236,068
Rate Change Percent	-100.00%
Amount	-\$236,068
2011 Projected Revenue under Proposed Rates	\$0
2012 Rate revenue under Present Rates	\$0
Rate Change Percent	-100.00%
Amount	\$0
2012 Projected Revenue under Proposed Rates	\$0

*The customers served under this Rate Schedule have been migrated to Rate Schedule LP-4.

PPL Electric Utilities Corporation
Rate Schedule LP-5
Large General Service at 69,000 Volts or Higher
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

<u>PRESENT RATE</u>	<u>Units</u>	<u>Rate</u>	<u>Rate Revenue</u>
<u>Distribution</u>			
Customer Charge	1,789	\$709.00	\$1,268,401
First 200 Hours	2,442,630,761	\$0.00000	\$0
Next 200 Hours	2,118,533,760	\$0.00000	\$0
Excess KWH	1,376,312,666	\$0.00000	\$0
Subtotal	5,937,477,187		\$1,268,401
Total Rate Revenue			<u>\$1,268,401</u>

<u>PROPOSED RATE</u>	<u>Units</u>	<u>Rate</u>	<u>Rate Revenue</u>
<u>Distribution</u>			
Customer Charge	1,789	\$1,125.00	\$2,012,625
Subtotal			\$2,012,625
Total Rate Revenue			<u>\$2,012,625</u>

Summary of Distribution Revenues

Total from bill distributions Proposed Rates	\$2,012,625
Total from bill distributions Present Rates	\$1,268,401
Rate Change Amount	\$744,224
Percent	58.67%
2011 Rate revenue under Present Rates	\$1,944,788
Rate Change Percent	58.67%
Amount	\$1,141,007
2011 Projected Revenue under Proposed Rates	\$3,085,795
2012 Rate revenue under Present Rates	\$1,209,480
Rate Change Percent	58.67%
Amount	\$709,602
2012 Projected Revenue under Proposed Rates	\$1,919,082

PPL Electric Utilities Corporation
Rate Schedule LP-6*
Large General Service at 69,000 Volts or Higher
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	24	\$737.00	\$17,688
First 400 Hours	127,001,200	\$0.00000	\$0
Next 200 Hours	31,997,200	\$0.00000	\$0
Excess KWH	1,600	\$0.00000	\$0
Subtotal	<u>159,000,000</u>		<u>\$17,688</u>
Total Rate Revenue			\$17,688

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	0	\$1,125.00	\$0
First 400 Hours	0	\$0.00000	\$0
Next 200 Hours	0	\$0.00000	\$0
Excess KWH	0	\$0.00000	\$0
Subtotal	<u>0</u>		<u>\$0</u>
Total Rate Revenue			<u><u>\$0</u></u>

<u>Summary of Distribution Revenues</u>	
Total from bill distributions Proposed Rates	\$0
Total from bill distributions Present Rates	\$17,688
Rate Change Amount	-\$17,688
Percent	-100.00%
2011 Rate revenue under Present Rates	\$17,688
Rate Change Percent	-100.00%
Amount	-\$17,688
2011 Projected Revenue under Proposed Rates	\$0
2012 Rate revenue under Present Rates	\$35,376
Rate Change Percent	-100.00%
Amount	-\$35,376
2012 Projected Revenue under Proposed Rates	\$0

*The customers served under this Rate Schedule have been migrated to Rate Schedule LP-5.

PPL Electric Utilities Corporation
Rate Schedule LPEP
Power Service to Electric Propulsion
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	12	\$37,100	\$445,200
First 60 Hours (1,200,000 KWH Max)	15,600,000	\$0.00000	\$0
Next 250 Hours	60,651,000	\$0.00000	\$0
Excess KWH	17,238,000	\$0.00000	\$0
Subtotal	93,489,000		<u>\$445,200</u>
Total Rate Revenue			\$445,200

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	12	\$37,100	<u>\$445,200</u>
Subtotal			\$445,200
Total Rate Revenue			<u><u>\$445,200</u></u>

<u>Summary of Distribution Revenues</u>		
Total from bill distributions Proposed Rates		\$445,200
Total from bill distributions Present Rates		\$445,200
Rate Change Amount		\$0
Percent		0.00%
2011 Rate revenue under Present Rates		\$445,200
Rate Change Percent		0.00%
Amount		\$0
2011 Projected Revenue under Proposed Rates		\$445,200
2012 Rate revenue under Present Rates		\$445,200
Rate Change Percent		0.00%
Amount		\$0
2012 Projected Revenue under Proposed Rates		\$445,200

PPL Electric Utilities Corporation
Rate Schedule IS-1 (R)
Interruptible Service to Greenhouses
Calculation of Effect of Proposed Rate vs. Current Tariff
based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	12	\$840.00	\$10,080
All KW	4,395	\$0.000	\$0
First 730 Hours	959,600	\$0.00000	\$0
Excess KWH	0	\$0.00000	\$0
Subtotal	<u>959,600</u>		<u>\$10,080</u>
Total Rate Revenue			<u><u>\$10,080</u></u>

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	12	\$40.00	\$480
All KW	4,395	\$2.470	<u>\$10,856</u>
Subtotal			<u>\$11,336</u>
Total Rate Revenue			<u><u>\$11,336</u></u>

<u>Summary of Distribution Revenues</u>		
Total from bill distributions Proposed Rates		\$11,336
Total from bill distributions Present Rates		\$10,080
Rate Change Amount		\$1,256
Percent		12.46%
2011 Rate revenue under Present Rates		\$10,080
Rate Change Percent		12.46%
Amount		\$1,256
2011 Projected Revenue under Proposed Rates		\$11,336
2012 Rate revenue under Present Rates		\$20,160
Rate Change Percent		12.46%
Amount		\$2,512
2012 Projected Revenue under Proposed Rates		\$22,672

PPL Electric Utilities Corporation
Rate Schedule BL
Borderline Service - Electric Service
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
All KWH	7,664,120	\$0.04033	\$309,094
Subtotal	7,664,120		\$309,094
Total Rate Revenue			<u>\$309,094</u>
PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
All KWH	7,664,120	\$0.04110	\$314,995
Subtotal	7,664,120		\$314,995
Total Rate Revenue			<u>\$314,995</u>

Summary of Distribution Revenues

Total from bill distributions Proposed Rates	\$314,995
Total from bill distributions Present Rates	\$309,094
Rate Change Amount	\$5,901
Percent	1.91%
2011 Rate revenue under Present Rates	\$329,585
Rate Change Percent	1.91%
Amount	\$6,295
2011 Projected Revenue under Proposed Rates	\$335,880
2012 Rate revenue under Present Rates	\$276,630
Rate Change Percent	1.91%
Amount	\$5,284
2012 Projected Revenue under Proposed Rates	\$281,914

PPL Electric Utilities Corporation
Rate Schedule GH-1 (R)*
Single Meter Commercial Space Heating Service
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	8,067	\$30.00	\$242,010
All KW	751,827	\$4.870	\$3,661,397
All KWH	194,682,201	\$0.00000	\$0
Subtotal	194,682,201		\$3,903,407
Total Rate Revenue			<u>\$3,903,407</u>

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	0	\$30.00	\$0
All KW	0	\$4.870	\$0
All KWH	0	\$0.00000	\$0
Subtotal	0		\$0
Total Rate Revenue			<u>\$0</u>

<u>Summary of Distribution Revenues</u>		
Total from bill distributions Proposed Rates		\$0
Total from bill distributions Present Rates		\$3,903,407
Rate Change Amount		-\$3,903,407
Percent		-100.00%
2011 Rate revenue under Present Rates		\$3,908,934
Rate Change Percent		-100.00%
Amount		-\$3,908,934
2011 Projected Revenue under Proposed Rates		\$0
2012 Rate revenue under Present Rates		\$5,007,663
Rate Change Percent		-100.00%
Amount		-\$5,007,663
2012 Projected Revenue under Proposed Rates		\$0

*The customers served under this Rate Schedule have been migrated to Rate Schedules GS-1, GS-3, or LP-4 based on their service voltage level.

PPL Electric Utilities Corporation
Rate Schedule GH-2 (R)
Separate Meter General Space Heating Service
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2011

PRESENT RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	23,901	\$14.00	\$334,614
All KW	369,783	\$2.535	\$937,400
All KWH	54,087,207	\$0.00000	\$0
Subtotal	54,087,207		<u>\$1,272,014</u>
Total Rate Revenue			<u><u>\$1,272,014</u></u>

PROPOSED RATE	Units	Rate	Rate Revenue
<u>Distribution</u>			
Customer Charge	23,901	\$16.00	\$382,416
All KW	369,783	\$3.090	\$1,142,629
Subtotal			<u>\$1,525,045</u>
Total Rate Revenue			<u><u>\$1,525,045</u></u>

<u>Summary of Distribution Revenues</u>	
Total from bill distributions Proposed Rates	\$1,525,045
Total from bill distributions Present Rates	\$1,272,014
Rate Change Amount	\$253,031
Percent	19.89%
2011 Rate revenue under Present Rates	\$315,201
Rate Change Percent	19.89%
Amount	\$62,693
2011 Projected Revenue under Proposed Rates	\$377,894
2012 Rate revenue under Present Rates	\$1,387,078
Rate Change Percent	19.89%
Amount	\$275,890
2012 Projected Revenue under Proposed Rates	\$1,662,968

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE SA
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2011

MONTHLY RATE				
PRESENT				
<u>TYPE OF SERVICE</u>	<u>LUMEN NUMBER</u>		<u>ANNUAL KWH</u>	<u>DIST CHARGE</u>
OVERHEAD				
WOOD POLE	6650	17,430	13,720,896	\$ 12.394
	9500	9,805	7,718,496	\$ 12.394
			<u>21,439,392</u>	
CALCULATED ANNUAL REVENUE				\$ 4,050,607

MONTHLY RATE				
PROPOSED				
<u>TYPE OF SERVICE</u>	<u>LUMEN NUMBER</u>		<u>ANNUAL KWH</u>	<u>DIST CHARGE</u>
OVERHEAD				
WOOD POLE	6650	17,430	13,720,896	\$ 13.884
	9500	9,805	7,718,496	\$ 13.884
			<u>21,439,392</u>	
CALCULATED ANNUAL REVENUE				\$ 4,537,568
TOTAL PRESENT REVENUE				\$ 4,050,607
TOTAL PROPOSED REVENUE				\$ 4,537,568
RATE CHANGE: AMOUNT				\$ 486,961
PERCENT				12.02%
2011 Rate revenue under Present Rates				\$ 4,010,443
Rate Change Percent				12.02%
Amount				\$482,055
2011 Projected Revenue under Proposed Rates				\$ 4,492,498
2012 Rate revenue under Present Rates				\$ 3,935,358
Rate Change Percent				12.02%
Amount				\$473,030
2012 Projected Revenue under Proposed Rates				\$ 4,408,388

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE SM
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2011

MONTHLY RATE				
PRESENT				
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE
OVERHEAD				
WOOD POLE	3350	1,210	712,690	\$ 10.109
	6650	1,332	1,225,440	\$ 12.525
	10500	18	23,148	\$ 16.128
	20000	62	126,356	\$ 20.672
	34000	3	10,422	\$ 33.916
	51000	3	14,403	\$ 43.136
METAL POLE	6650	4	3,680	\$ 19.586
	10500	5	6,430	\$ 23.011
	20000	11	22,418	\$ 27.677
	34000	0	0	\$ 41.139
	51000	0	0	\$ 50.712
UNDERGROUND				
WOOD POLE	3350	13	7,657	\$ 16.387
	6650	254	233,680	\$ 19.173
LOW MOUNT	3350	353	207,917	\$ 17.959
	6650	286	263,120	\$ 20.694
HIGH MOUNT	6650	12	11,040	\$ 23.116
	10500	0	0	\$ 26.329
	20000	211	430,018	\$ 31.241
	34000	9	31,266	\$ 45.761
	51000	10	48,010	\$ 55.309
MULTIPLE UNIT	6650	5	4,600	\$ 10.470
	10500	0	0	\$ 14.702
	20000	3	6,114	\$ 18.401
	34000	0	0	\$ 31.835
	51000	0	0	\$ 41.061
CUSTOMER OWNED	3350	95	55,955	\$ 5.837
	6650	31	28,520	\$ 8.366
	10500	0	0	\$ 11.249
	20000	7	14,266	\$ 16.162
CALCULATED ANNUAL REVENUE			3,487,150	\$ 689,110

RATE SCHEDULE SM
PAGE 2 OF 2

MONTHLY RATE				
PROPOSED				
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE
OVERHEAD				
WOOD POLE	3350	1,210	712,690	\$ 11.858
	6650	1,332	1,225,440	\$ 14.274
	10500	18	23,148	\$ 17.877
	20000	62	126,356	\$ 22.421
	34000	3	10,422	\$ 35.665
	51000	3	14,403	\$ 44.885
METAL POLE	6650	4	3,680	\$ 21.335
	10500	5	6,430	\$ 24.760
	20000	11	22,418	\$ 29.426
	34000	0	0	\$ 42.888
	51000	0	0	\$ 52.461
UNDERGROUND				
WOOD POLE	3350	13	7,657	\$ 18.136
	6650	254	233,680	\$ 20.922
LOW MOUNT	3350	353	207,917	\$ 19.708
	6650	286	263,120	\$ 22.443
HIGH MOUNT	6650	12	11,040	\$ 24.865
	10500	0	0	\$ 28.078
	20000	211	430,018	\$ 32.990
	34000	9	31,266	\$ 47.510
	51000	10	48,010	\$ 57.058
MULTIPLE UNIT	6650	5	4,600	\$ 12.219
	10500	0	0	\$ 16.451
	20000	3	6,114	\$ 20.150
	34000	0	0	\$ 33.584
	51000	0	0	\$ 42.810
CUSTOMER OWNED	3350	95	55,955	\$ 7.586
	6650	31	28,520	\$ 10.115
	10500	0	0	\$ 12.998
	20000	7	14,266	\$ 17.911
CALCULATED ANNUAL REVENUE			3,487,150	\$ 771,740

TOTAL PRESENT REVENUE	\$ 689,110
TOTAL PROPOSED REVENUE	\$ 771,740
RATE CHANGE: AMOUNT	\$ 82,630
PERCENT	11.99%
2011 Rate revenue under Present Rates	\$ 684,403
Rate Change Percent	11.99%
Amount	\$82,060
2011 Projected Revenue under Proposed Rates	\$ 766,463
2012 Rate revenue under Present Rates	\$ 682,055
Rate Change Percent	11.99%
Amount	\$81,778
2012 Projected Revenue under Proposed Rates	\$ 763,833

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE SHS
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2011

MONTHLY RATE				
PRESENT				
TYPE OF SERVICE	LUMEN NUMBER		ANNUAL KWH	DIST CHARGE
OVERHEAD				
WOOD POLE	5800	26,763	9,554,391	\$ 9.976
	9500	31,227	15,988,224	\$ 11.198
	16000	7,361	5,542,833	\$ 12.607
	25500	2,754	3,742,686	\$ 17.709
	50000	535	1,141,155	\$ 23.308
METAL POLE	5800	147	52,479	\$ 14.064
	9500	487	249,344	\$ 14.998
	16000	153	115,209	\$ 16.230
	25500	124	168,516	\$ 20.866
	50000	5	10,665	\$ 26.040
UNDERGROUND				
WOOD POLE	5800	1,178	420,546	\$ 16.371
	9500	3,380	1,730,560	\$ 17.780
LOW MOUNT	5800	5,612	2,003,484	\$ 16.523
	9500	13,292	6,805,504	\$ 17.884
HIGH MOUNT	9500	1,374	703,488	\$ 21.641
	16000	1,035	779,355	\$ 22.853
	25500	1,035	1,406,565	\$ 31.703
	50000	323	688,959	\$ 37.042
MULTIPLE UNIT	5800	64	22,848	\$ 8.930
	9500	256	131,072	\$ 10.103
	16000	141	106,173	\$ 10.601
	25500	125	169,875	\$ 14.605
	50000	78	166,374	\$ 17.946
			51,700,305	
CALCULATED ANNUAL REVENUE				\$15,613,748
RATE SCHEDULE SHS				
PAGE 2 OF 2				

MONTHLY RATE				
PROPOSED				
TYPE OF SERVICE	LUMEN NUMBER		ANNUAL KWH	DIST CHARGE
OVERHEAD				
WOOD POLE	5800	26,763	9,554,391	\$ 11.581
	9500	31,227	15,988,224	\$ 12.803
	16000	7,361	5,542,833	\$ 14.212
	25500	2,754	3,742,686	\$ 19.314
	50000	535	1,141,155	\$ 24.913
METAL POLE	5800	147	52,479	\$ 15.669
	9500	487	249,344	\$ 16.603
	16000	153	115,209	\$ 17.835
	25500	124	168,516	\$ 22.471
	50000	5	10,665	\$ 27.645
UNDERGROUND				
WOOD POLE	5800	1,178	420,546	\$ 17.976
	9500	3,380	1,730,560	\$ 19.385
LOW MOUNT	5800	5,612	2,003,484	\$ 18.128
	9500	13,292	6,805,504	\$ 19.489
HIGH MOUNT	9500	1,374	703,488	\$ 23.246
	16000	1,035	779,355	\$ 24.458
	25500	1,035	1,406,565	\$ 33.308
	50000	323	688,959	\$ 38.647
MULTIPLE UNIT	5800	64	22,848	\$ 10.535
	9500	256	131,072	\$ 11.708
	16000	141	106,173	\$ 12.206
	25500	125	169,875	\$ 16.210
	50000	78	166,374	\$ 19.551
			51,700,305	
CALCULATED ANNUAL REVENUE				\$17,490,617
TOTAL PRESENT REVENUE				\$15,613,748
TOTAL PROPOSED REVENUE				\$17,490,617
RATE CHANGE: AMOUNT				\$ 1,876,869
PERCENT				12.02%
2011 Rate revenue under Present Rates				\$15,497,750
Rate Change Percent				12.02%
Amount				\$1,862,830
2011 Projected Revenue under Proposed Rates				\$17,360,580
2012 Rate revenue under Present Rates				\$16,207,805
Rate Change Percent				12.02%
Amount				\$1,948,178
2012 Projected Revenue under Proposed Rates				\$18,155,983

PPL ELECTRIC UTILITIES CORPORATION
 RATE SCHEDULE SE
 CALCULATION OF EFFECT OF PROPOSED RATE
 BASED ON BILL FREQUENCY DISTRIBUTION
 FOR 12 MONTHS ENDED DECEMBER, 2011

MONTHLY RATE				
PRESENT				
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE
UTILITY POLE	3350	114	67,146	\$ 0.07958
	6650	60	55,200	\$ 0.07958
	5800	6,683	2,385,831	\$ 0.07958
	9500	13,203	6,759,936	\$ 0.07958
	10500	34	43,724	\$ 0.07958
	16000	5,292	3,984,876	\$ 0.07958
	20000	204	415,752	\$ 0.07958
	25500	1,687	2,292,633	\$ 0.07958
	34000	0	0	\$ 0.07958
	50000	93	198,369	\$ 0.07958
	51000	0	0	\$ 0.07958
	7900	0	0	\$ 0.07958
	21000	19	23,693	\$ 0.07958
	22000	0	0	\$ 0.07958
	14000	2	1,806	\$ 0.07958
	19000	0	0	\$ 0.07958
	36000	0	0	\$ 0.07958
	37000	0	0	\$ 0.07958
	3500	0	0	\$ 0.07958
	6500	0	0	\$ 0.07958
	8000	0	0	\$ 0.07958
	12000	0	0	\$ 0.07958
CUSTOMER POLE	3350	28	16,492	\$ 0.03547
	6650	758	697,360	\$ 0.03547
	10500	700	900,200	\$ 0.03547
	20000	446	908,948	\$ 0.03547
	34000	1	3,474	\$ 0.03547
	51000	135	648,135	\$ 0.03547
	5800	1,989	710,073	\$ 0.03547
	9500	4,308	2,205,696	\$ 0.03547
	16000	3,610	2,718,330	\$ 0.03547
	25500	2,466	3,351,294	\$ 0.03547
	50000	2,410	5,140,530	\$ 0.03547
	21000	48	59,856	\$ 0.03547
	22000	1,790	1,770,310	\$ 0.03547
	7900	649	360,195	\$ 0.03547
	14000	341	307,923	\$ 0.03547
	19000	96	95,616	\$ 0.03547
	36000	32	62,752	\$ 0.03547
	37000	28	43,960	\$ 0.03547
	3500	0	0	\$ 0.03547
	6500	0	0	\$ 0.03547
	8000	0	0	\$ 0.03547
	12000	0	0	\$ 0.03547
			36,230,110	
CALCULATED ANNUAL REVENUE				\$ 2,000,939

RATE SCHEDULE SE
 PAGE 2 OF 2

MONTHLY RATE				
PROPOSED				
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE
UTILITY POLE	3350	114	67,146	\$ 0.08622
	6650	60	55,200	\$ 0.08622
	5800	6,683	2,385,831	\$ 0.08622
	9500	13,203	6,759,936	\$ 0.08622
	10500	34	43,724	\$ 0.08622
	16000	5,292	3,984,876	\$ 0.08622
	20000	204	415,752	\$ 0.08622
	25500	1,687	2,292,633	\$ 0.08622
	34000	0	0	\$ 0.08622
	50000	93	198,369	\$ 0.08622
	51000	0	0	\$ 0.08622
	7900	0	0	\$ 0.08622
	21000	19	23,693	\$ 0.08622
	22000	0	0	\$ 0.08622
	14000	2	1,806	\$ 0.08622
	19000	0	0	\$ 0.08622
	36000	0	0	\$ 0.08622
	37000	0	0	\$ 0.08622
	3500	0	0	\$ 0.08622
	6500	0	0	\$ 0.08622
	8000	0	0	\$ 0.08622
	12000	0	0	\$ 0.08622
CUSTOMER POLE	3350	28	16,492	\$ 0.04211
	6650	758	697,360	\$ 0.04211
	10500	700	900,200	\$ 0.04211
	20000	446	908,948	\$ 0.04211
	34000	1	3,474	\$ 0.04211
	51000	135	648,135	\$ 0.04211
	5800	1,989	710,073	\$ 0.04211
	9500	4,308	2,205,696	\$ 0.04211
	16000	3,610	2,718,330	\$ 0.04211
	25500	2,466	3,351,294	\$ 0.04211
	50000	2,410	5,140,530	\$ 0.04211
	21000	48	59,856	\$ 0.04211
	22000	1,790	1,770,310	\$ 0.04211
	7900	649	360,195	\$ 0.04211
	14000	341	307,923	\$ 0.04211
	19000	96	95,616	\$ 0.04211
	36000	32	62,752	\$ 0.04211
	37000	28	43,960	\$ 0.04211
	3500	0	0	\$ 0.04211
	6500	0	0	\$ 0.04211
	8000	0	0	\$ 0.04211
	12000	0	0	\$ 0.04211
			36,230,110	
CALCULATED ANNUAL REVENUE				\$ 2,241,509

TOTAL PRESENT REVENUE	\$ 2,000,939
TOTAL PROPOSED REVENUE	\$ 2,241,509
RATE CHANGE AMOUNT	\$ 240,570
PERCENT	12.02%
2011 Rate revenue under Present Rates	\$ 2,076,664
Rate Change Percent	12.02%
Amount	\$249,615
2011 Projected Revenue under Proposed Rates	\$ 2,326,279
2012 Rate revenue under Present Rates	\$ 2,076,664
Rate Change Percent	12.02%
Amount	\$249,615
2012 Projected Revenue under Proposed Rates	\$ 2,326,279

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE SI-1(R)
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2011

MONTHLY RATE				
PRESENT				
<u>TYPE OF SERVICE</u>	<u>LUMEN NUMBER</u>		<u>ANNUAL KWH</u>	<u>DIST CHARGE</u>
OVERHEAD				
WOOD POLE	600	193	48,057	\$ 5.568
	1000	17	7,531	\$ 6.901
UNDERGROUND				
LOW MOUNT	4000	19	26,714	\$ 20.558
			82,302	
CALCULATED ANNUAL REVENUE				\$ 18,990

MONTHLY RATE				
PROPOSED				
<u>TYPE OF SERVICE</u>	<u>LUMEN NUMBER</u>		<u>ANNUAL KWH</u>	<u>DIST CHARGE</u>
OVERHEAD				
WOOD POLE	600	193	48,057	\$ 6.359
	1000	17	7,531	\$ 7.692
UNDERGROUND				
LOW MOUNT	4000	19	26,714	\$ 21.349
			82,302	
CALCULATED ANNUAL REVENUE				\$ 21,164
TOTAL PRESENT REVENUE				\$ 18,990
TOTAL PROPOSED REVENUE				\$ 21,164
RATE CHANGE: AMOUNT				\$ 2,174
PERCENT				11.45%
2011 Rate revenue under Present Rates				\$ 18,991
Rate Change Percent				11.45%
Amount				\$2,174
2011 Projected Revenue under Proposed Rates				\$ 21,165
2012 Rate revenue under Present Rates				\$ 19,165
Rate Change Percent				11.45%
Amount				\$2,194
2012 Projected Revenue under Proposed Rates				\$ 21,359

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE TS(R)
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2011

MONTHLY RATE				
PRESENT				
TYPE OF SERVICE	WATTS	NUMBER	ANNUAL KWH	DIST CHARGE
TRAFFIC SIGNAL				
	25	0	0	\$ 0.06414
	50	0	0	\$ 0.06414
	60	0	0	\$ 0.06414
	67	0	0	\$ 0.06414
	69	398	240,710	\$ 0.06414
	100	0	0	\$ 0.06414
	104	0	0	\$ 0.06414
	107	0	0	\$ 0.06414
	116	0	0	\$ 0.06414
	125	0	0	\$ 0.06414
	134	53	62,201	\$ 0.06414
			302,911	
CALCULATED ANNUAL REVENUE				\$ 26,603

MONTHLY RATE				
PROPOSED				
TYPE OF SERVICE	WATTS	NUMBER	ANNUAL KWH	DIST CHARGE
TRAFFIC SIGNAL				
	25	0	0	\$ 0.07196
	50	0	0	\$ 0.07196
	60	0	0	\$ 0.07196
	67	0	0	\$ 0.07196
	69	398	240,710	\$ 0.07196
	100	0	0	\$ 0.07196
	104	0	0	\$ 0.07196
	107	0	0	\$ 0.07196
	116	0	0	\$ 0.07196
	125	0	0	\$ 0.07196
	134	53	62,201	\$ 0.07196
			302,911	
CALCULATED ANNUAL REVENUE				\$ 29,847
TOTAL PRESENT REVENUE				\$ 26,603
TOTAL PROPOSED REVENUE				\$ 29,847
RATE CHANGE: AMOUNT				\$ 3,244
PERCENT				12.19%
2011 Rate revenue under Present Rates				\$ 26,603
Rate Change Percent				12.19%
Amount				\$ 3,243
2011 Projected Revenue under Proposed Rates				\$ 29,846
2012 Rate revenue under Present Rates				\$ 26,448
Rate Change Percent				12.19%
Amount				\$3,224
2012 Projected Revenue under Proposed Rates				\$ 29,672

Q. The effects of the proposed rates on monthly billing conditions should be provided as follows:

1. Residential Bill Comparisons

For each rate applicable to residential service, provide a chart or tabulation which shows the dollar and percentage effect of the proposed rate base rate on monthly bills ranging from the use of zero KWH to 5,000 KWH at appropriate intervals.

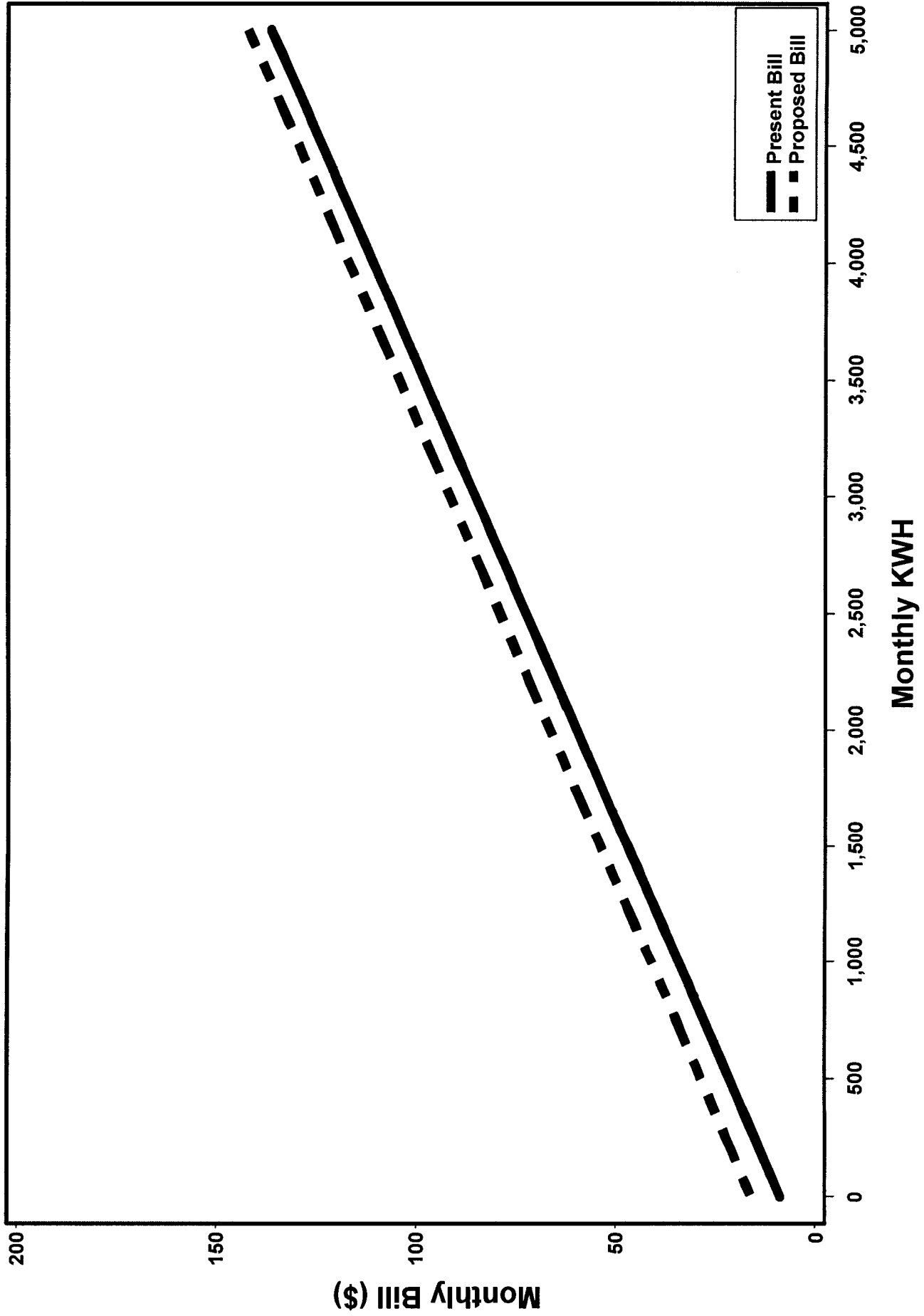
2. General Bill Comparisons

For each rate that requires both a billing demand (KW) and KWHs as the billing determinants, provide a tabulation or graphical comparison showing the percentage effect of the proposed rate base on monthly bills using several representative demand (KW) levels, the monthly KWH for each demand selected to be in load factor increments of 10% starting at 0% and ending at 100% (730H), or by hours use increment that covers approximately 95% of the bills.

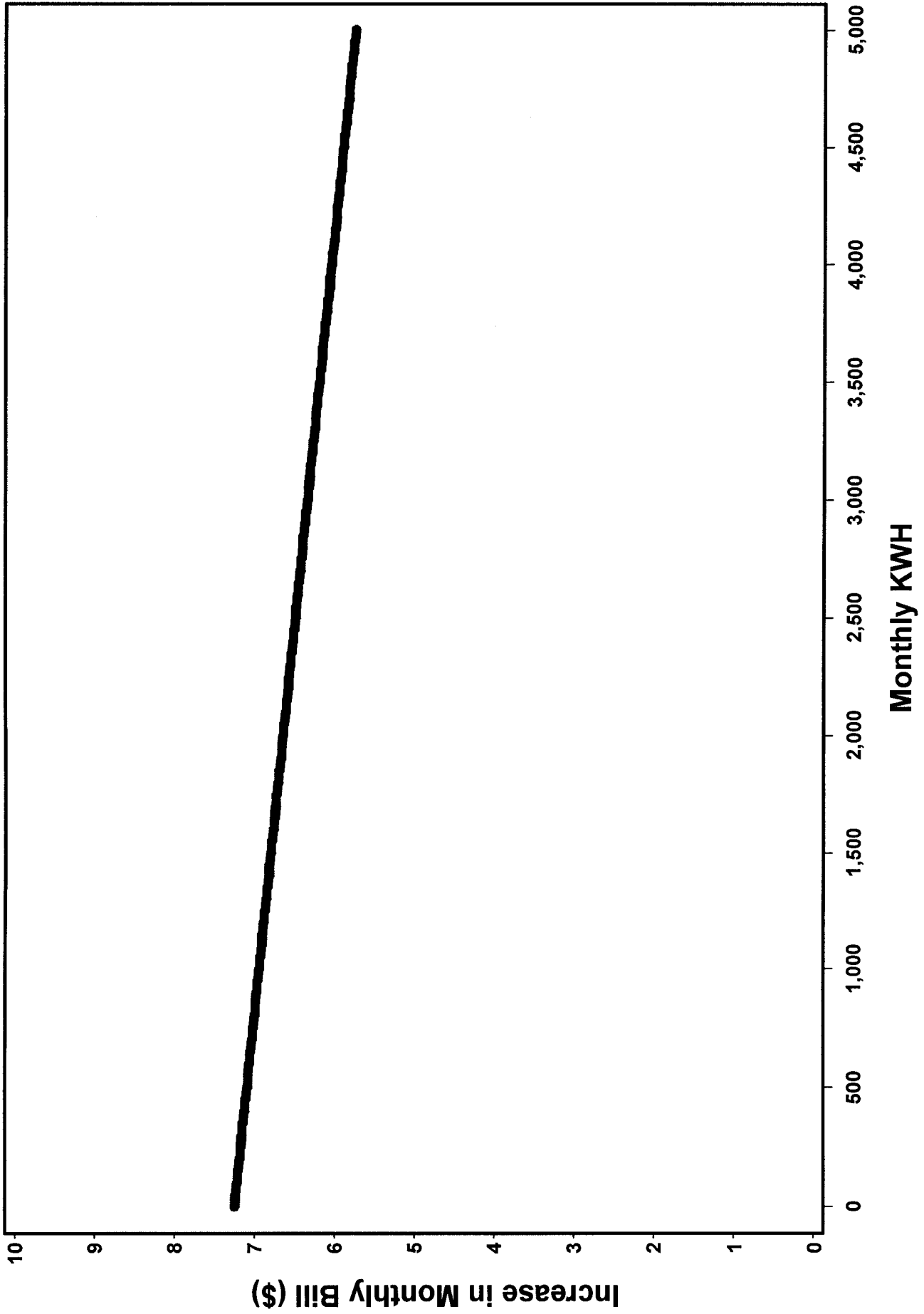
A. 1. Attachment IV-D provides a graphical comparison of PPL Electric's residential rates followed by a tabulation which shows the dollar and percentage effect of the proposed distribution rate increase on monthly bills.

2. Attachment IV-D also provides a graphical comparison of PPL Electric's general service rates followed by a tabulation which shows the dollar and percentage effect of the proposed distribution rate increase.

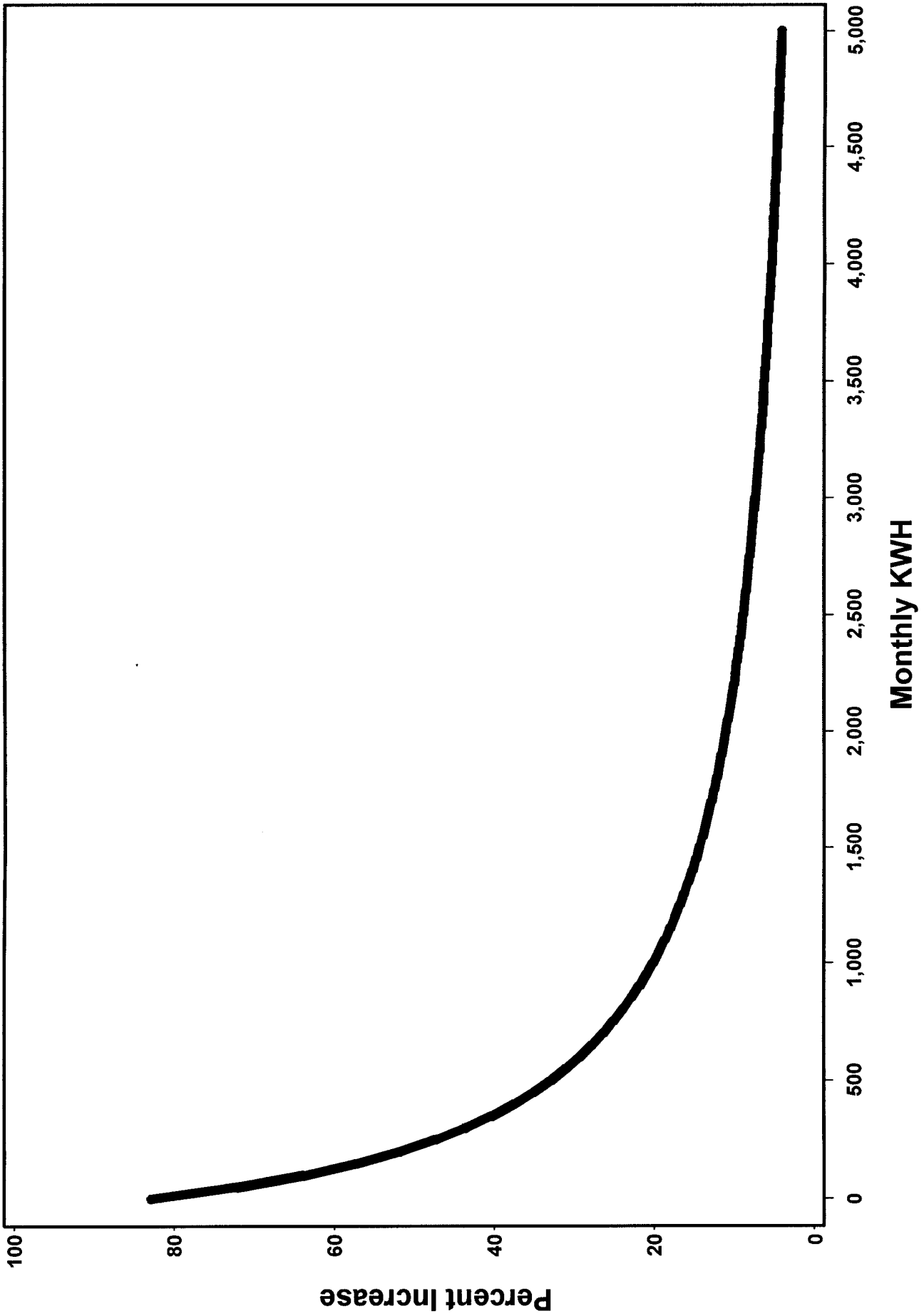
Proposed RS vs Present RS Rate



Dollar Difference of Proposed RS vs Present RS Rate



Percent Increase of Proposed RS vs Present RS Rate



PPL Electric Utilities
Present RS Rate and Proposed RS Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
KWH				
0	8.75	16.00	7.25	82.86
50	10.03	17.26	7.24	72.20
100	11.31	18.53	7.22	63.86
150	12.58	19.79	7.21	57.29
200	13.86	21.05	7.19	51.87
250	15.14	22.32	7.18	47.42
300	16.42	23.58	7.16	43.61
350	17.70	24.84	7.15	40.40
400	18.97	26.10	7.13	37.58
450	20.25	27.37	7.12	35.16
500	21.53	28.63	7.10	32.98
550	22.81	29.89	7.09	31.09
600	24.09	31.16	7.07	29.35
650	25.36	32.42	7.06	27.83
700	26.64	33.68	7.04	26.42
750	27.92	34.95	7.03	25.18
800	29.20	36.21	7.01	24.01
850	30.48	37.47	7.00	22.97
900	31.75	38.73	6.98	21.98
950	33.03	40.00	6.97	21.10
1,000	34.31	41.26	6.95	20.26
1,050	35.59	42.52	6.94	19.50
1,100	36.87	43.79	6.92	18.77
1,150	38.14	45.05	6.91	18.12
1,200	39.42	46.31	6.89	17.48
1,250	40.70	47.58	6.88	16.90
1,300	41.98	48.84	6.86	16.34
1,350	43.26	50.10	6.85	15.84
1,400	44.53	51.36	6.83	15.34
1,450	45.81	52.63	6.82	14.89

PPL Electric Utilities
Present RS Rate and Proposed RS Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
1,500	47.09	53.89	6.80	14.44
1,550	48.37	55.15	6.79	14.04
1,600	49.65	56.42	6.77	13.64
1,650	50.92	57.68	6.76	13.27
1,700	52.20	58.94	6.74	12.91
1,750	53.48	60.21	6.73	12.58
1,800	54.76	61.47	6.71	12.25
1,850	56.04	62.73	6.70	11.96
1,900	57.31	63.99	6.68	11.66
1,950	58.59	65.26	6.67	11.38
2,000	59.87	66.52	6.65	11.11
2,050	61.15	67.78	6.64	10.86
2,100	62.43	69.05	6.62	10.60
2,150	63.70	70.31	6.61	10.38
2,200	64.98	71.57	6.59	10.14
2,250	66.26	72.84	6.58	9.93
2,300	67.54	74.10	6.56	9.71
2,350	68.82	75.36	6.55	9.52
2,400	70.09	76.62	6.53	9.32
2,450	71.37	77.89	6.52	9.14
2,500	72.65	79.15	6.50	8.95
2,550	73.93	80.41	6.49	8.78
2,600	75.21	81.68	6.47	8.60
2,650	76.48	82.94	6.46	8.45
2,700	77.76	84.20	6.44	8.28
2,750	79.04	85.47	6.43	8.14
2,800	80.32	86.73	6.41	7.98
2,850	81.60	87.99	6.40	7.84
2,900	82.87	89.25	6.38	7.70
2,950	84.15	90.52	6.37	7.57

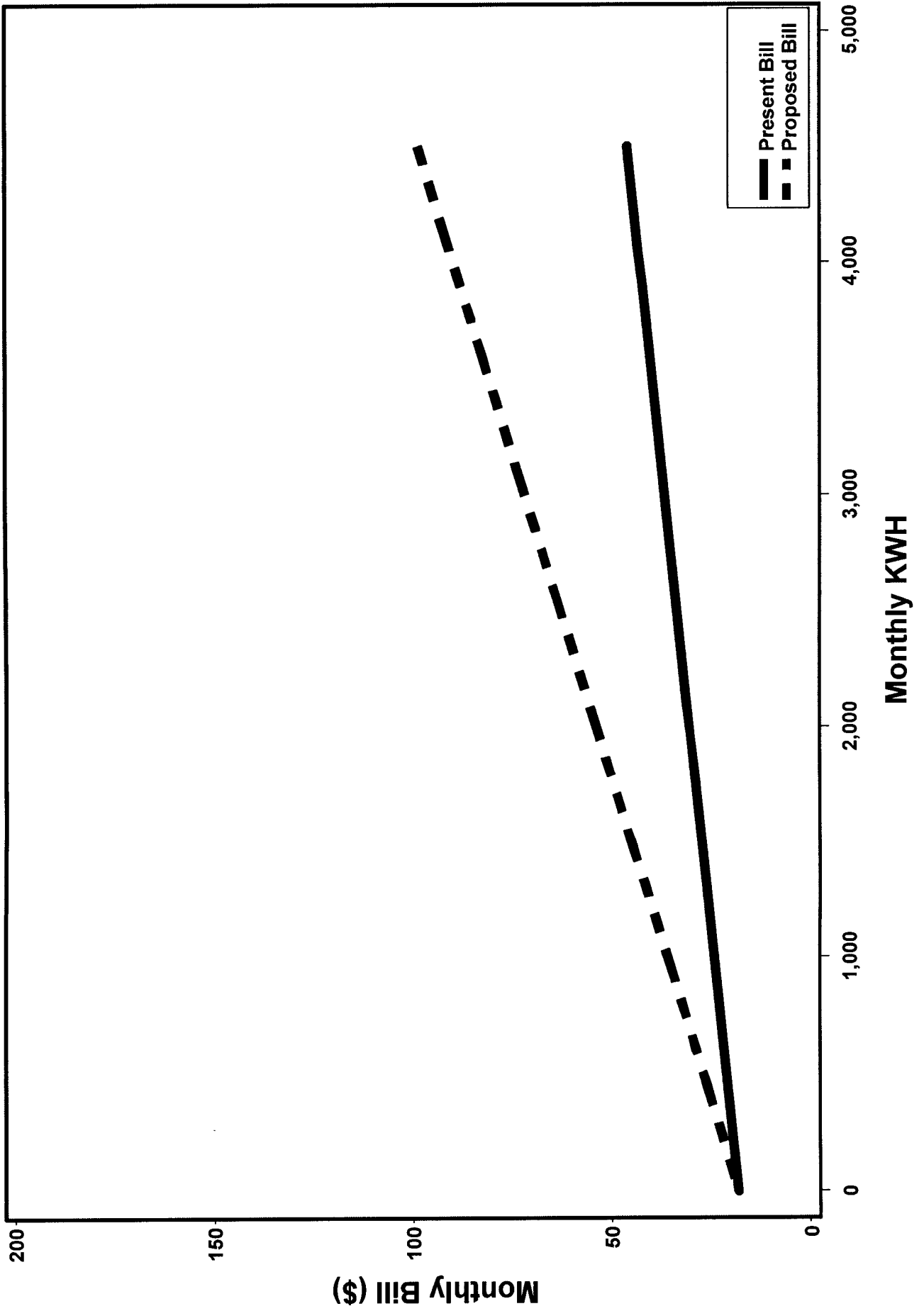
PPL Electric Utilities
Present RS Rate and Proposed RS Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
3,000	85.43	91.78	6.35	7.43
3,050	86.71	93.04	6.34	7.31
3,100	87.99	94.31	6.32	7.18
3,150	89.26	95.57	6.31	7.07
3,200	90.54	96.83	6.29	6.95
3,250	91.82	98.10	6.28	6.84
3,300	93.10	99.36	6.26	6.72
3,350	94.38	100.62	6.25	6.62
3,400	95.65	101.88	6.23	6.51
3,450	96.93	103.15	6.22	6.42
3,500	98.21	104.41	6.20	6.31
3,550	99.49	105.67	6.19	6.22
3,600	100.77	106.94	6.17	6.12
3,650	102.04	108.20	6.16	6.04
3,700	103.32	109.46	6.14	5.94
3,750	104.60	110.73	6.13	5.85
3,800	105.88	111.99	6.11	5.77
3,850	107.16	113.25	6.10	5.69
3,900	108.43	114.51	6.08	5.61
3,950	109.71	115.78	6.07	5.53
4,000	110.99	117.04	6.05	5.45
4,050	112.27	118.30	6.04	5.38
4,100	113.55	119.57	6.02	5.30
4,150	114.82	120.83	6.01	5.23
4,200	116.10	122.09	5.99	5.16
4,250	117.38	123.36	5.98	5.09
4,300	118.66	124.62	5.96	5.02
4,350	119.94	125.88	5.95	4.96
4,400	121.21	127.14	5.93	4.89
4,450	122.49	128.41	5.92	4.83

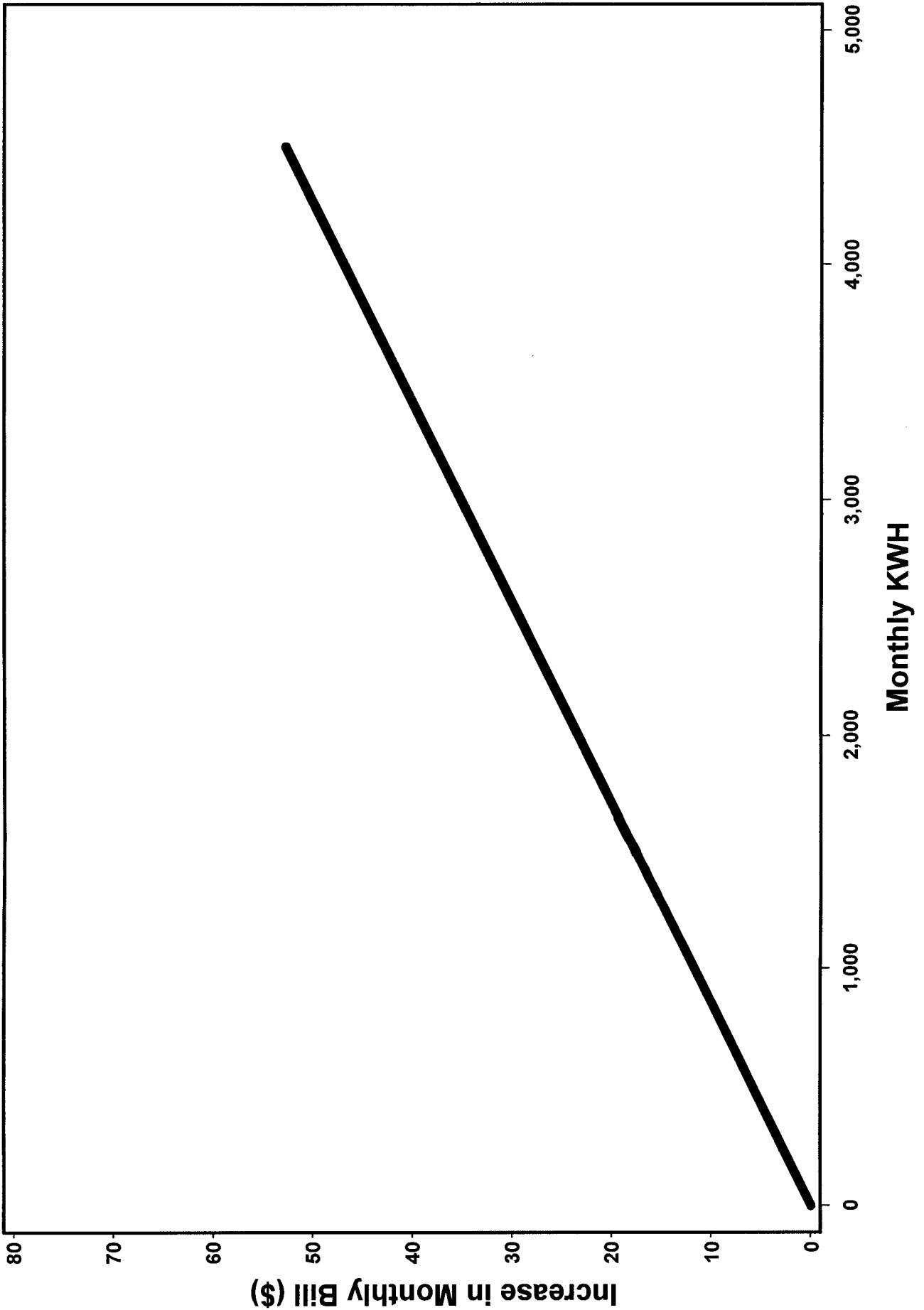
PPL Electric Utilities
Present RS Rate and Proposed RS Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
4,500	123.77	129.67	5.90	4.77
4,550	125.05	130.93	5.89	4.71
4,600	126.33	132.20	5.87	4.65
4,650	127.60	133.46	5.86	4.59
4,700	128.88	134.72	5.84	4.53
4,750	130.16	135.99	5.83	4.48
4,800	131.44	137.25	5.81	4.42
4,850	132.72	138.51	5.80	4.37
4,900	133.99	139.77	5.78	4.31
4,950	135.27	141.04	5.77	4.27
5,000	136.55	142.30	5.75	4.21

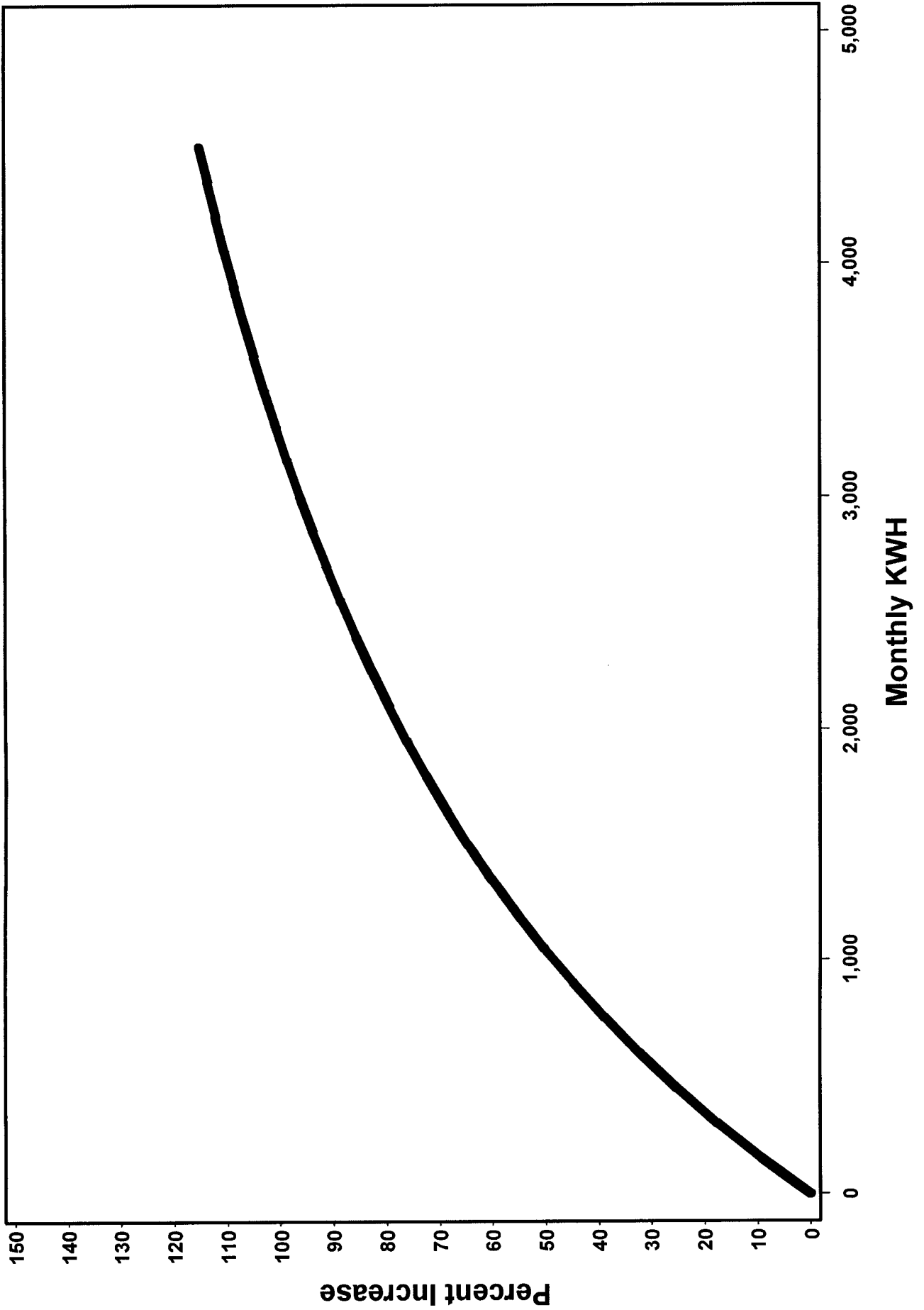
Proposed RTS vs Present RTS Rate



Dollar Difference of Proposed RTS vs Present RTS Rate



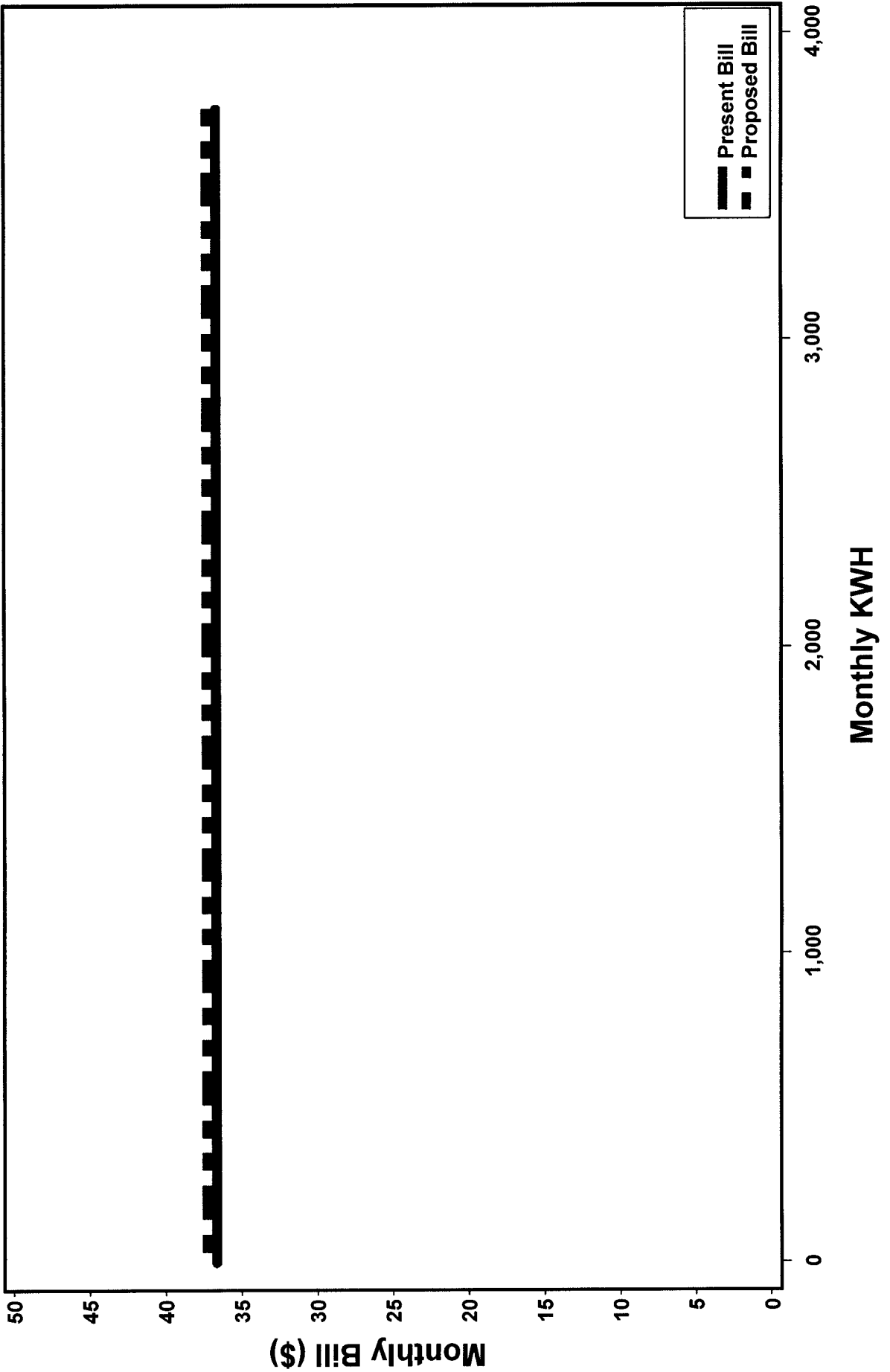
Percent Increase of Proposed RTS vs Present RTS Rate



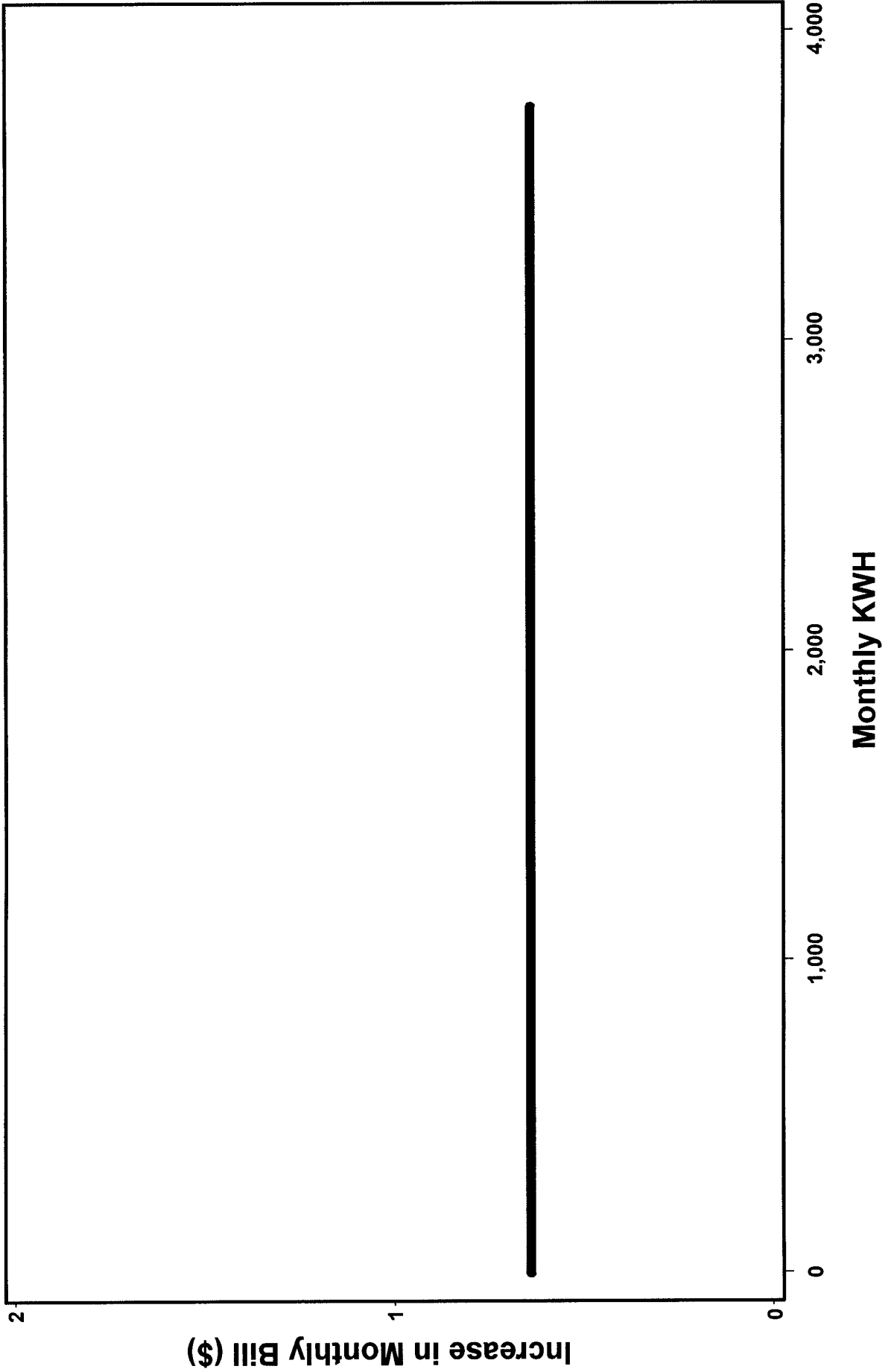
PPL Electric Utilities
Present RTS Rate and Proposed RTS Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	18.06	18.06	0.00	0.00
150	18.99	20.75	1.76	9.27
300	19.91	23.43	3.52	17.68
450	20.84	26.12	5.28	25.34
600	21.76	28.80	7.04	32.35
750	22.69	31.49	8.80	38.79
900	23.61	34.17	10.56	44.72
1,050	24.54	36.86	12.32	50.21
1,200	25.46	39.54	14.08	55.29
1,350	26.39	42.23	15.84	60.02
1,500	27.32	44.91	17.60	64.43
1,650	28.24	47.60	19.35	68.52
1,800	29.17	50.28	21.11	72.38
1,950	30.09	52.97	22.87	76.00
2,100	31.02	55.65	24.63	79.41
2,250	31.94	58.34	26.39	82.62
2,400	32.87	61.02	28.15	85.65
2,550	33.79	63.71	29.91	88.51
2,700	34.72	66.39	31.67	91.22
2,850	35.64	69.08	33.43	93.79
3,000	36.57	71.76	35.19	96.23
3,150	37.50	74.45	36.95	98.55
3,300	38.42	77.13	38.71	100.75
3,450	39.35	79.82	40.47	102.86
3,600	40.27	82.50	42.23	104.86
3,750	41.20	85.19	43.99	106.78
3,900	42.12	87.87	45.75	108.61
4,050	43.05	90.56	47.51	110.36
4,200	43.97	93.24	49.27	112.04
4,350	44.90	95.93	51.03	113.65
4,500	45.83	98.61	52.79	115.20

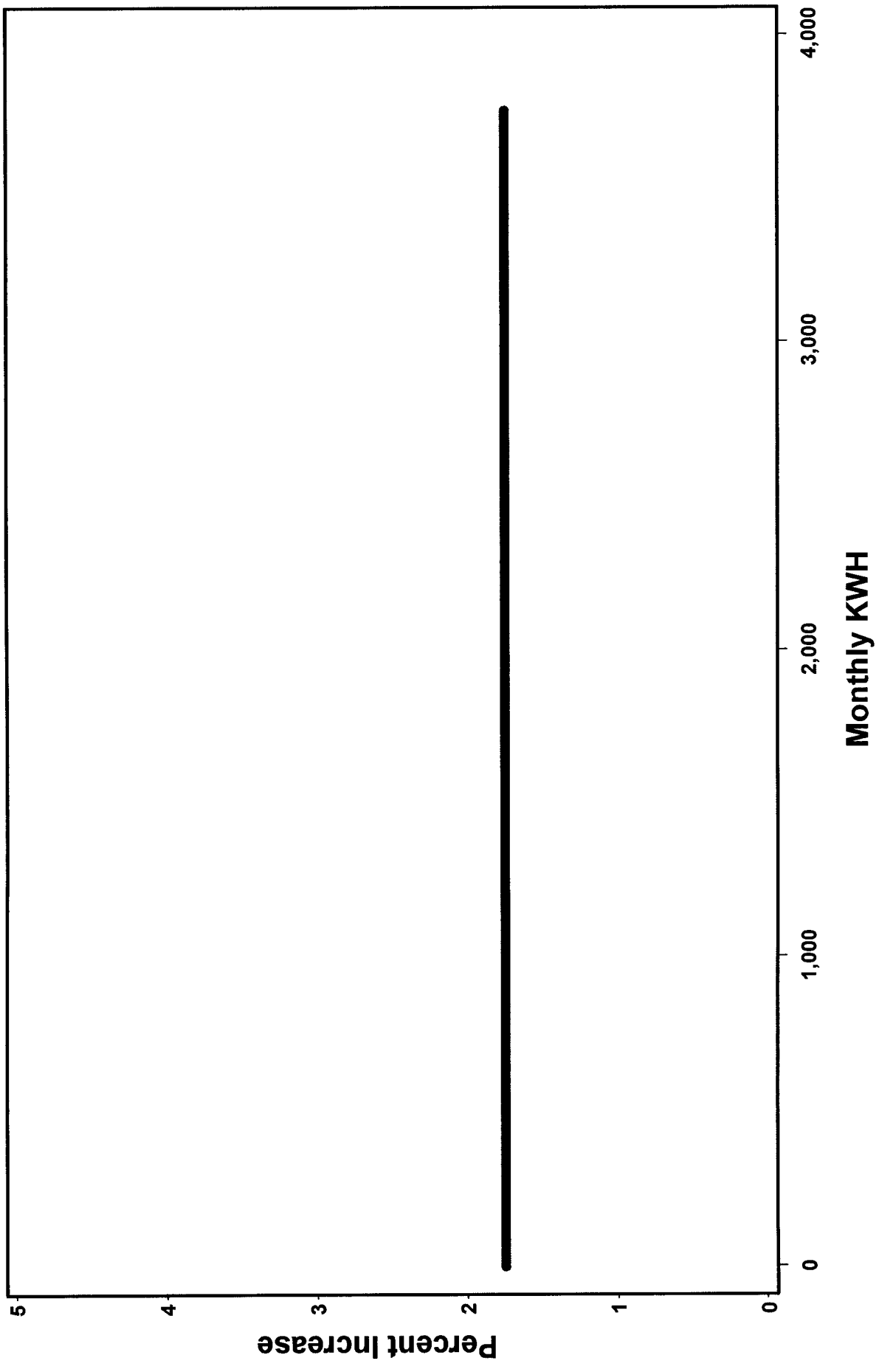
**Proposed GS1 vs Present GS1 Rate
Average Demand 5 KW
Base Rate Only**



**Dollar Difference of Proposed GS1 vs Present GS1 Rate
Average Demand 5 KW
Base Rate Only**



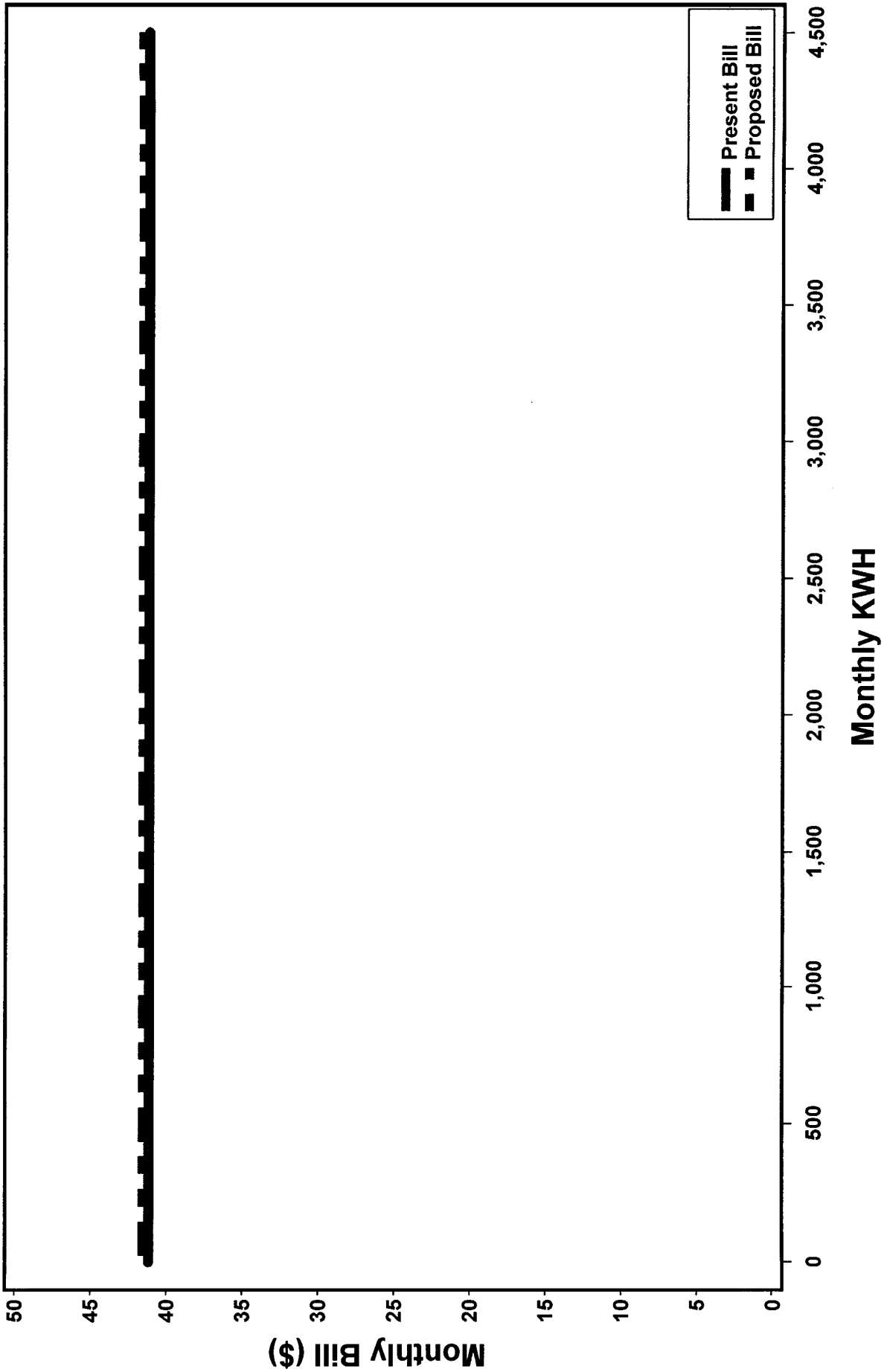
**Percent Increase of Proposed GS1 vs Present GS1 Rate
Average Demand 5 KW
Base Rate Only**



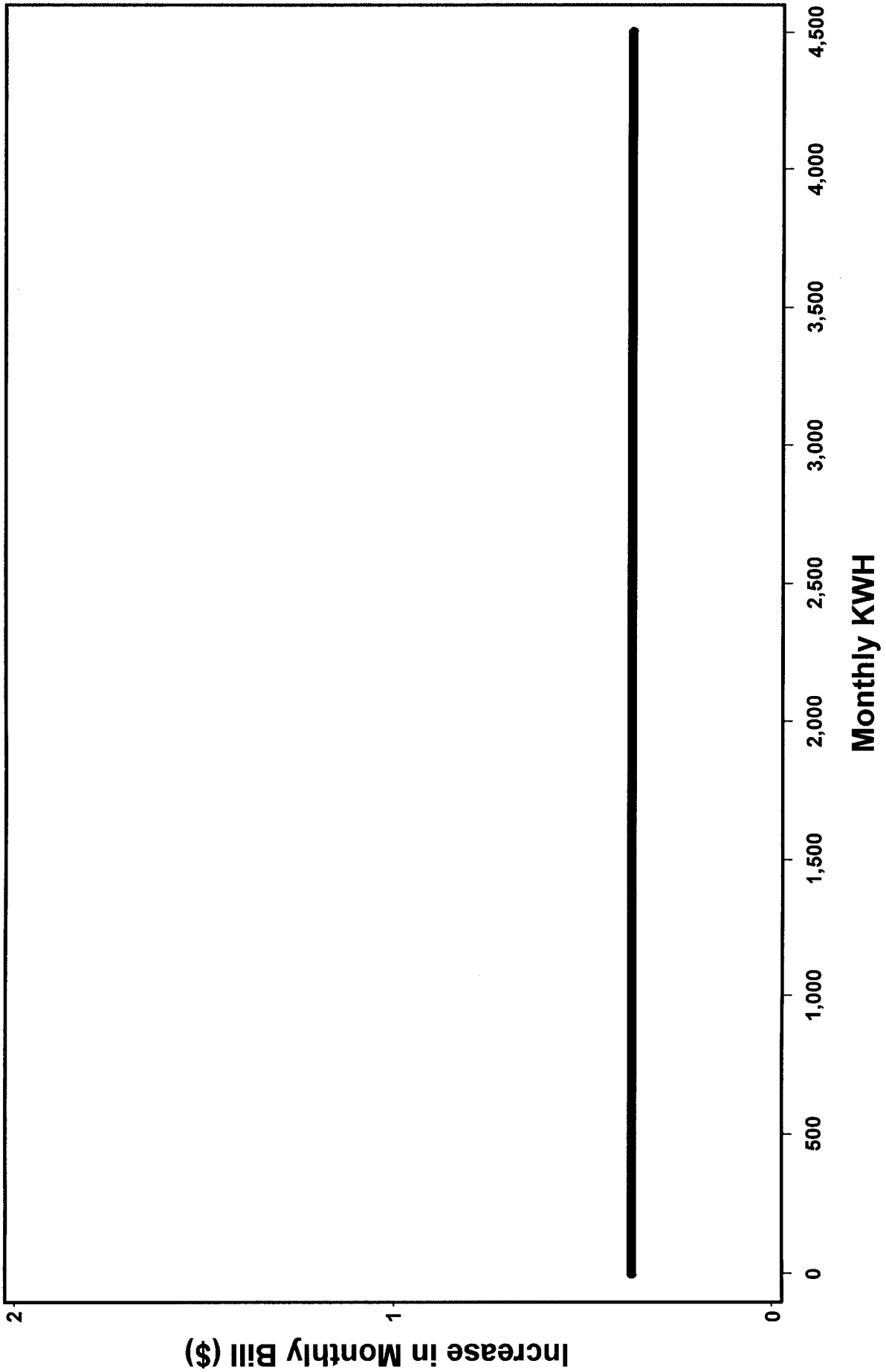
PPL Electric Utilities
Rate Revenue Comparison
Average Demand of 5 KW
Base Rate Only
Present GS1 Rate and Proposed GS1 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	36.65	37.29	0.64	1.75
125	36.65	37.29	0.64	1.75
250	36.65	37.29	0.64	1.75
375	36.65	37.29	0.64	1.75
500	36.65	37.29	0.64	1.75
625	36.65	37.29	0.64	1.75
750	36.65	37.29	0.64	1.75
875	36.65	37.29	0.64	1.75
1,000	36.65	37.29	0.64	1.75
1,125	36.65	37.29	0.64	1.75
1,250	36.65	37.29	0.64	1.75
1,375	36.65	37.29	0.64	1.75
1,500	36.65	37.29	0.64	1.75
1,625	36.65	37.29	0.64	1.75
1,750	36.65	37.29	0.64	1.75
1,875	36.65	37.29	0.64	1.75
2,000	36.65	37.29	0.64	1.75
2,125	36.65	37.29	0.64	1.75
2,250	36.65	37.29	0.64	1.75
2,375	36.65	37.29	0.64	1.75
2,500	36.65	37.29	0.64	1.75
2,625	36.65	37.29	0.64	1.75
2,750	36.65	37.29	0.64	1.75
2,875	36.65	37.29	0.64	1.75
3,000	36.65	37.29	0.64	1.75
3,125	36.65	37.29	0.64	1.75
3,250	36.65	37.29	0.64	1.75
3,375	36.65	37.29	0.64	1.75

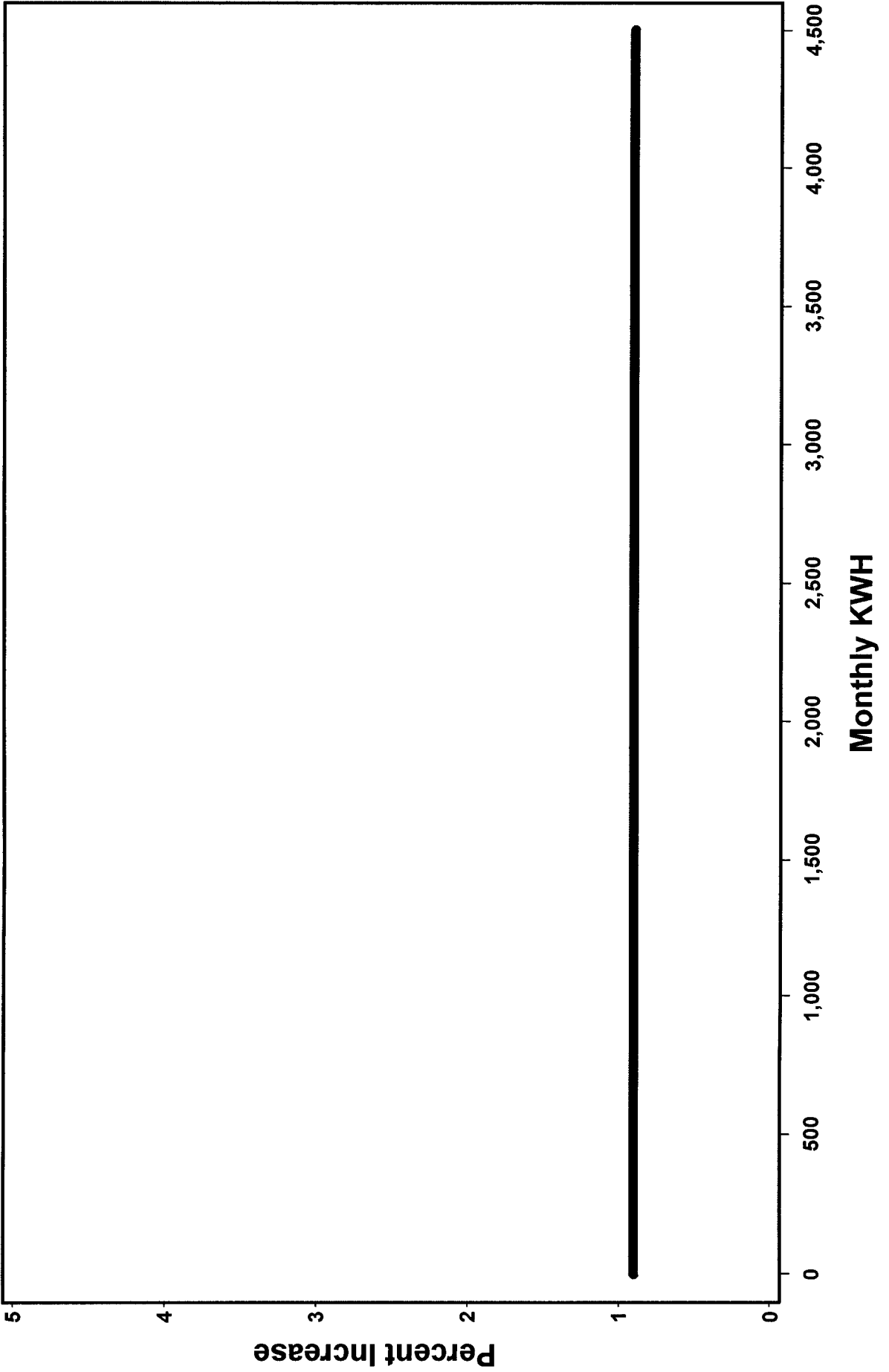
**Proposed GS1 vs Present GS1 Rate
Average Demand 6 KW
Base Rate Only**



**Dollar Difference of Proposed GS1 vs Present GS1 Rate
Average Demand 6 KW
Base Rate Only**



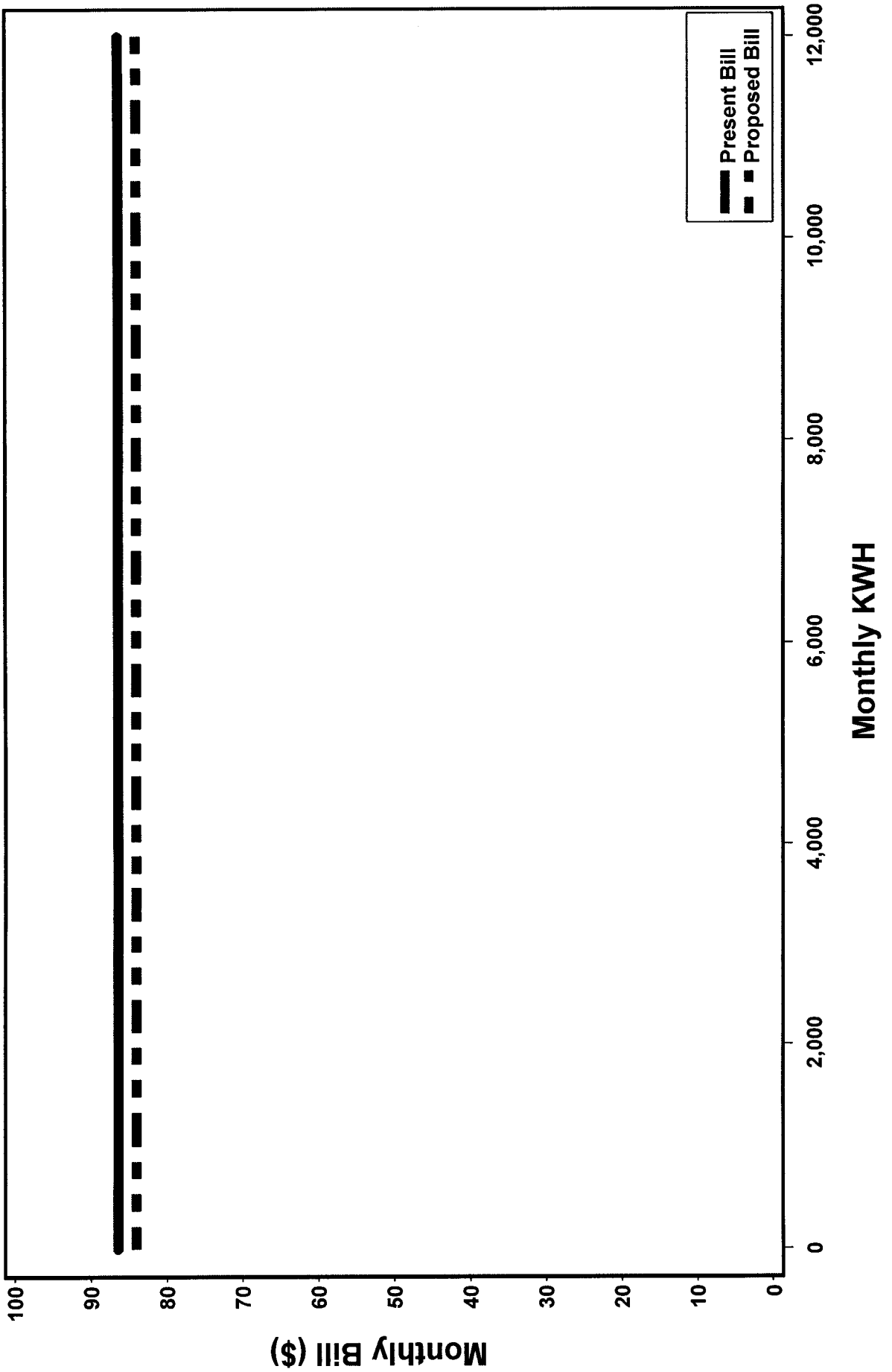
**Percent Increase of Proposed GS1 vs Present GS1 Rate
Average Demand 6 KW
Base Rate Only**



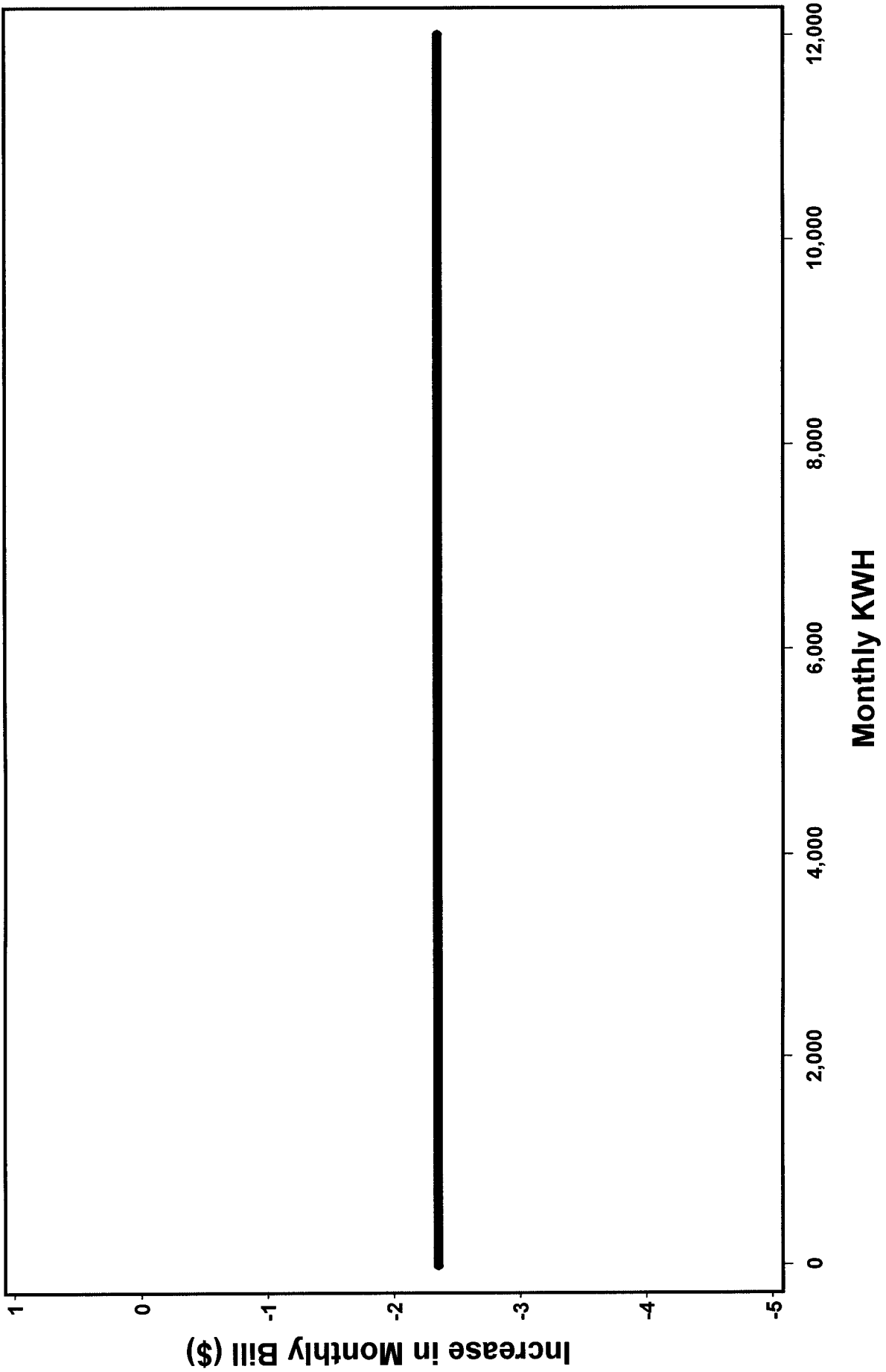
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 6 KW
 Base Rate Only
 Present GS1 Rate and Proposed GS1 Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
KWH				
0	41.18	41.55	0.37	0.90
150	41.18	41.55	0.37	0.90
300	41.18	41.55	0.37	0.90
450	41.18	41.55	0.37	0.90
600	41.18	41.55	0.37	0.90
750	41.18	41.55	0.37	0.90
900	41.18	41.55	0.37	0.90
1,050	41.18	41.55	0.37	0.90
1,200	41.18	41.55	0.37	0.90
1,350	41.18	41.55	0.37	0.90
1,500	41.18	41.55	0.37	0.90
1,650	41.18	41.55	0.37	0.90
1,800	41.18	41.55	0.37	0.90
1,950	41.18	41.55	0.37	0.90
2,100	41.18	41.55	0.37	0.90
2,250	41.18	41.55	0.37	0.90
2,400	41.18	41.55	0.37	0.90
2,550	41.18	41.55	0.37	0.90
2,700	41.18	41.55	0.37	0.90
2,850	41.18	41.55	0.37	0.90
3,000	41.18	41.55	0.37	0.90
3,150	41.18	41.55	0.37	0.90
3,300	41.18	41.55	0.37	0.90
3,450	41.18	41.55	0.37	0.90
3,600	41.18	41.55	0.37	0.90
3,750	41.18	41.55	0.37	0.90
3,900	41.18	41.55	0.37	0.90
4,050	41.18	41.55	0.37	0.90

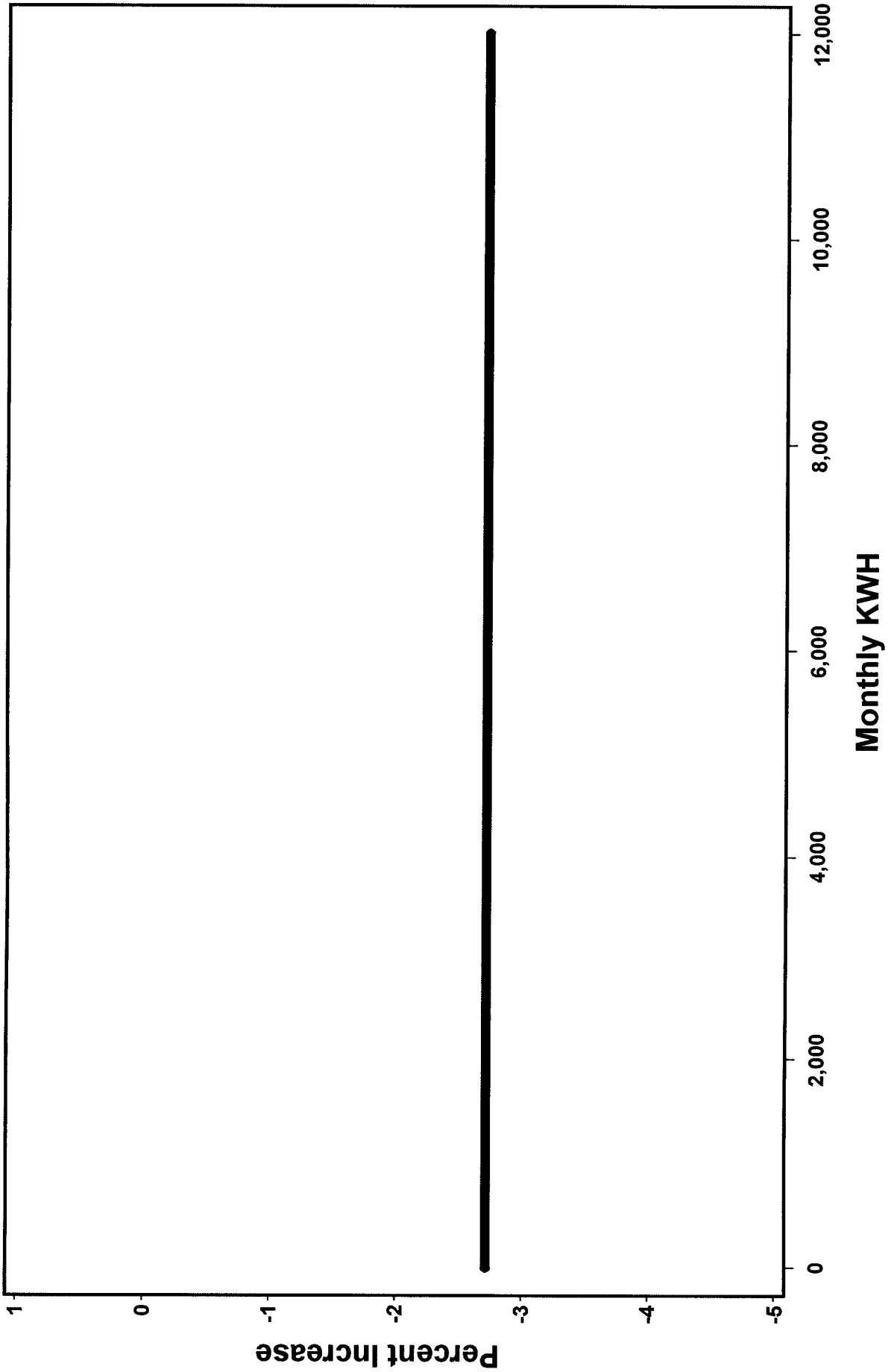
**Proposed GS1 vs Present GS1 Rate
Average Demand 16 KW
Base Rate Only**



**Dollar Difference of Proposed GS1 vs Present GS1 Rate
Average Demand 16 KW
Base Rate Only**



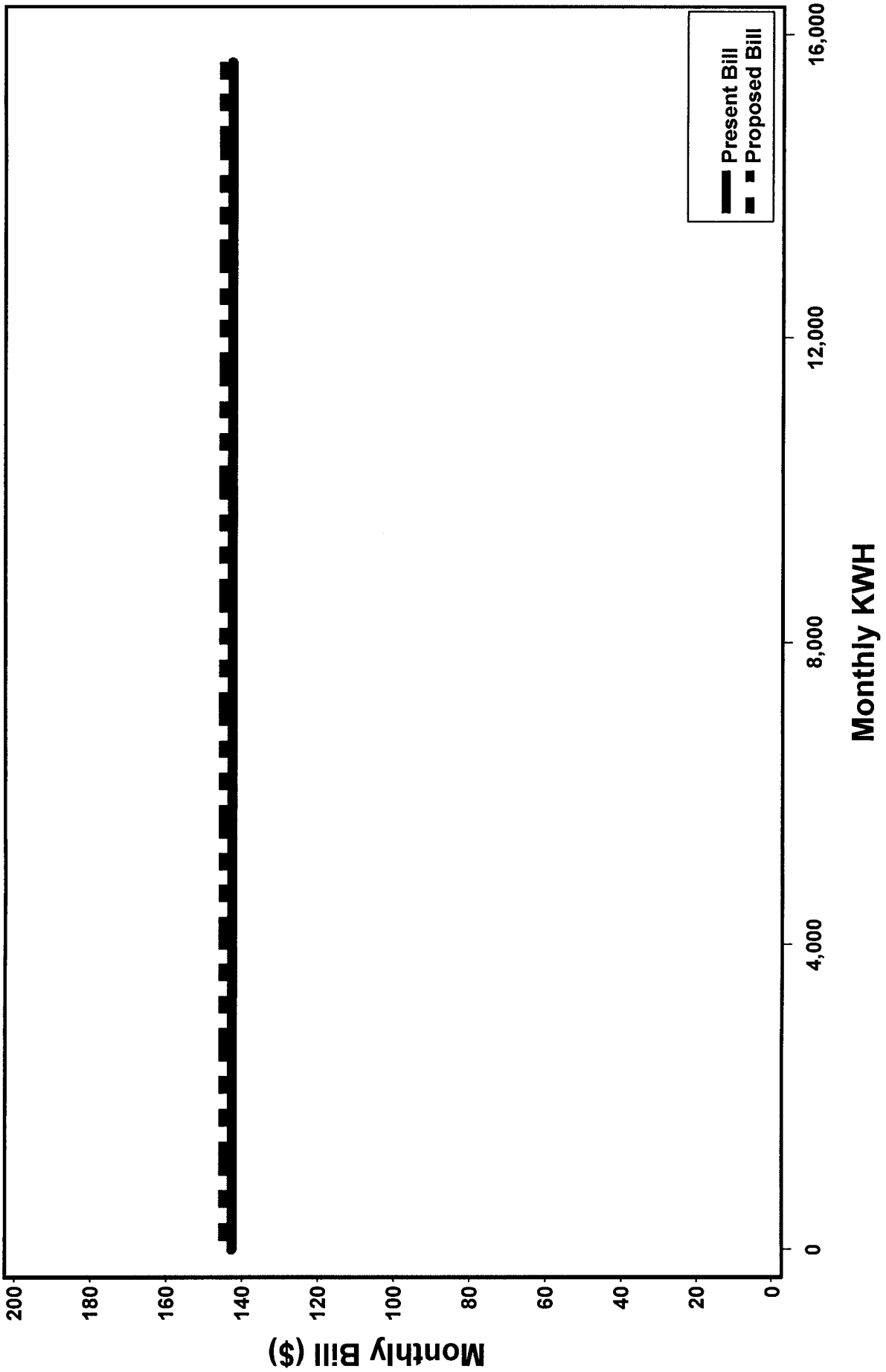
**Percent Increase of Proposed GS1 vs Present GS1 Rate
Average Demand 16 KW
Base Rate Only**



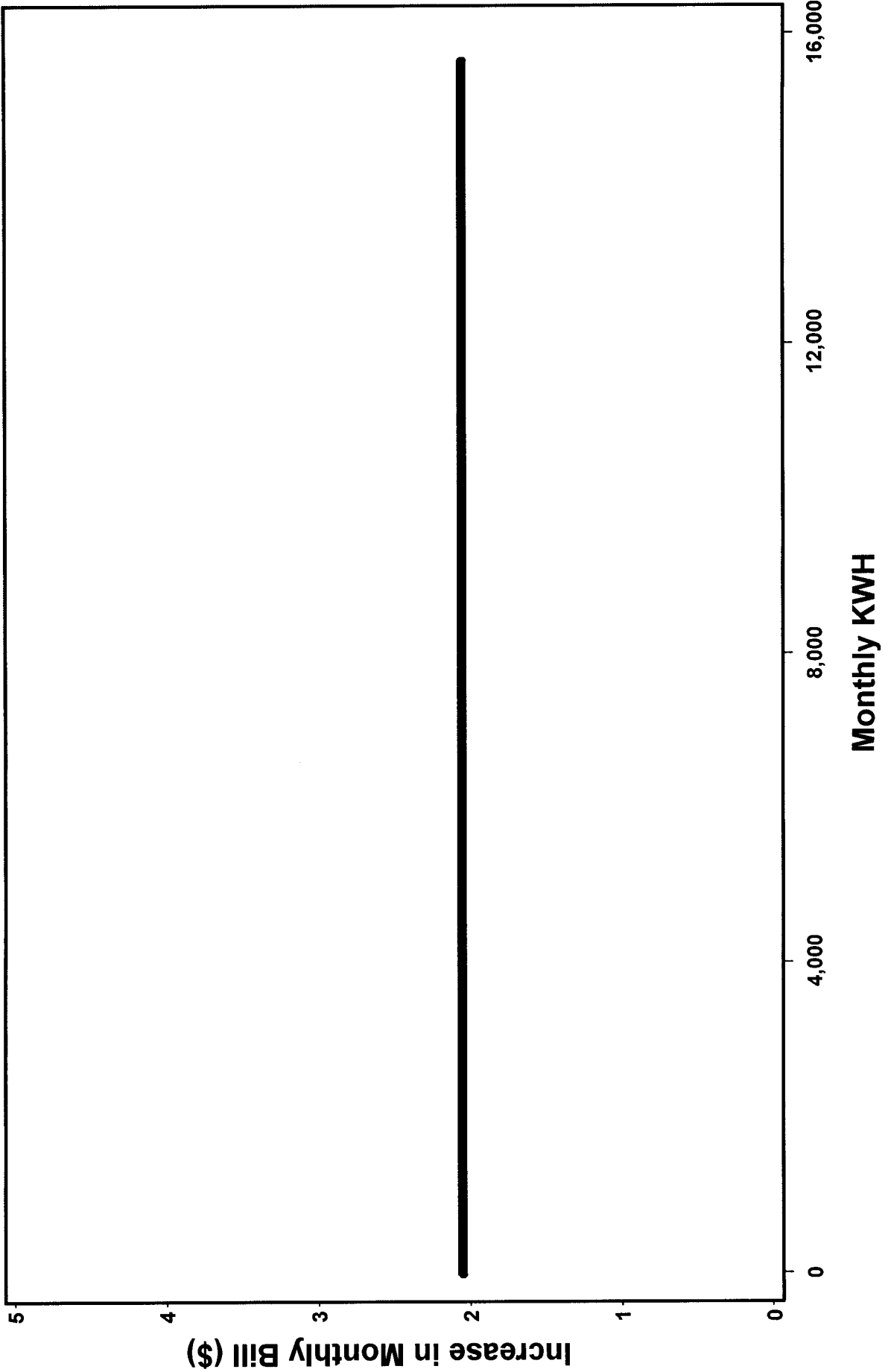
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 16 KW
 Base Rate Only
 Present GS1 Rate and Proposed GS1 Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
KWH				
0	86.48	84.13	-2.35	-2.72
400	86.48	84.13	-2.35	-2.72
800	86.48	84.13	-2.35	-2.72
1,200	86.48	84.13	-2.35	-2.72
1,600	86.48	84.13	-2.35	-2.72
2,000	86.48	84.13	-2.35	-2.72
2,400	86.48	84.13	-2.35	-2.72
2,800	86.48	84.13	-2.35	-2.72
3,200	86.48	84.13	-2.35	-2.72
3,600	86.48	84.13	-2.35	-2.72
4,000	86.48	84.13	-2.35	-2.72
4,400	86.48	84.13	-2.35	-2.72
4,800	86.48	84.13	-2.35	-2.72
5,200	86.48	84.13	-2.35	-2.72
5,600	86.48	84.13	-2.35	-2.72
6,000	86.48	84.13	-2.35	-2.72
6,400	86.48	84.13	-2.35	-2.72
6,800	86.48	84.13	-2.35	-2.72
7,200	86.48	84.13	-2.35	-2.72
7,600	86.48	84.13	-2.35	-2.72
8,000	86.48	84.13	-2.35	-2.72
8,400	86.48	84.13	-2.35	-2.72
8,800	86.48	84.13	-2.35	-2.72
9,200	86.48	84.13	-2.35	-2.72
9,600	86.48	84.13	-2.35	-2.72
10,000	86.48	84.13	-2.35	-2.72
10,400	86.48	84.13	-2.35	-2.72
10,800	86.48	84.13	-2.35	-2.72

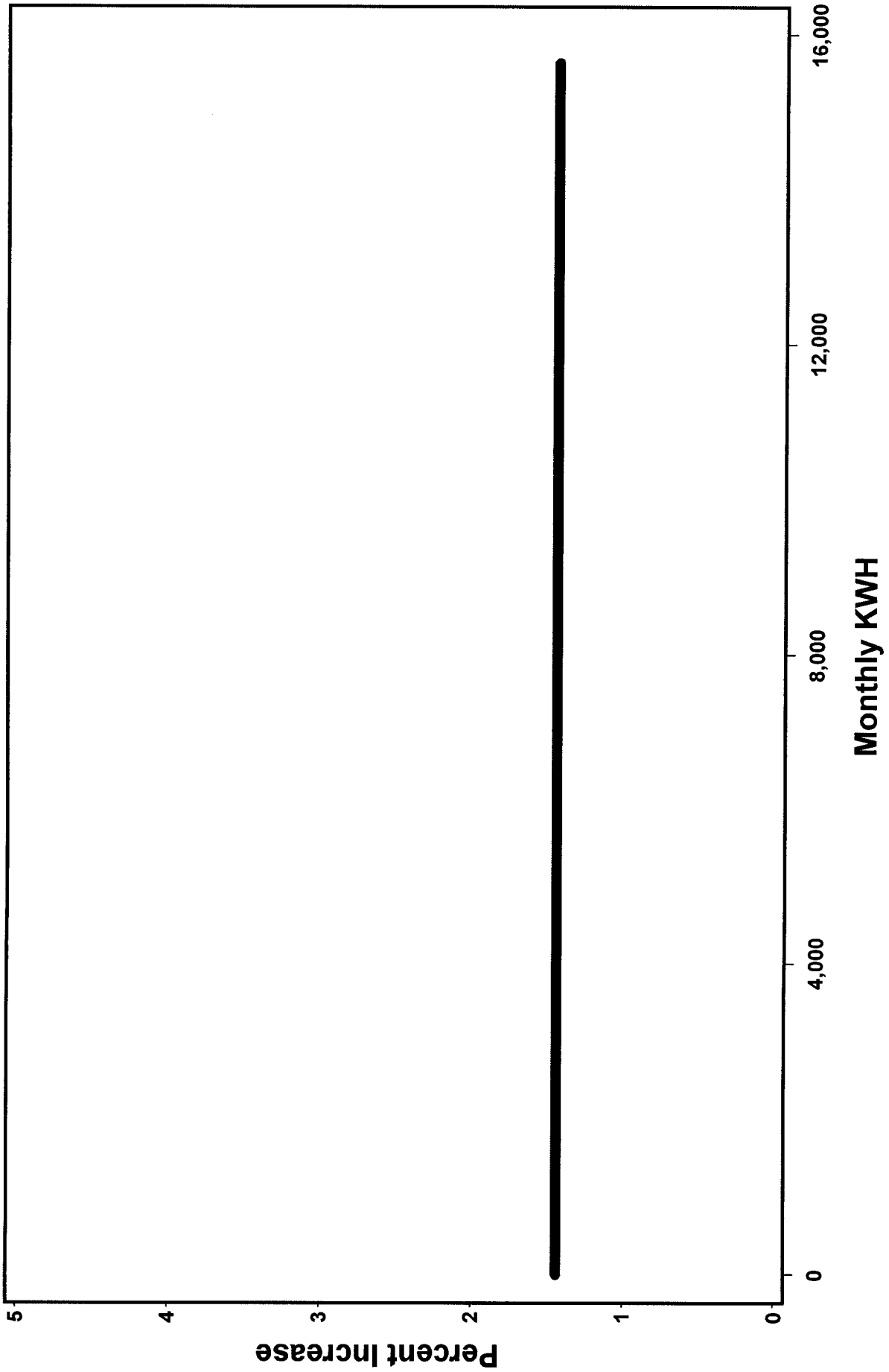
**Proposed GS3 vs Present GS3 Rate
Average Demand 25 KW
Base Rate Only**



**Dollar Difference of Proposed GS3 vs Present GS3 Rate
Average Demand 25 KW
Base Rate Only**



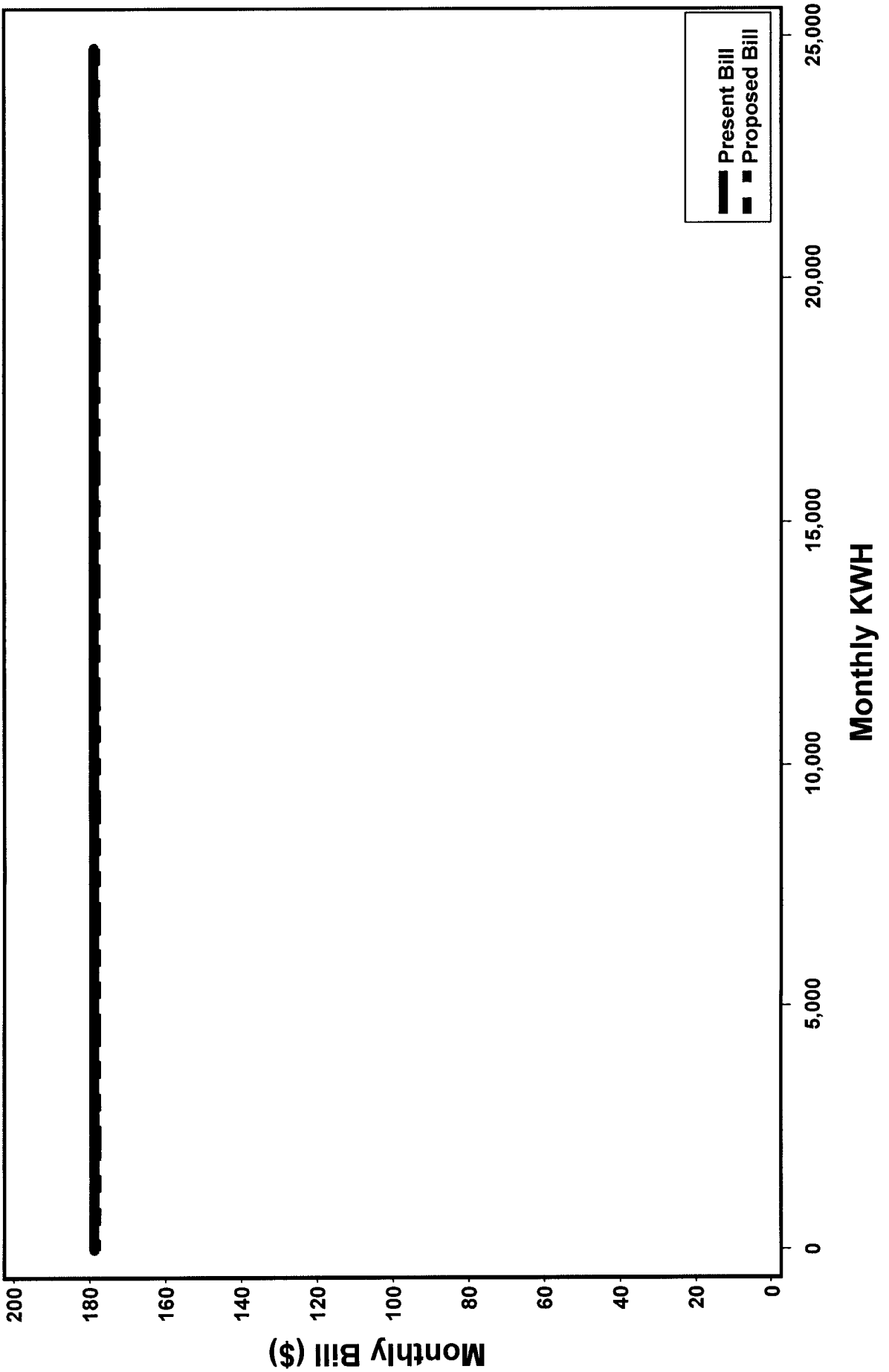
**Percent Increase of Proposed GS3 vs Present GS3 Rate
Average Demand 25 KW
Base Rate Only**



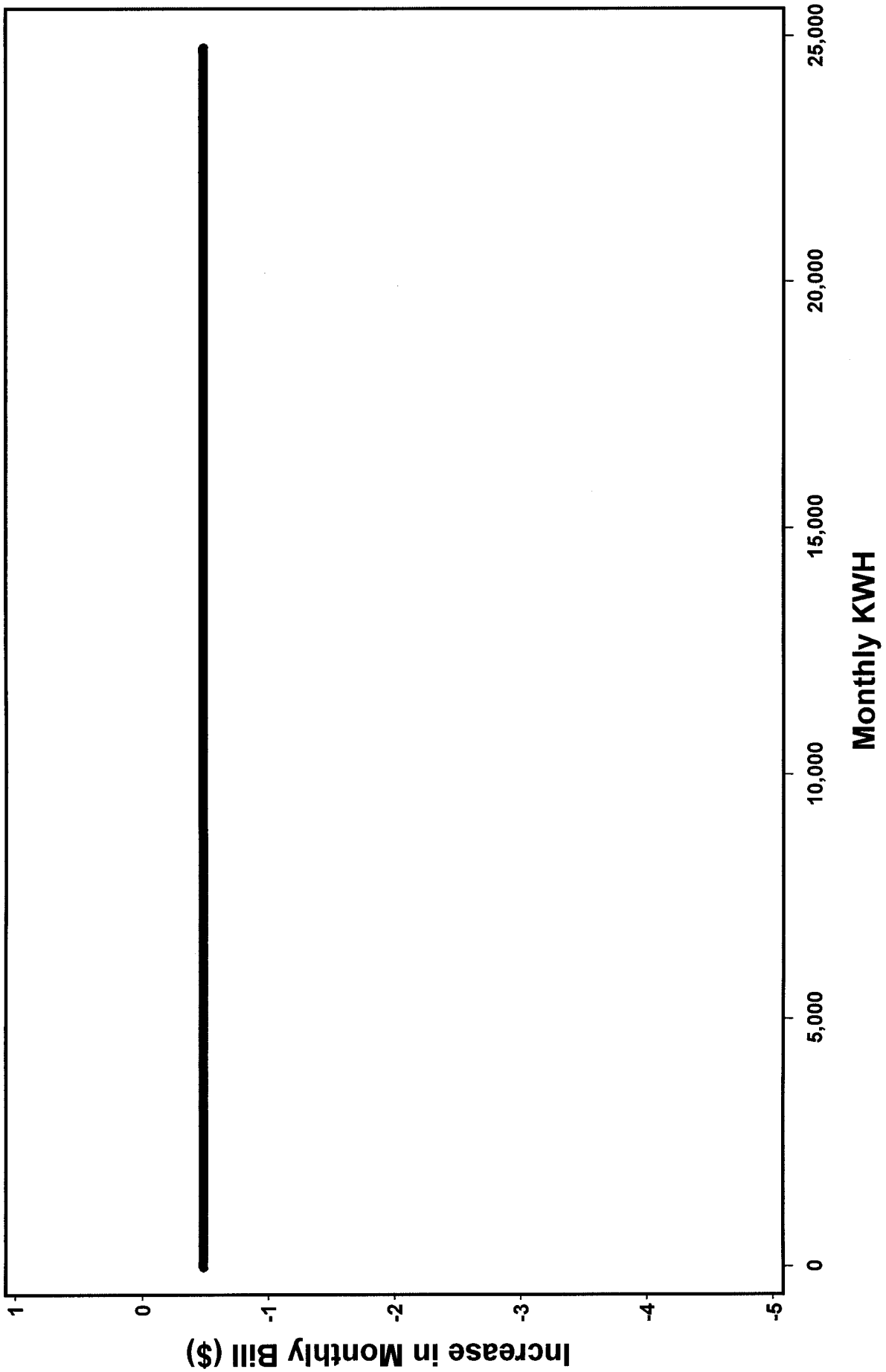
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 25 KW
 Base Rate Only
 Present GS3 Rate and Proposed GS3 Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
KWH				
0	142.75	144.80	2.05	1.44
625	142.75	144.80	2.05	1.44
1,250	142.75	144.80	2.05	1.44
1,875	142.75	144.80	2.05	1.44
2,500	142.75	144.80	2.05	1.44
3,125	142.75	144.80	2.05	1.44
3,750	142.75	144.80	2.05	1.44
4,375	142.75	144.80	2.05	1.44
5,000	142.75	144.80	2.05	1.44
5,625	142.75	144.80	2.05	1.44
6,250	142.75	144.80	2.05	1.44
6,875	142.75	144.80	2.05	1.44
7,500	142.75	144.80	2.05	1.44
8,125	142.75	144.80	2.05	1.44
8,750	142.75	144.80	2.05	1.44
9,375	142.75	144.80	2.05	1.44
10,000	142.75	144.80	2.05	1.44
10,625	142.75	144.80	2.05	1.44
11,250	142.75	144.80	2.05	1.44
11,875	142.75	144.80	2.05	1.44
12,500	142.75	144.80	2.05	1.44
13,125	142.75	144.80	2.05	1.44
13,750	142.75	144.80	2.05	1.44
14,375	142.75	144.80	2.05	1.44
15,000	142.75	144.80	2.05	1.44
15,625	142.75	144.80	2.05	1.44
16,250	142.75	144.80	2.05	1.44
16,875	142.75	144.80	2.05	1.44

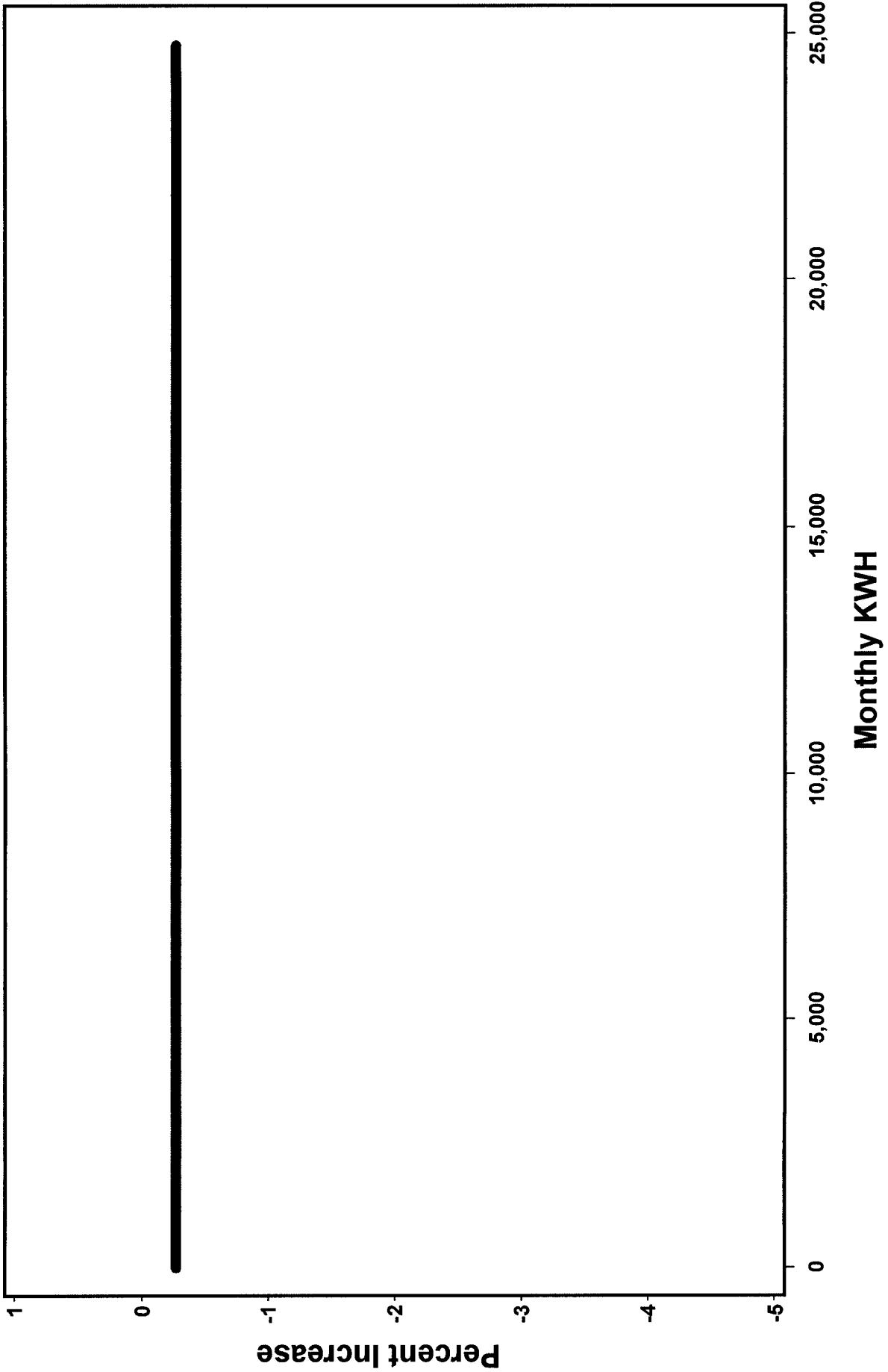
**Proposed GS3 vs Present GS3 Rate
Average Demand 33 KW
Base Rate Only**



**Dollar Difference of Proposed GS3 vs Present GS3 Rate
Average Demand 33 KW
Base Rate Only**



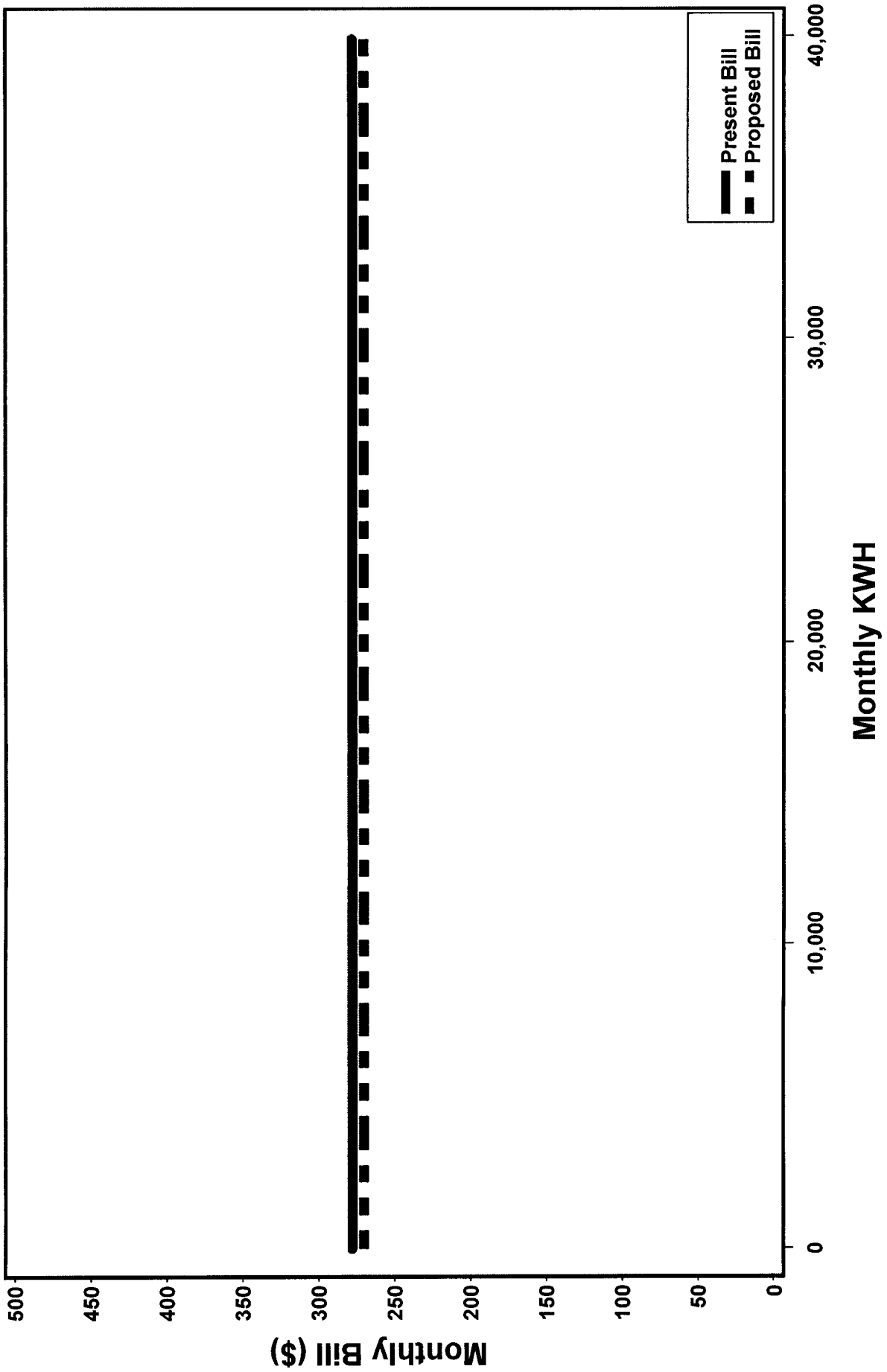
**Percent Increase of Proposed GS3 vs Present GS3 Rate
Average Demand 33 KW
Base Rate Only**



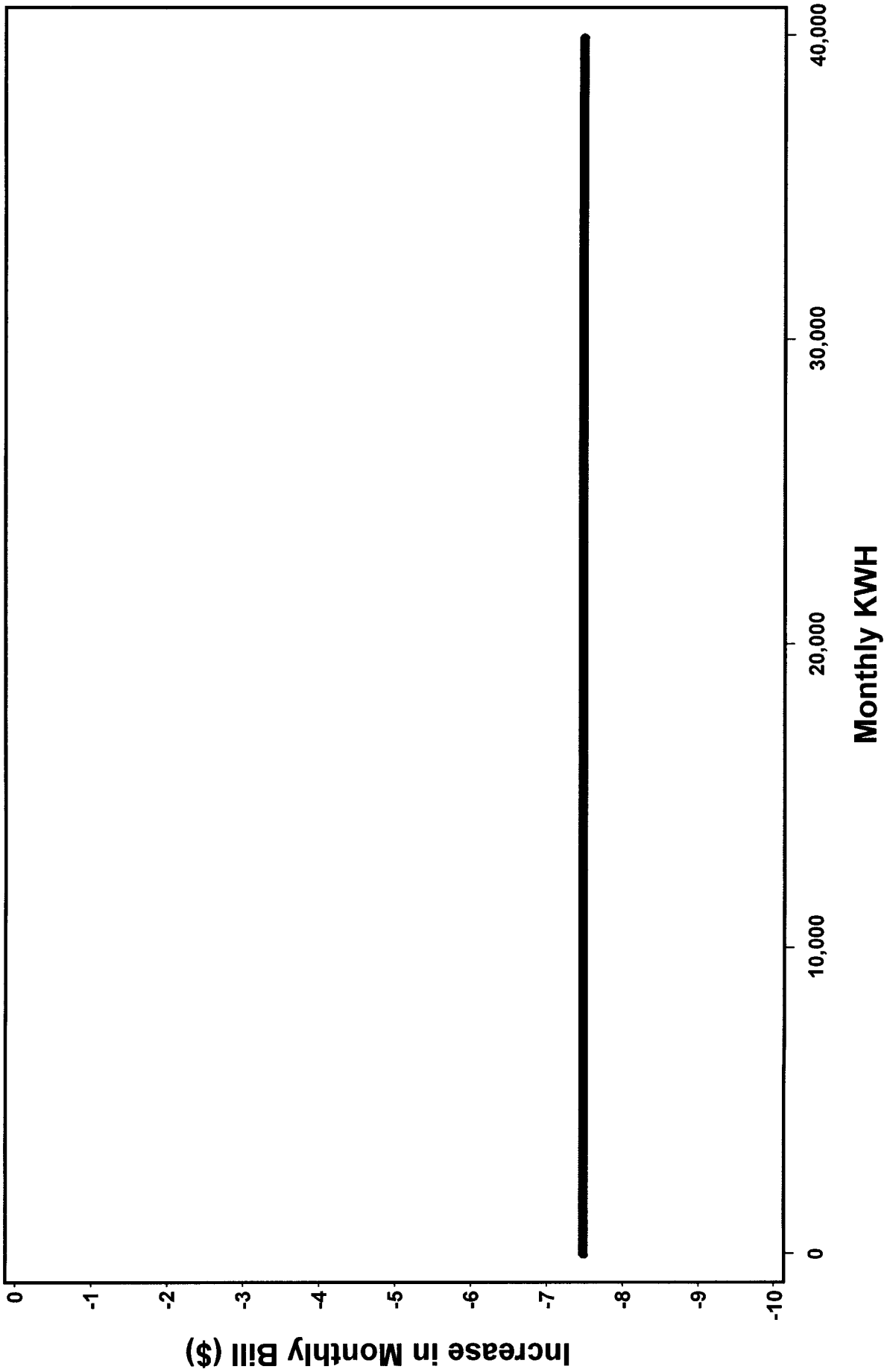
PPL Electric Utilities
Rate Revenue Comparison
Average Demand of 33 KW
Base Rate Only
Present GS3 Rate and Proposed GS3 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	178.83	178.34	-0.49	-0.27
825	178.83	178.34	-0.49	-0.27
1,650	178.83	178.34	-0.49	-0.27
2,475	178.83	178.34	-0.49	-0.27
3,300	178.83	178.34	-0.49	-0.27
4,125	178.83	178.34	-0.49	-0.27
4,950	178.83	178.34	-0.49	-0.27
5,775	178.83	178.34	-0.49	-0.27
6,600	178.83	178.34	-0.49	-0.27
7,425	178.83	178.34	-0.49	-0.27
8,250	178.83	178.34	-0.49	-0.27
9,075	178.83	178.34	-0.49	-0.27
9,900	178.83	178.34	-0.49	-0.27
10,725	178.83	178.34	-0.49	-0.27
11,550	178.83	178.34	-0.49	-0.27
12,375	178.83	178.34	-0.49	-0.27
13,200	178.83	178.34	-0.49	-0.27
14,025	178.83	178.34	-0.49	-0.27
14,850	178.83	178.34	-0.49	-0.27
15,675	178.83	178.34	-0.49	-0.27
16,500	178.83	178.34	-0.49	-0.27
17,325	178.83	178.34	-0.49	-0.27
18,150	178.83	178.34	-0.49	-0.27
18,975	178.83	178.34	-0.49	-0.27
19,800	178.83	178.34	-0.49	-0.27
20,625	178.83	178.34	-0.49	-0.27
21,450	178.83	178.34	-0.49	-0.27
22,275	178.83	178.34	-0.49	-0.27

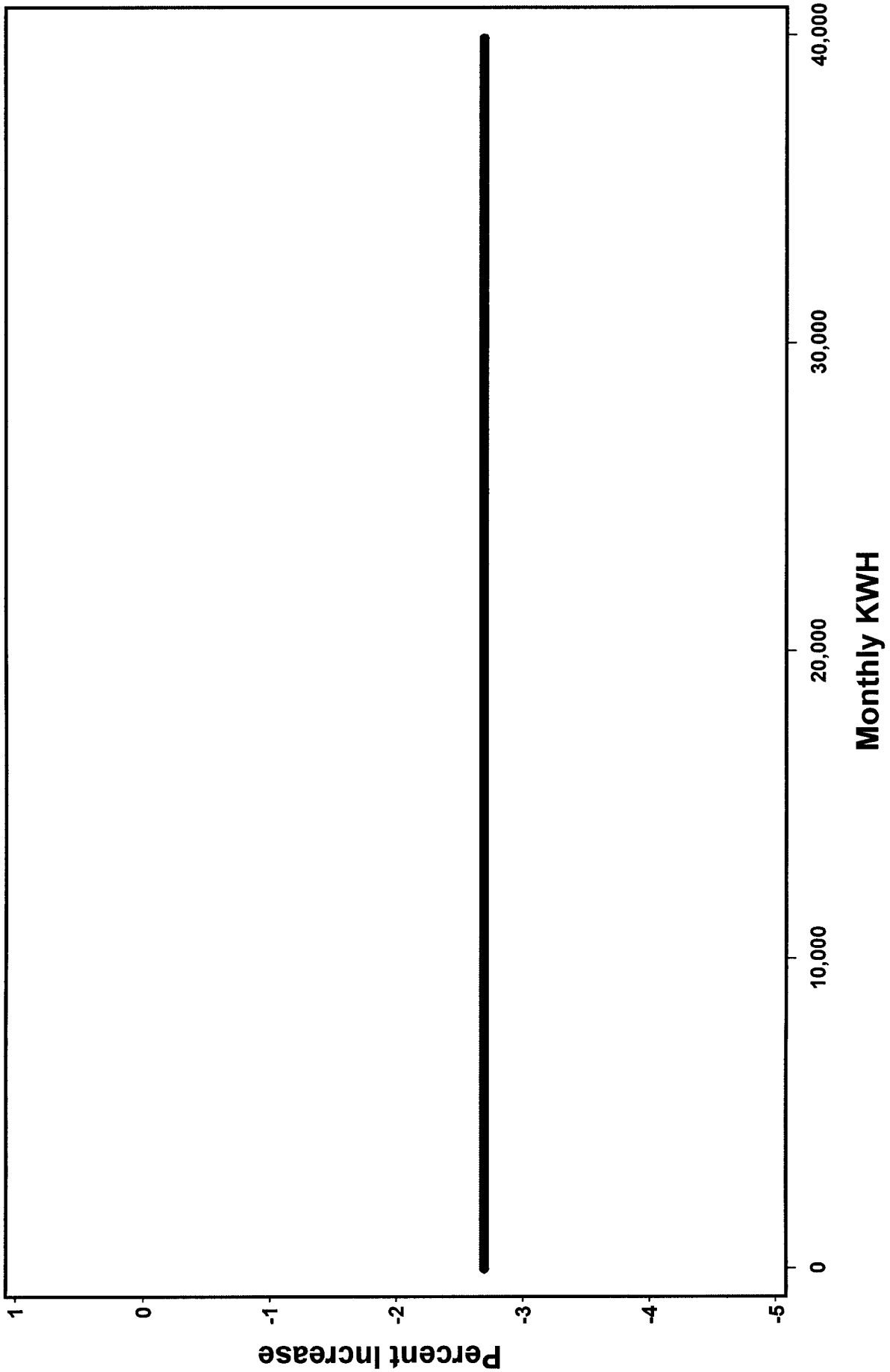
**Proposed GS3 vs Present GS3 Rate
Average Demand 55 KW
Base Rate Only**



**Dollar Difference of Proposed GS3 vs Present GS3 Rate
Average Demand 55 KW
Base Rate Only**



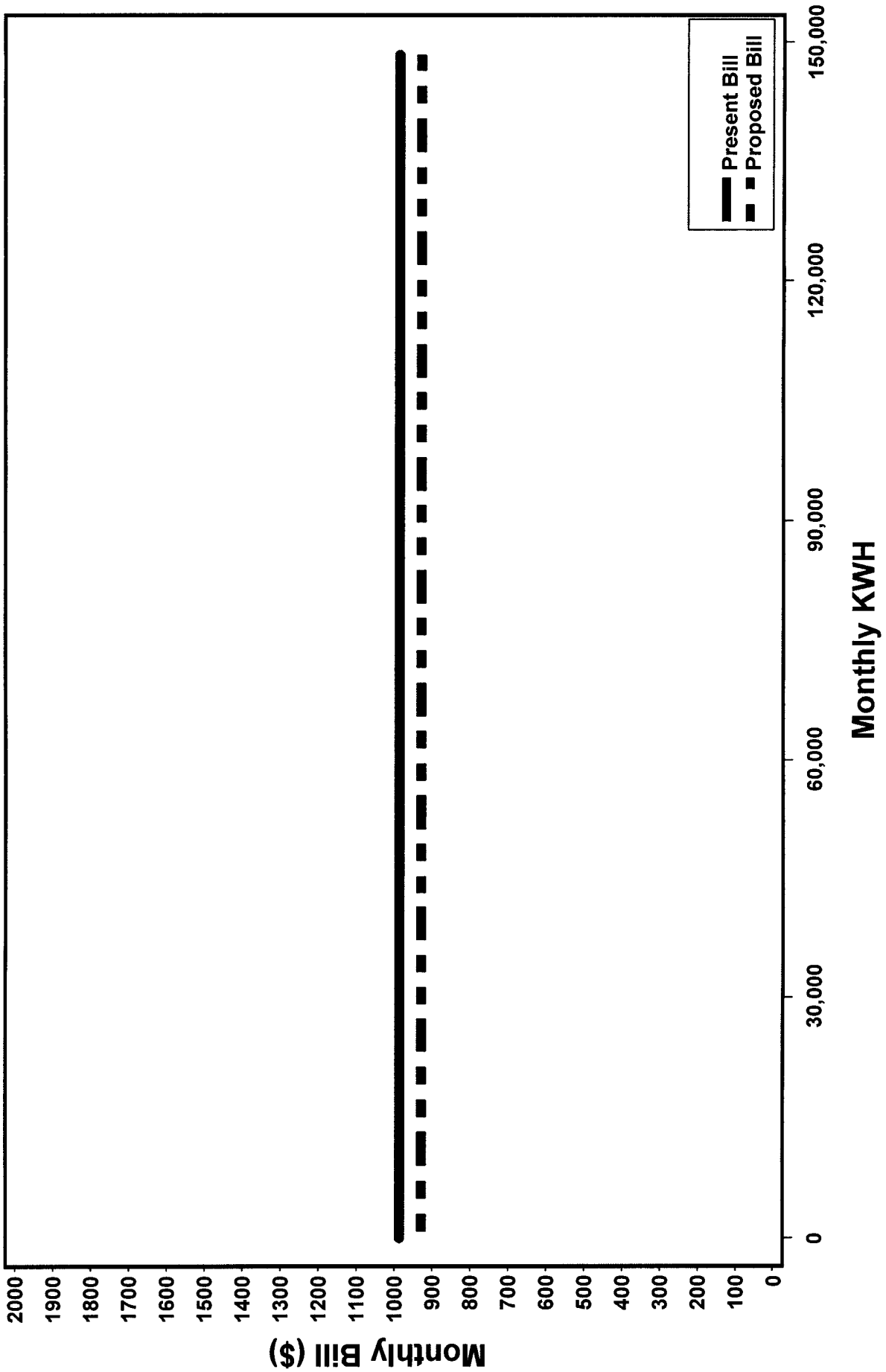
**Percent Increase of Proposed GS3 vs Present GS3 Rate
Average Demand 55 KW
Base Rate Only**



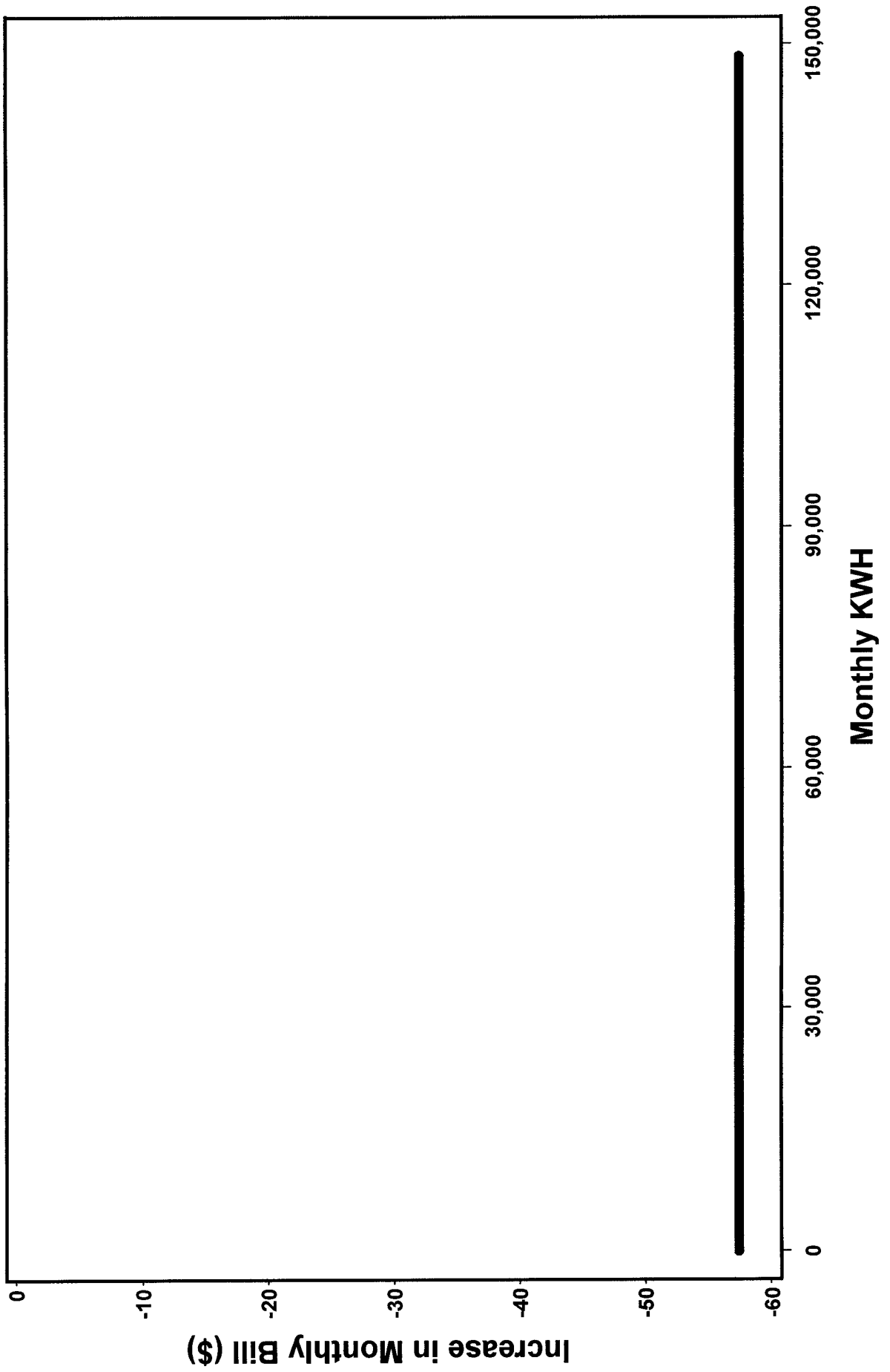
PPL Electric Utilities
Rate Revenue Comparison
Average Demand of 55 KW
Base Rate Only
Present GS3 Rate and Proposed GS3 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	278.05	270.56	-7.49	-2.69
1,375	278.05	270.56	-7.49	-2.69
2,750	278.05	270.56	-7.49	-2.69
4,125	278.05	270.56	-7.49	-2.69
5,500	278.05	270.56	-7.49	-2.69
6,875	278.05	270.56	-7.49	-2.69
8,250	278.05	270.56	-7.49	-2.69
9,625	278.05	270.56	-7.49	-2.69
11,000	278.05	270.56	-7.49	-2.69
12,375	278.05	270.56	-7.49	-2.69
13,750	278.05	270.56	-7.49	-2.69
15,125	278.05	270.56	-7.49	-2.69
16,500	278.05	270.56	-7.49	-2.69
17,875	278.05	270.56	-7.49	-2.69
19,250	278.05	270.56	-7.49	-2.69
20,625	278.05	270.56	-7.49	-2.69
22,000	278.05	270.56	-7.49	-2.69
23,375	278.05	270.56	-7.49	-2.69
24,750	278.05	270.56	-7.49	-2.69
26,125	278.05	270.56	-7.49	-2.69
27,500	278.05	270.56	-7.49	-2.69
28,875	278.05	270.56	-7.49	-2.69
30,250	278.05	270.56	-7.49	-2.69
31,625	278.05	270.56	-7.49	-2.69
33,000	278.05	270.56	-7.49	-2.69
34,375	278.05	270.56	-7.49	-2.69
35,750	278.05	270.56	-7.49	-2.69
37,125	278.05	270.56	-7.49	-2.69

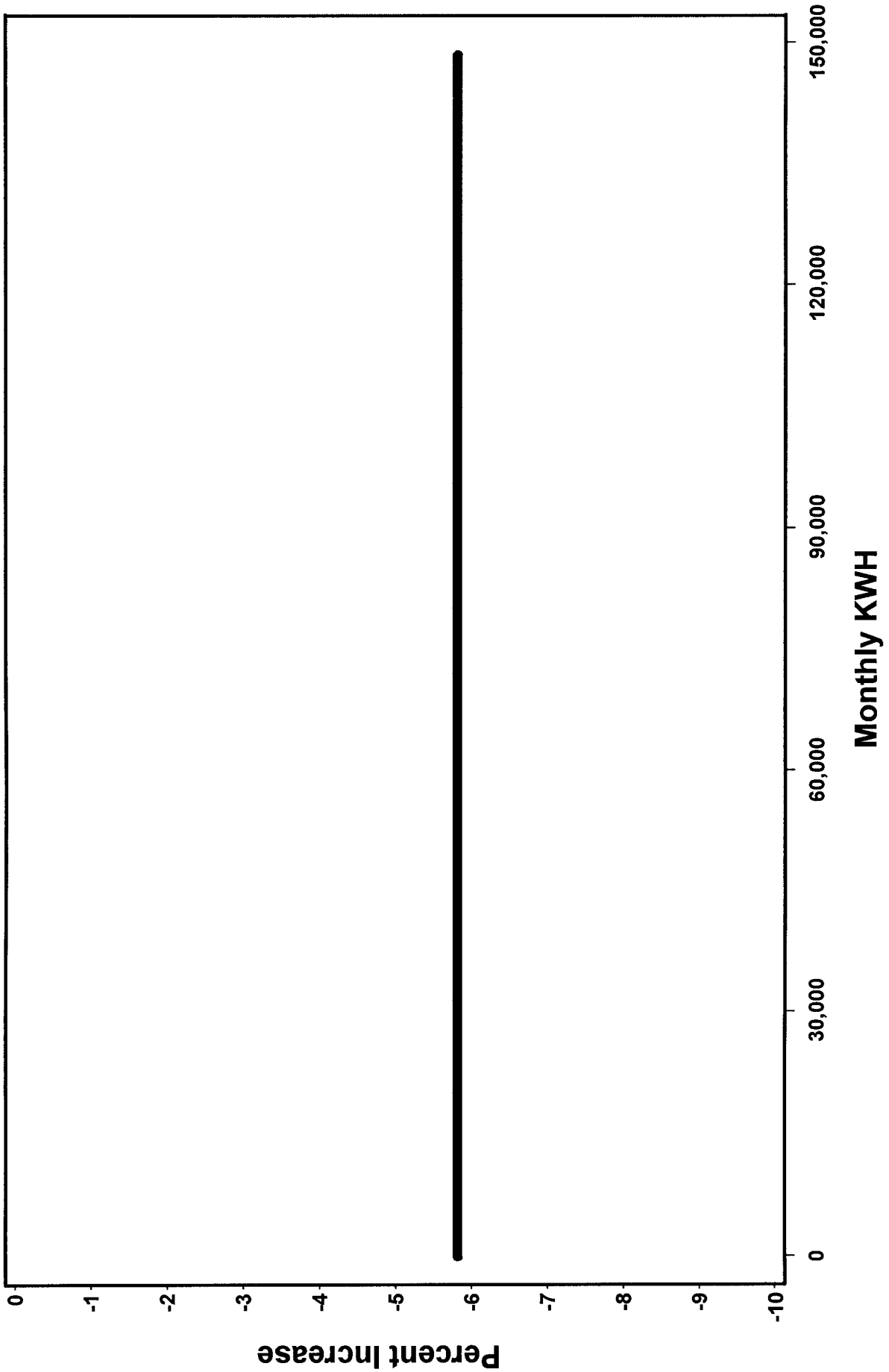
Proposed GS3 vs Present GS3 Rate Average Demand 212 KW Base Rate Only



**Dollar Difference of Proposed GS3 vs Present GS3 Rate
Average Demand 212 KW
Base Rate Only**



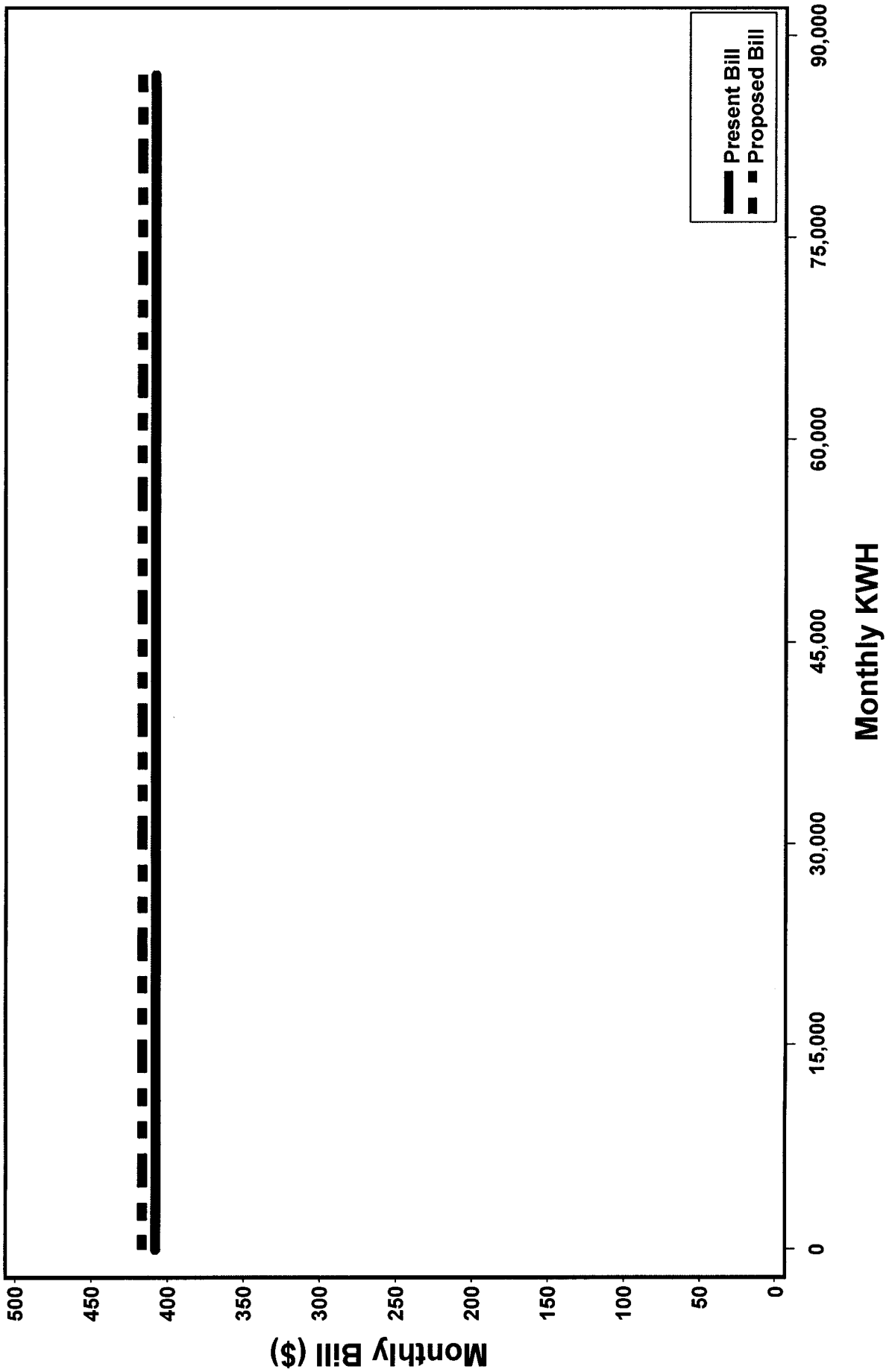
**Percent Increase of Proposed GS3 vs Present GS3 Rate
Average Demand 212 KW
Base Rate Only**



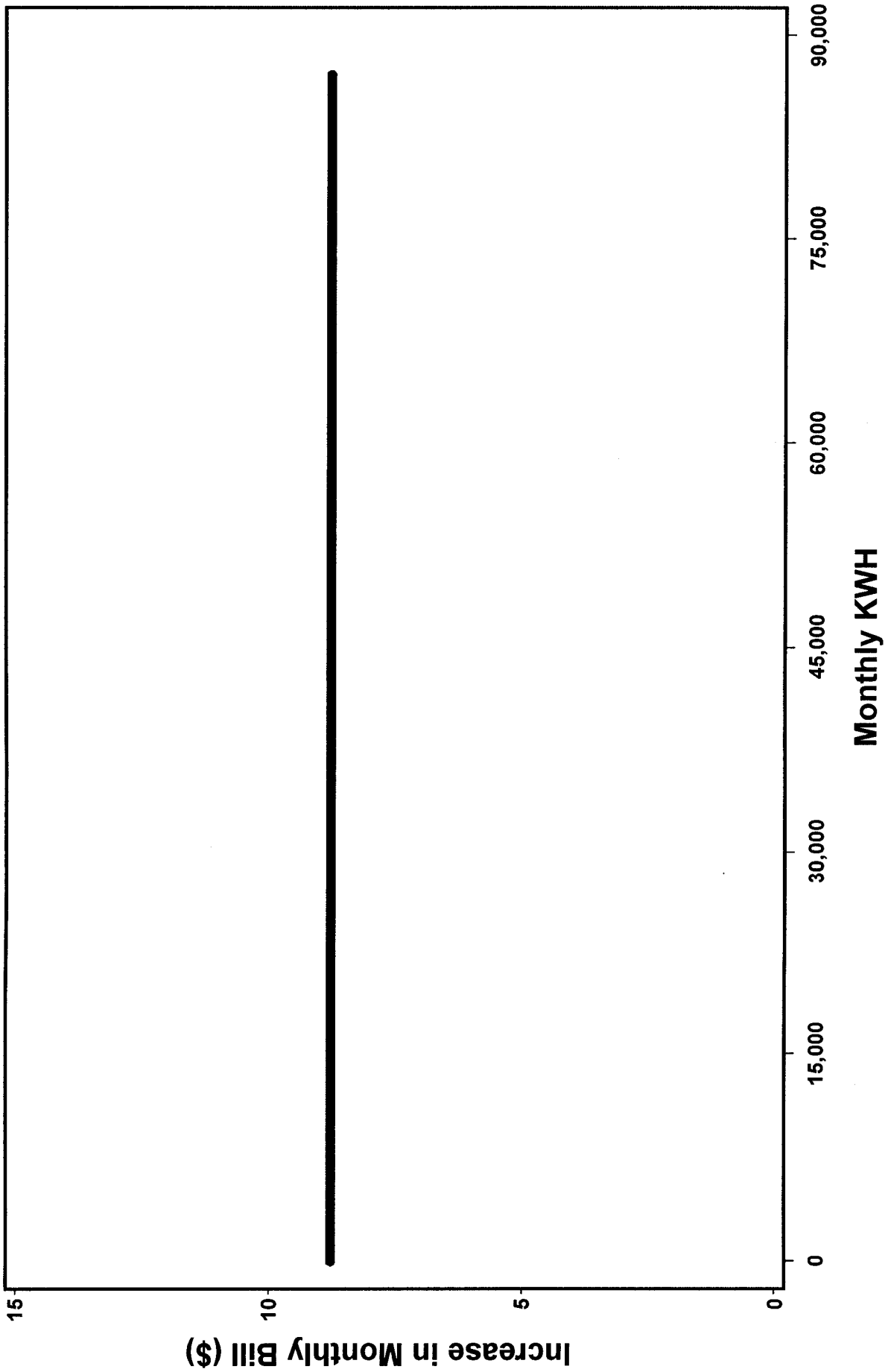
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 212 KW
 Base Rate Only
 Present GS3 Rate and Proposed GS3 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	986.12	928.70	-57.42	-5.82
5,300	986.12	928.70	-57.42	-5.82
10,600	986.12	928.70	-57.42	-5.82
15,900	986.12	928.70	-57.42	-5.82
21,200	986.12	928.70	-57.42	-5.82
26,500	986.12	928.70	-57.42	-5.82
31,800	986.12	928.70	-57.42	-5.82
37,100	986.12	928.70	-57.42	-5.82
42,400	986.12	928.70	-57.42	-5.82
47,700	986.12	928.70	-57.42	-5.82
53,000	986.12	928.70	-57.42	-5.82
58,300	986.12	928.70	-57.42	-5.82
63,600	986.12	928.70	-57.42	-5.82
68,900	986.12	928.70	-57.42	-5.82
74,200	986.12	928.70	-57.42	-5.82
79,500	986.12	928.70	-57.42	-5.82
84,800	986.12	928.70	-57.42	-5.82
90,100	986.12	928.70	-57.42	-5.82
95,400	986.12	928.70	-57.42	-5.82
100,700	986.12	928.70	-57.42	-5.82
106,000	986.12	928.70	-57.42	-5.82
111,300	986.12	928.70	-57.42	-5.82
116,600	986.12	928.70	-57.42	-5.82
121,900	986.12	928.70	-57.42	-5.82
127,200	986.12	928.70	-57.42	-5.82
132,500	986.12	928.70	-57.42	-5.82
137,800	986.12	928.70	-57.42	-5.82
143,100	986.12	928.70	-57.42	-5.82

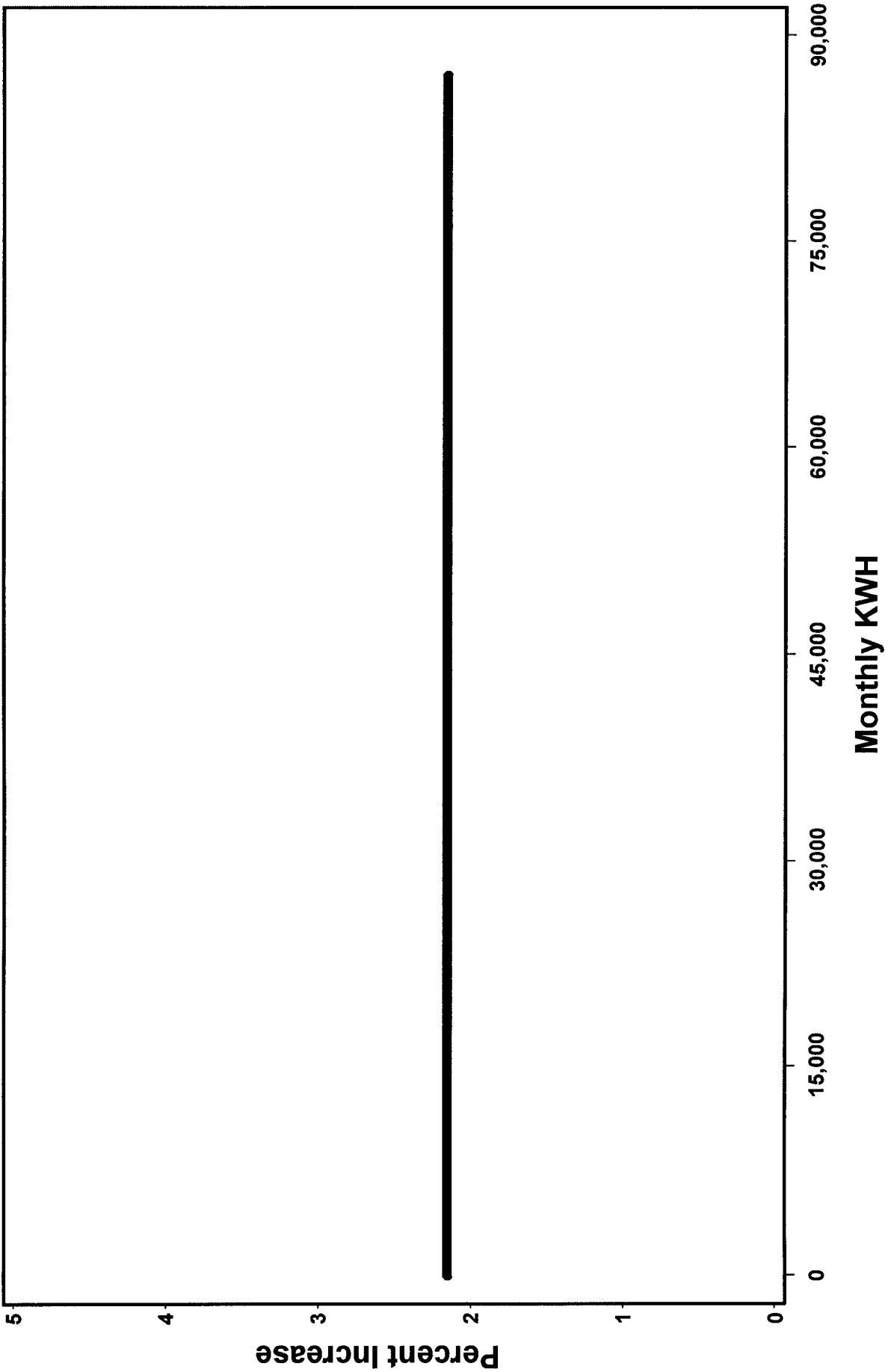
**Proposed LP4 vs Present LP4 Rate
Average Demand 116 KW
Base Rate Only**



**Dollar Difference of Proposed LP4 vs Present LP4 Rate
Average Demand 116 KW
Base Rate Only**



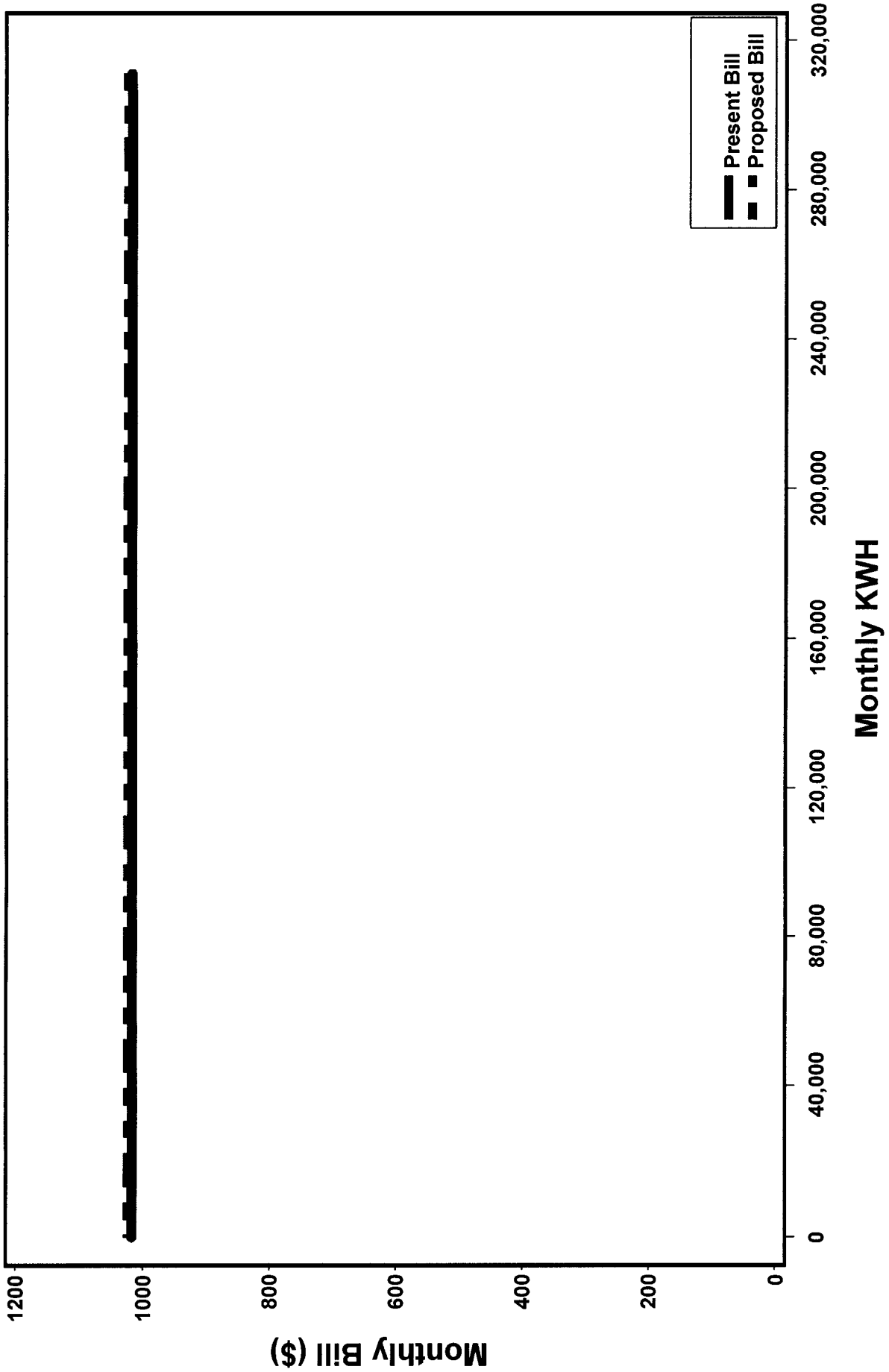
**Percent Increase of Proposed LP4 vs Present LP4 Rate
Average Demand 116 KW
Base Rate Only**



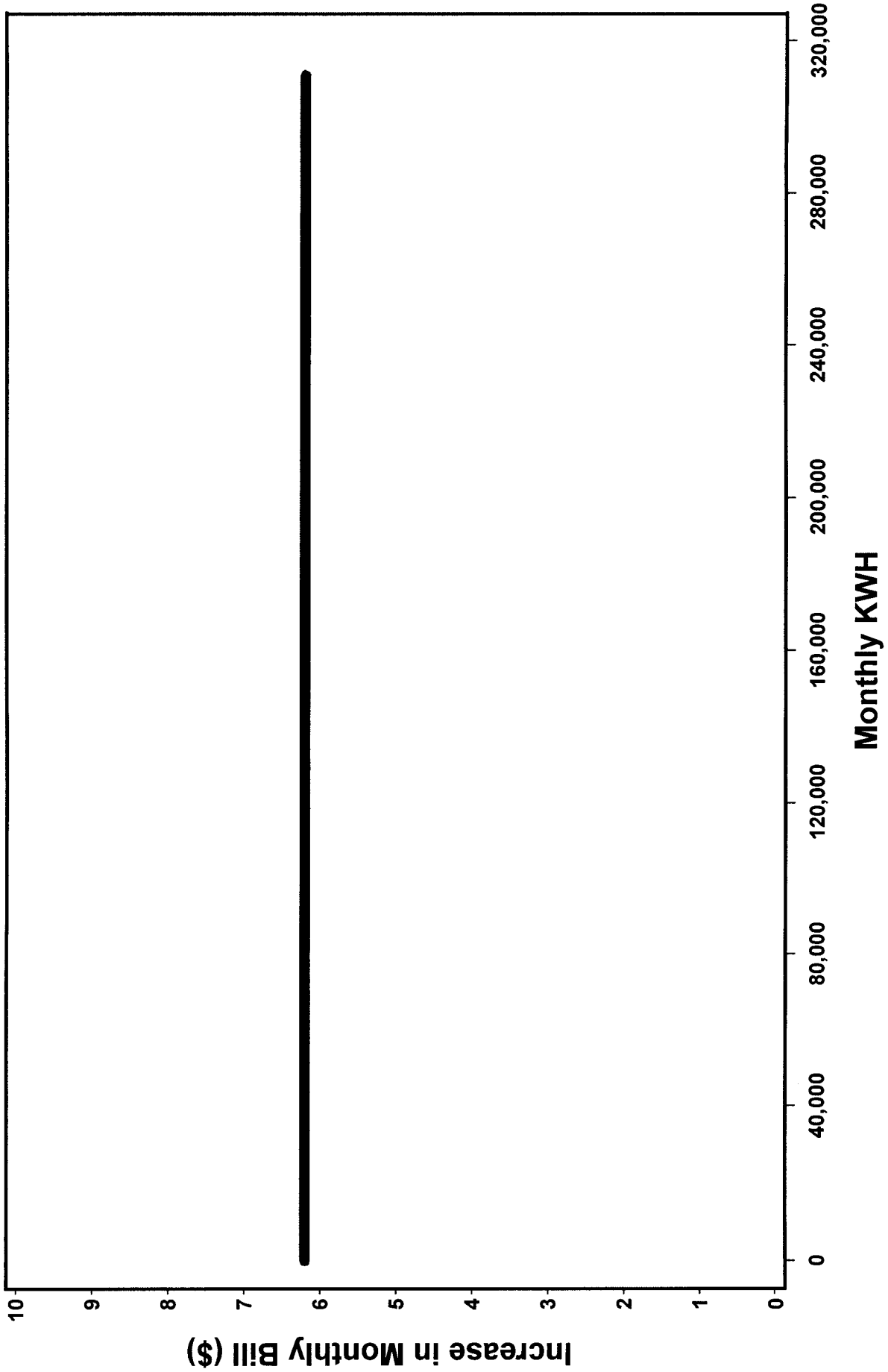
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 116 KW
 Base Rate Only
 Present LP4 Rate and Proposed LP4 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	407.97	416.73	8.77	2.15
2,900	407.97	416.73	8.77	2.15
5,800	407.97	416.73	8.77	2.15
8,700	407.97	416.73	8.77	2.15
11,600	407.97	416.73	8.77	2.15
14,500	407.97	416.73	8.77	2.15
17,400	407.97	416.73	8.77	2.15
20,300	407.97	416.73	8.77	2.15
23,200	407.97	416.73	8.77	2.15
26,100	407.97	416.73	8.77	2.15
29,000	407.97	416.73	8.77	2.15
31,900	407.97	416.73	8.77	2.15
34,800	407.97	416.73	8.77	2.15
37,700	407.97	416.73	8.77	2.15
40,600	407.97	416.73	8.77	2.15
43,500	407.97	416.73	8.77	2.15
46,400	407.97	416.73	8.77	2.15
49,300	407.97	416.73	8.77	2.15
52,200	407.97	416.73	8.77	2.15
55,100	407.97	416.73	8.77	2.15
58,000	407.97	416.73	8.77	2.15
60,900	407.97	416.73	8.77	2.15
63,800	407.97	416.73	8.77	2.15
66,700	407.97	416.73	8.77	2.15
69,600	407.97	416.73	8.77	2.15
72,500	407.97	416.73	8.77	2.15
75,400	407.97	416.73	8.77	2.15
78,300	407.97	416.73	8.77	2.15

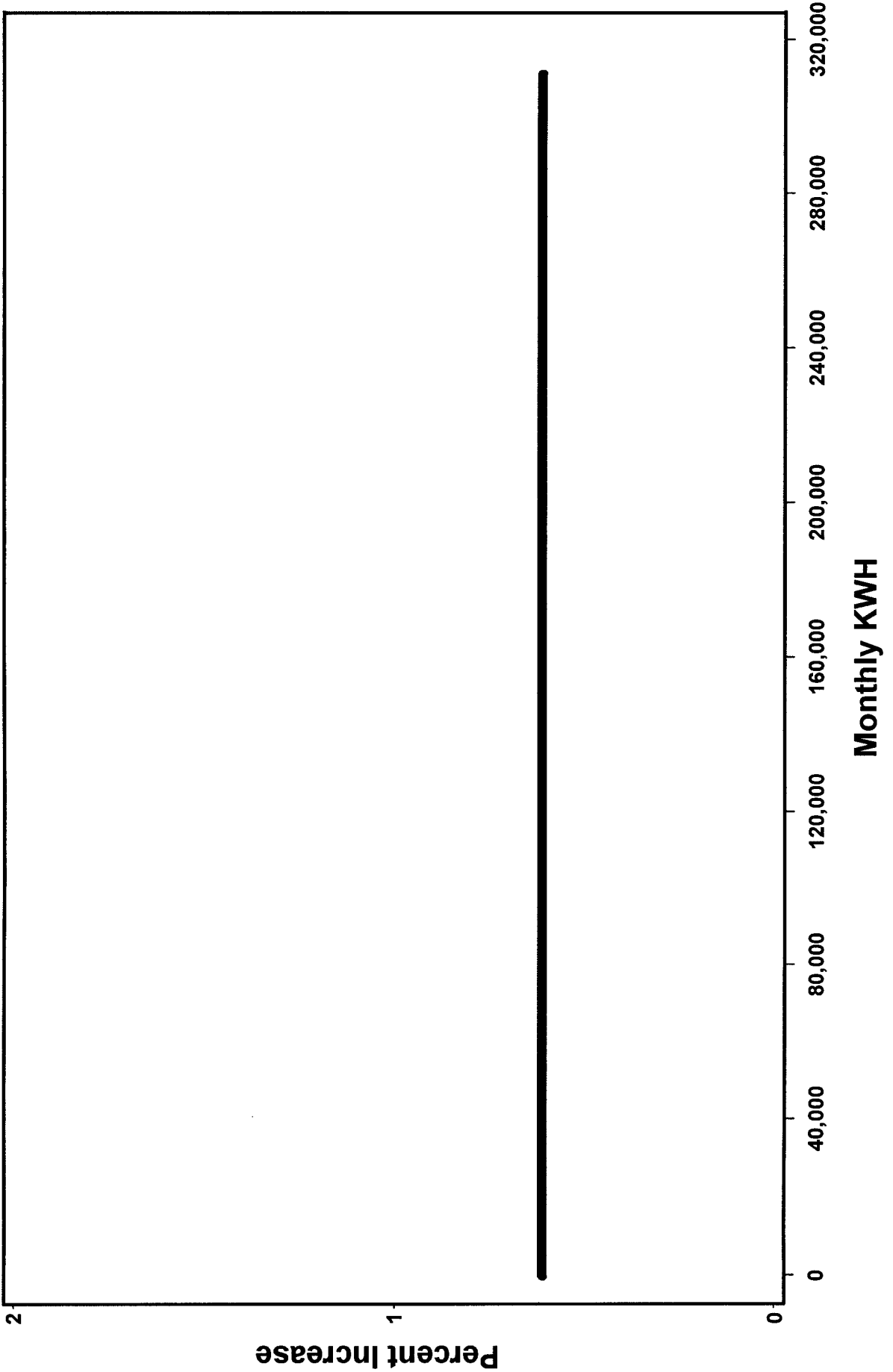
**Proposed LP4 vs Present LP4 Rate
Average Demand 401 KW
Base Rate Only**



**Dollar Difference of Proposed LP4 vs Present LP4 Rate
Average Demand 401 KW
Base Rate Only**



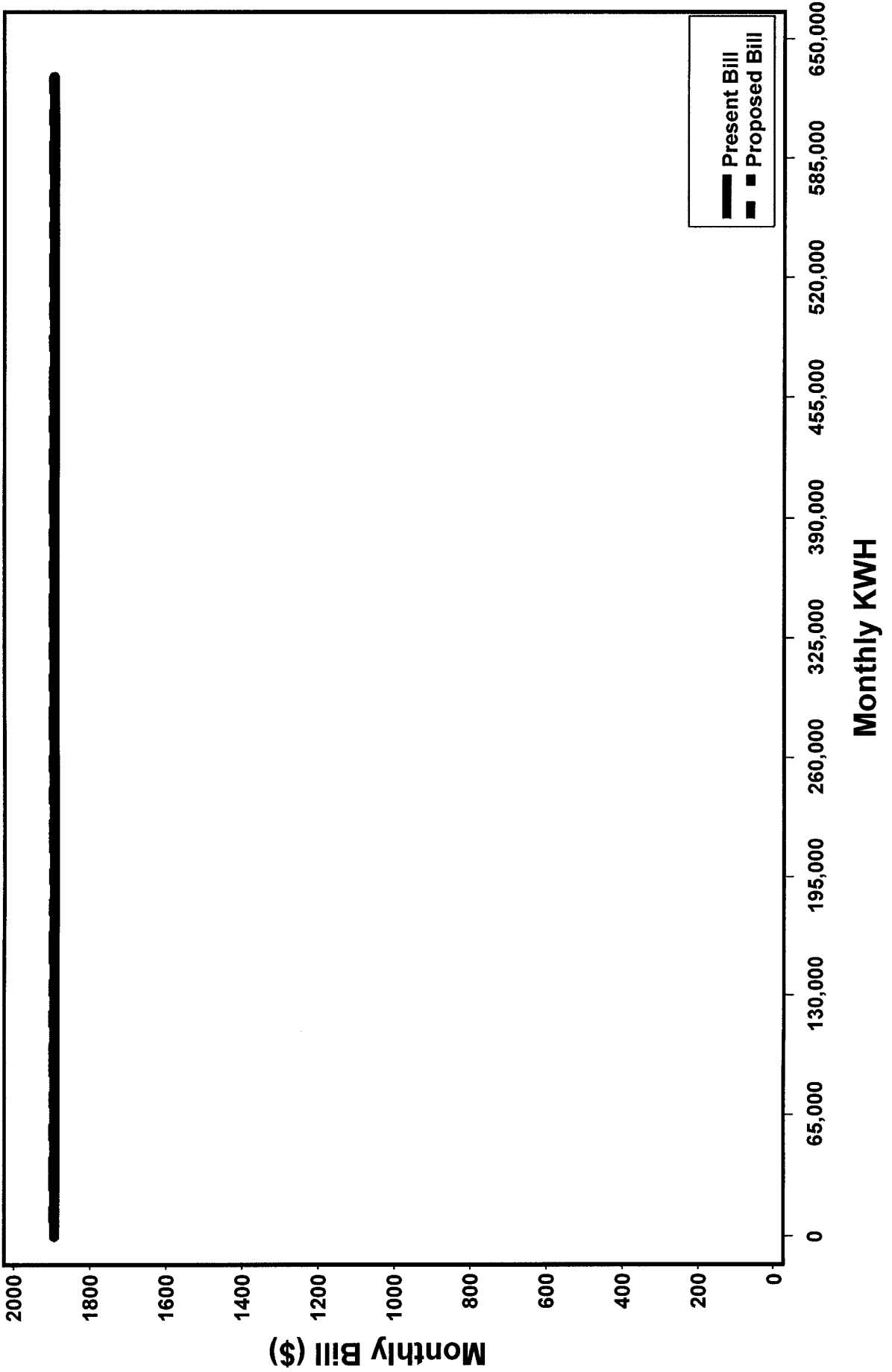
**Percent Increase of Proposed LP4 vs Present LP4 Rate
Average Demand 401 KW
Base Rate Only**



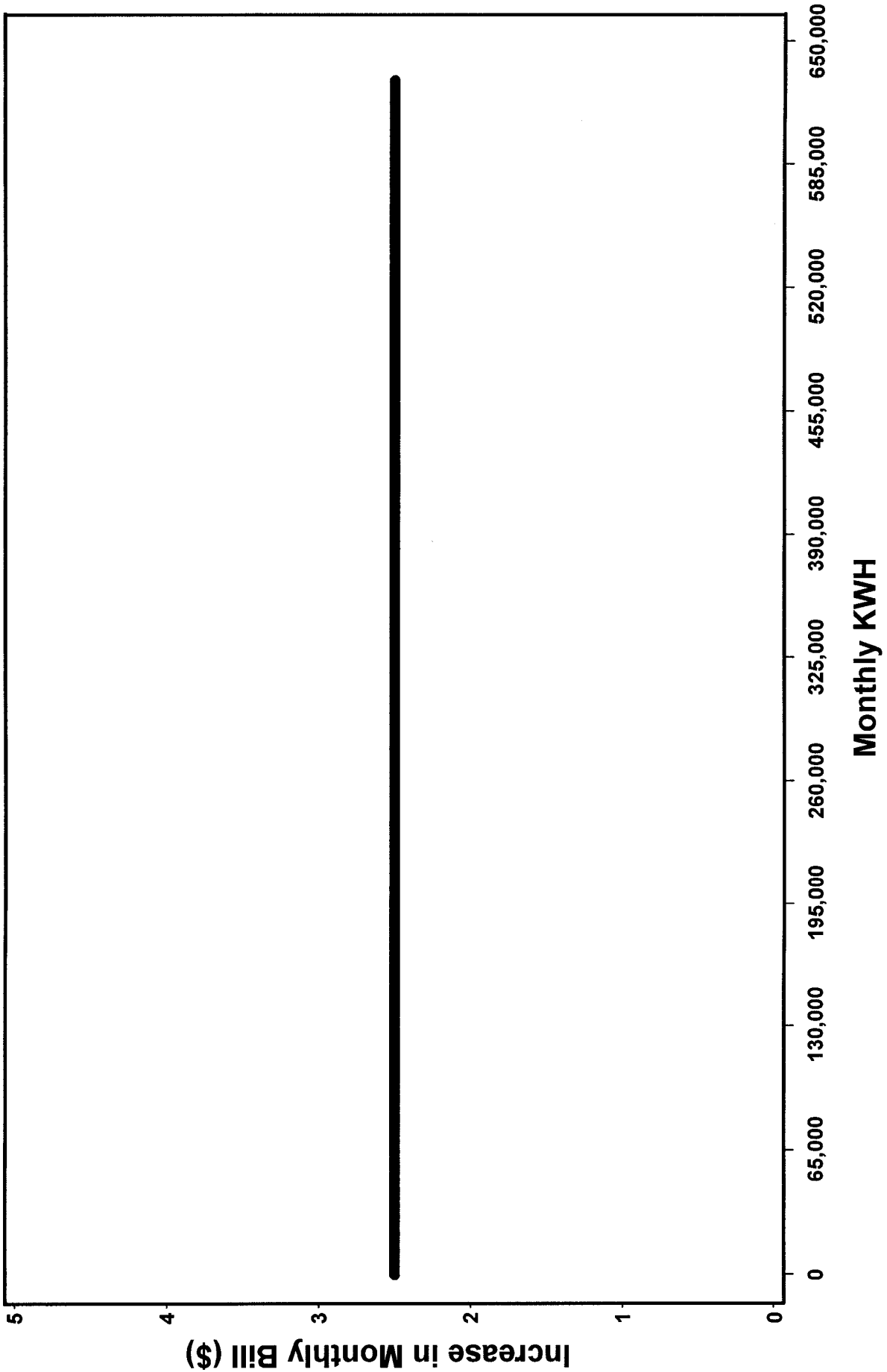
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 401 KW
 Base Rate Only
 Present LP4 Rate and Proposed LP4 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
10,025	1,016.73	1,022.93	6.20	0.61
20,050	1,016.73	1,022.93	6.20	0.61
30,075	1,016.73	1,022.93	6.20	0.61
40,100	1,016.73	1,022.93	6.20	0.61
50,125	1,016.73	1,022.93	6.20	0.61
60,150	1,016.73	1,022.93	6.20	0.61
70,175	1,016.73	1,022.93	6.20	0.61
80,200	1,016.73	1,022.93	6.20	0.61
90,225	1,016.73	1,022.93	6.20	0.61
100,250	1,016.73	1,022.93	6.20	0.61
110,275	1,016.73	1,022.93	6.20	0.61
120,300	1,016.73	1,022.93	6.20	0.61
130,325	1,016.73	1,022.93	6.20	0.61
140,350	1,016.73	1,022.93	6.20	0.61
150,375	1,016.73	1,022.93	6.20	0.61
160,400	1,016.73	1,022.93	6.20	0.61
170,425	1,016.73	1,022.93	6.20	0.61
180,450	1,016.73	1,022.93	6.20	0.61
190,475	1,016.73	1,022.93	6.20	0.61
200,500	1,016.73	1,022.93	6.20	0.61
210,525	1,016.73	1,022.93	6.20	0.61
220,550	1,016.73	1,022.93	6.20	0.61
230,575	1,016.73	1,022.93	6.20	0.61
240,600	1,016.73	1,022.93	6.20	0.61
250,625	1,016.73	1,022.93	6.20	0.61
260,650	1,016.73	1,022.93	6.20	0.61
270,675	1,016.73	1,022.93	6.20	0.61

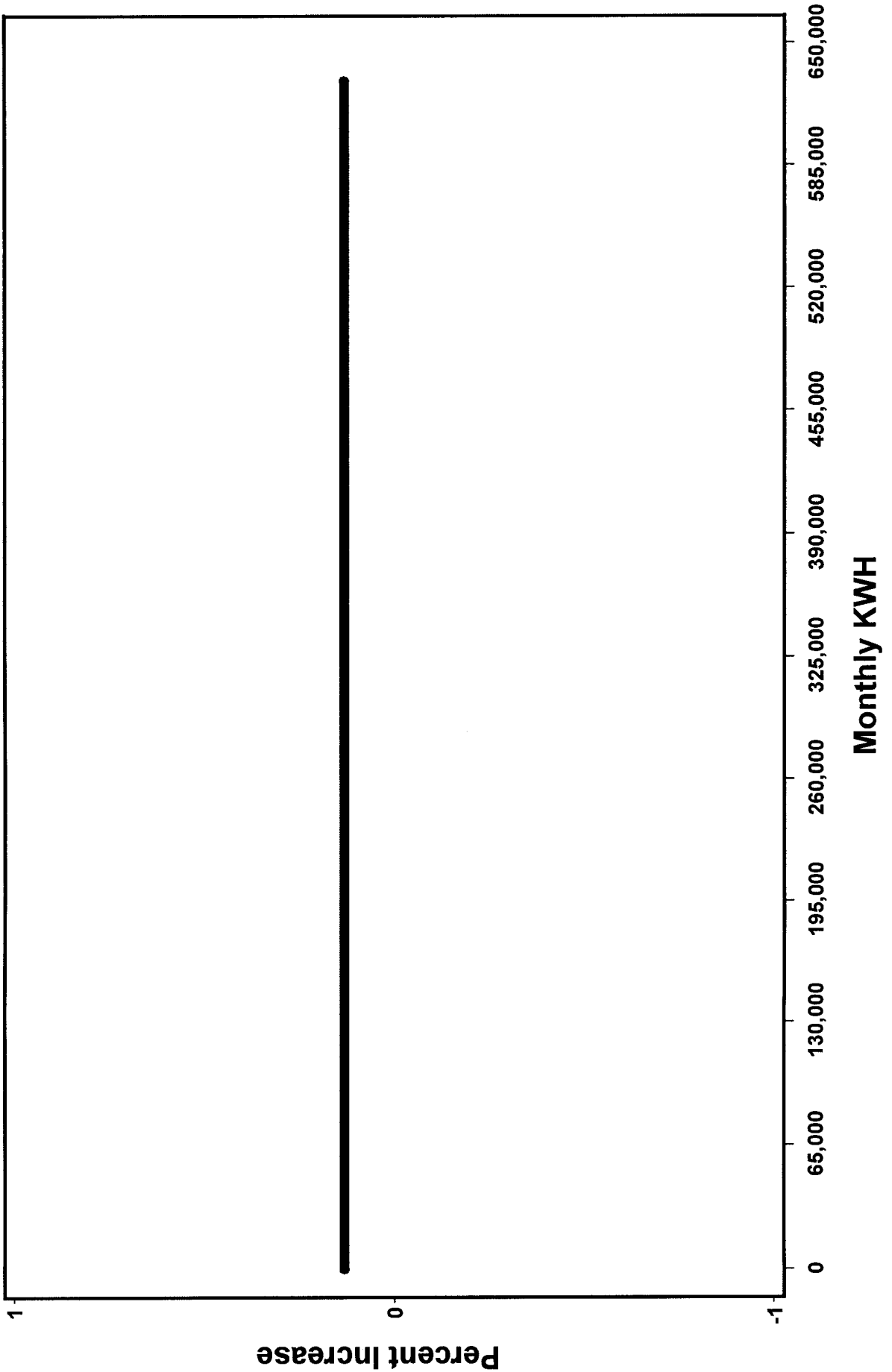
**Proposed LP4 vs Present LP4 Rate
Average Demand 812 KW
Base Rate Only**



**Dollar Difference of Proposed LP4 vs Present LP4 Rate
Average Demand 812 KW
Base Rate Only**



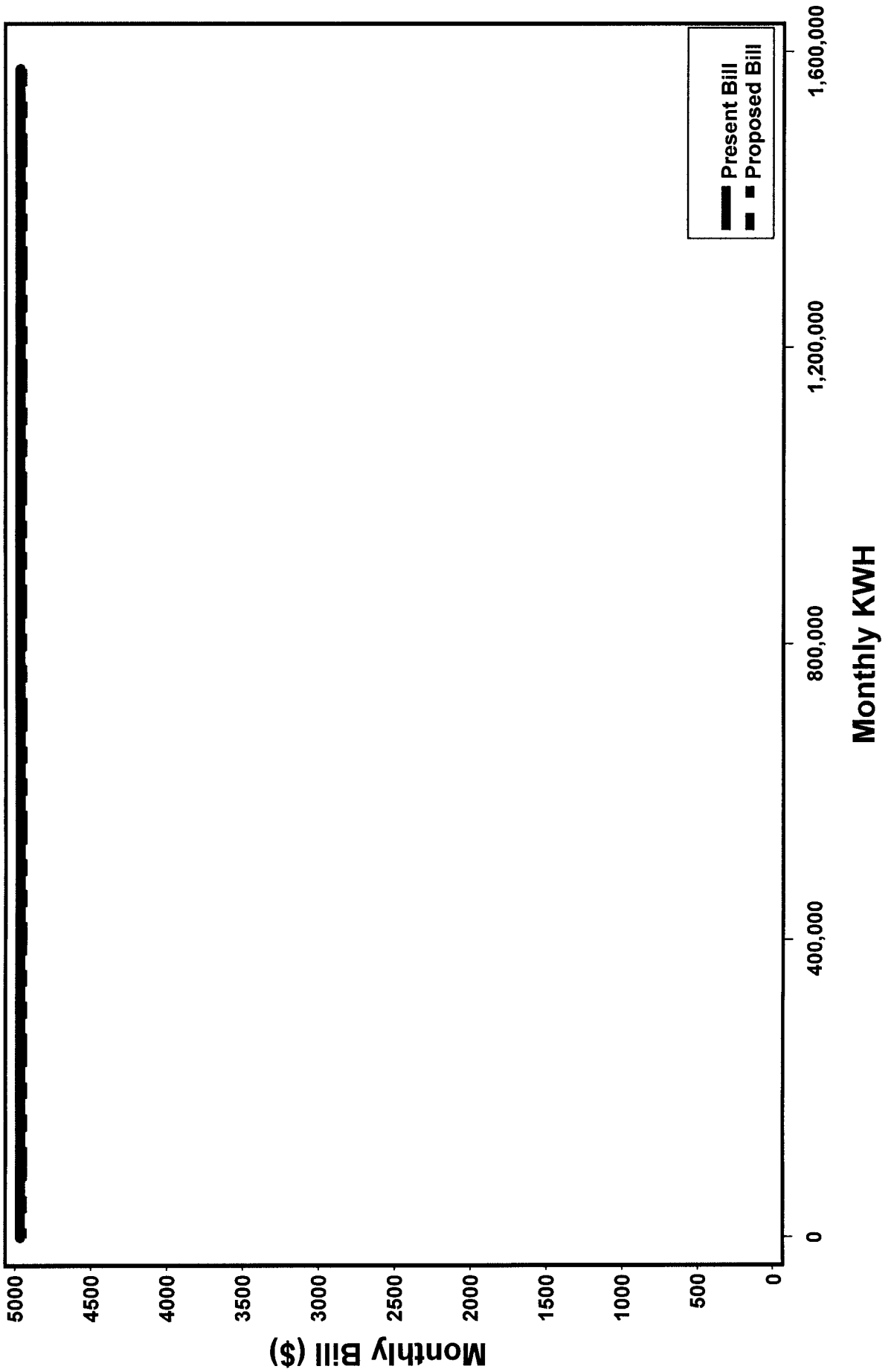
**Percent Increase of Proposed LP4 vs Present LP4 Rate
Average Demand 812 KW
Base Rate Only**



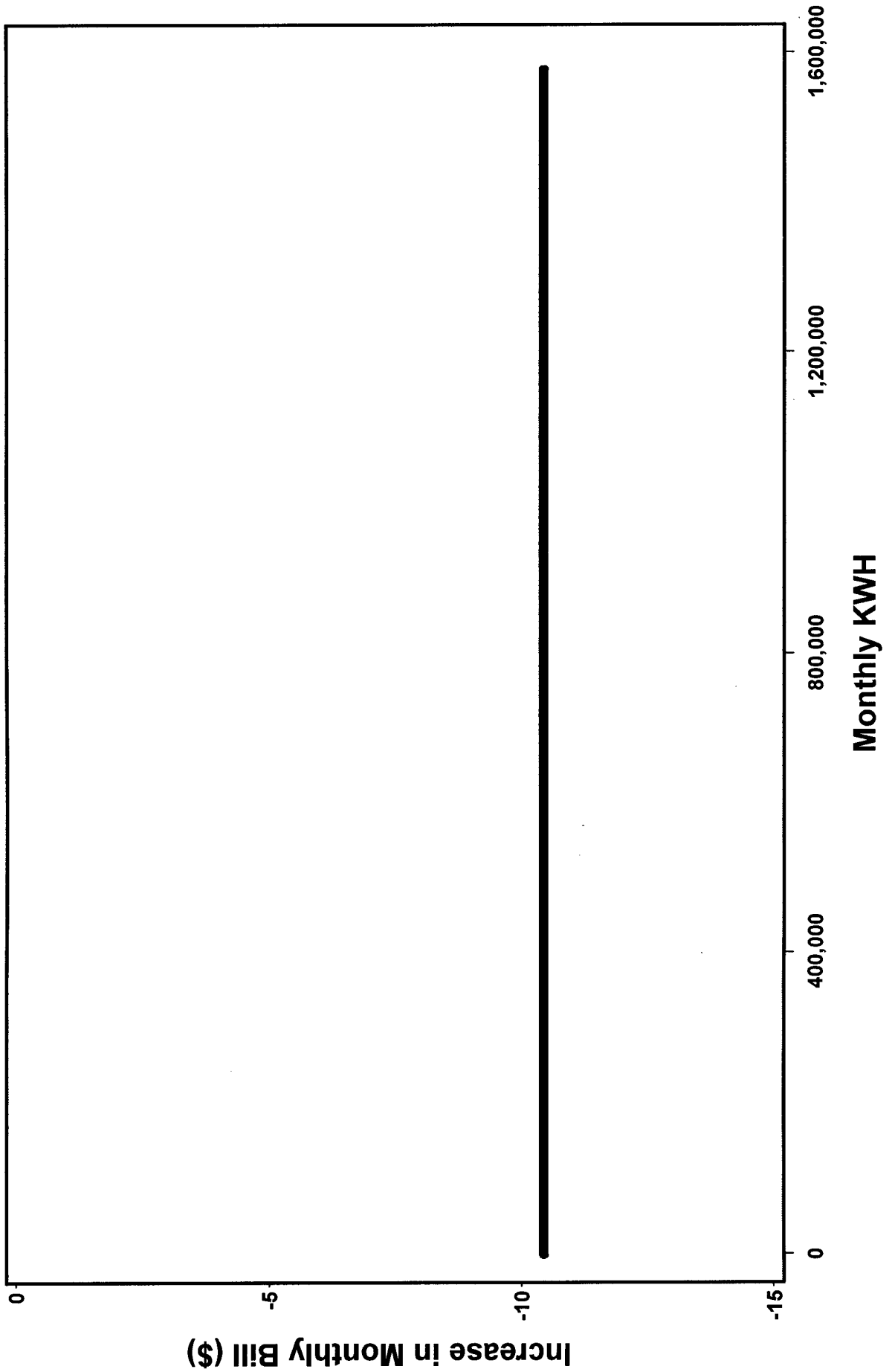
PPL Electric Utilities
Rate Revenue Comparison
Average Demand of 812 KW
Base Rate Only
Present LP4 Rate and Proposed LP4 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	1,894.62	1,897.12	2.50	0.13
20,300	1,894.62	1,897.12	2.50	0.13
40,600	1,894.62	1,897.12	2.50	0.13
60,900	1,894.62	1,897.12	2.50	0.13
81,200	1,894.62	1,897.12	2.50	0.13
101,500	1,894.62	1,897.12	2.50	0.13
121,800	1,894.62	1,897.12	2.50	0.13
142,100	1,894.62	1,897.12	2.50	0.13
162,400	1,894.62	1,897.12	2.50	0.13
182,700	1,894.62	1,897.12	2.50	0.13
203,000	1,894.62	1,897.12	2.50	0.13
223,300	1,894.62	1,897.12	2.50	0.13
243,600	1,894.62	1,897.12	2.50	0.13
263,900	1,894.62	1,897.12	2.50	0.13
284,200	1,894.62	1,897.12	2.50	0.13
304,500	1,894.62	1,897.12	2.50	0.13
324,800	1,894.62	1,897.12	2.50	0.13
345,100	1,894.62	1,897.12	2.50	0.13
365,400	1,894.62	1,897.12	2.50	0.13
385,700	1,894.62	1,897.12	2.50	0.13
406,000	1,894.62	1,897.12	2.50	0.13
426,300	1,894.62	1,897.12	2.50	0.13
446,600	1,894.62	1,897.12	2.50	0.13
466,900	1,894.62	1,897.12	2.50	0.13
487,200	1,894.62	1,897.12	2.50	0.13
507,500	1,894.62	1,897.12	2.50	0.13
527,800	1,894.62	1,897.12	2.50	0.13
548,100	1,894.62	1,897.12	2.50	0.13

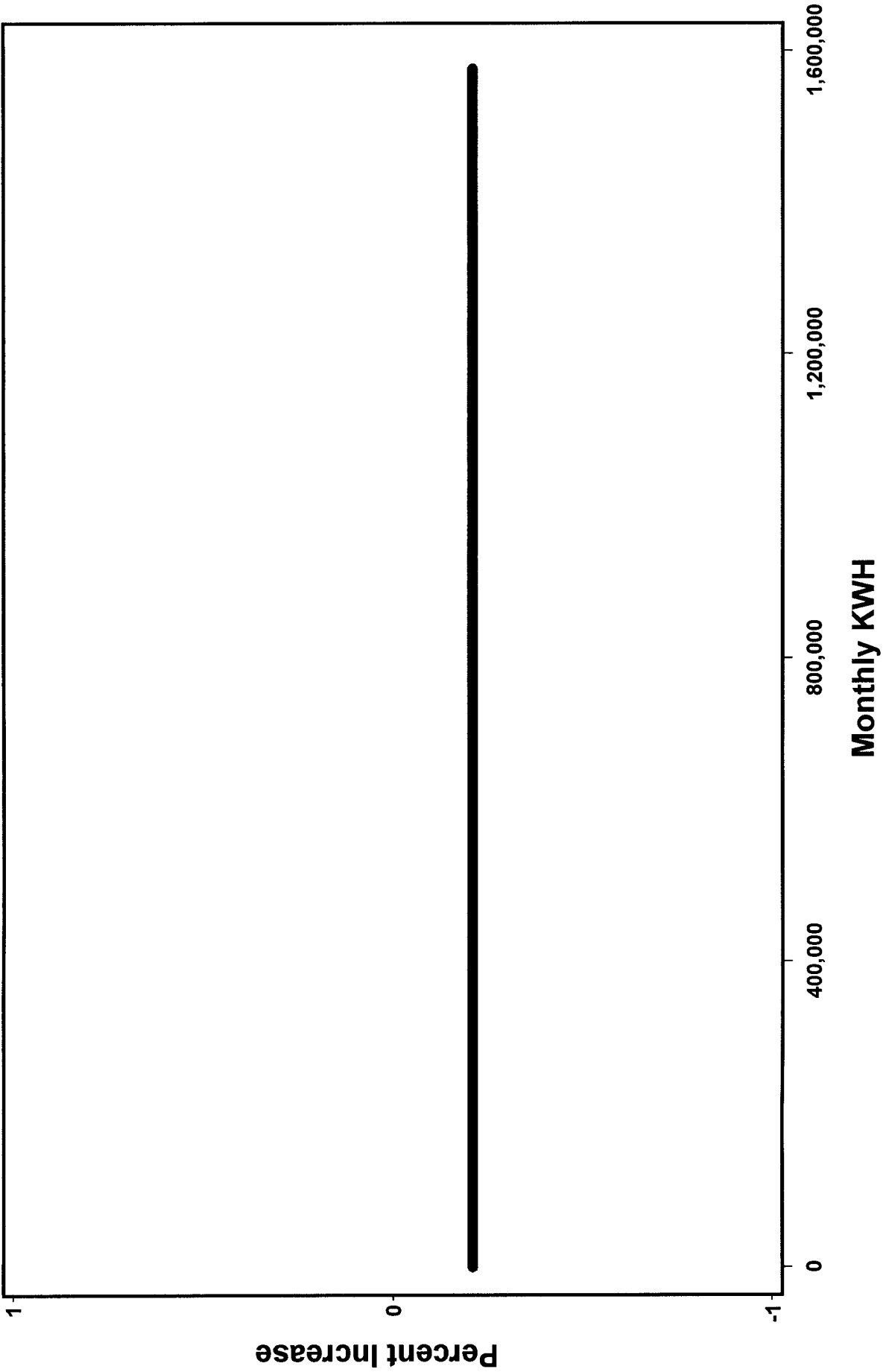
**Proposed LP4 vs Present LP4 Rate
Average Demand 2250 KW
Base Rate Only**



**Dollar Difference of Proposed LP4 vs Present LP4 Rate
Average Demand 2250 KW
Base Rate Only**



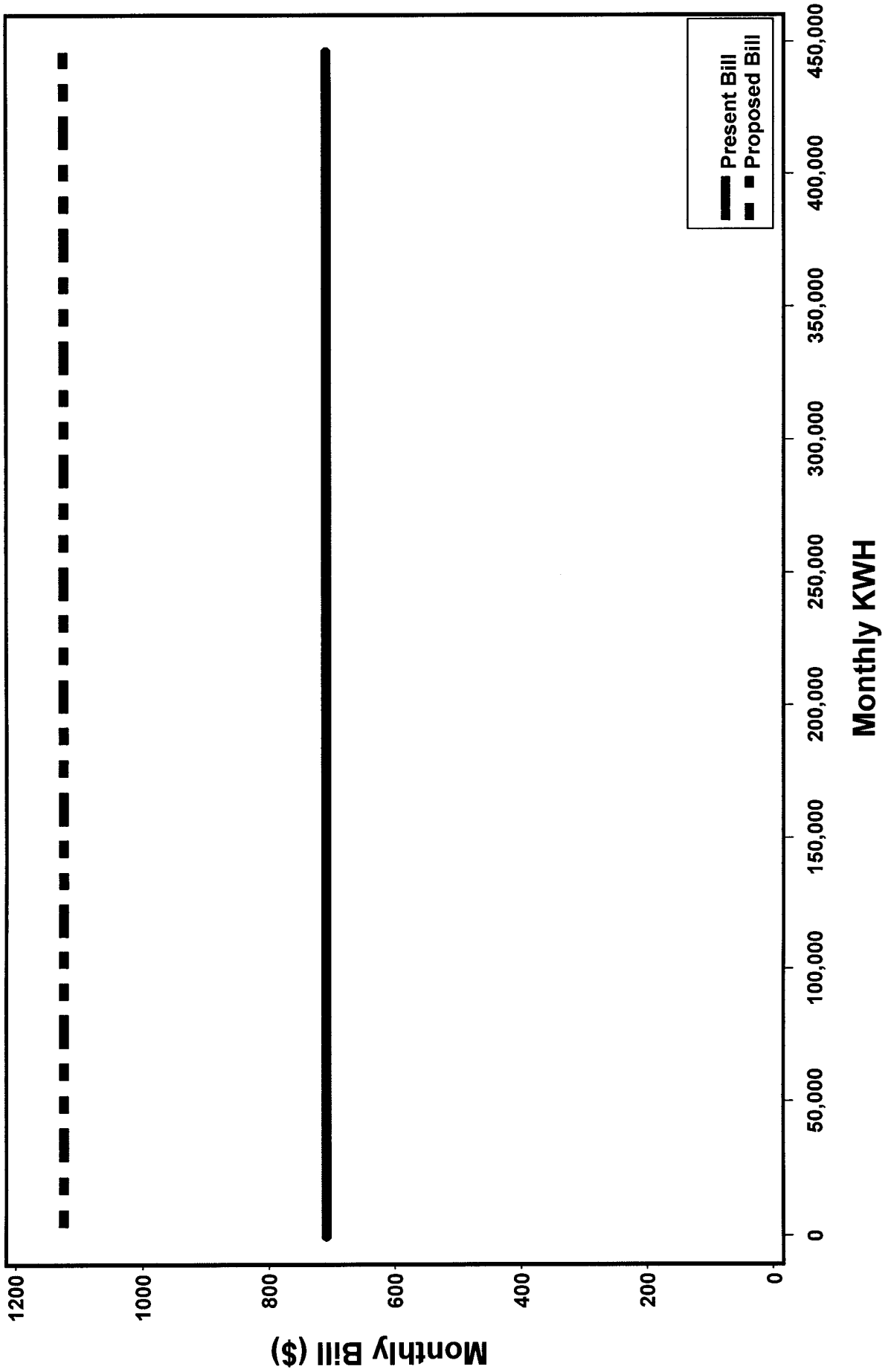
**Percent Increase of Proposed LP4 vs Present LP4 Rate
Average Demand 2250 KW
Base Rate Only**



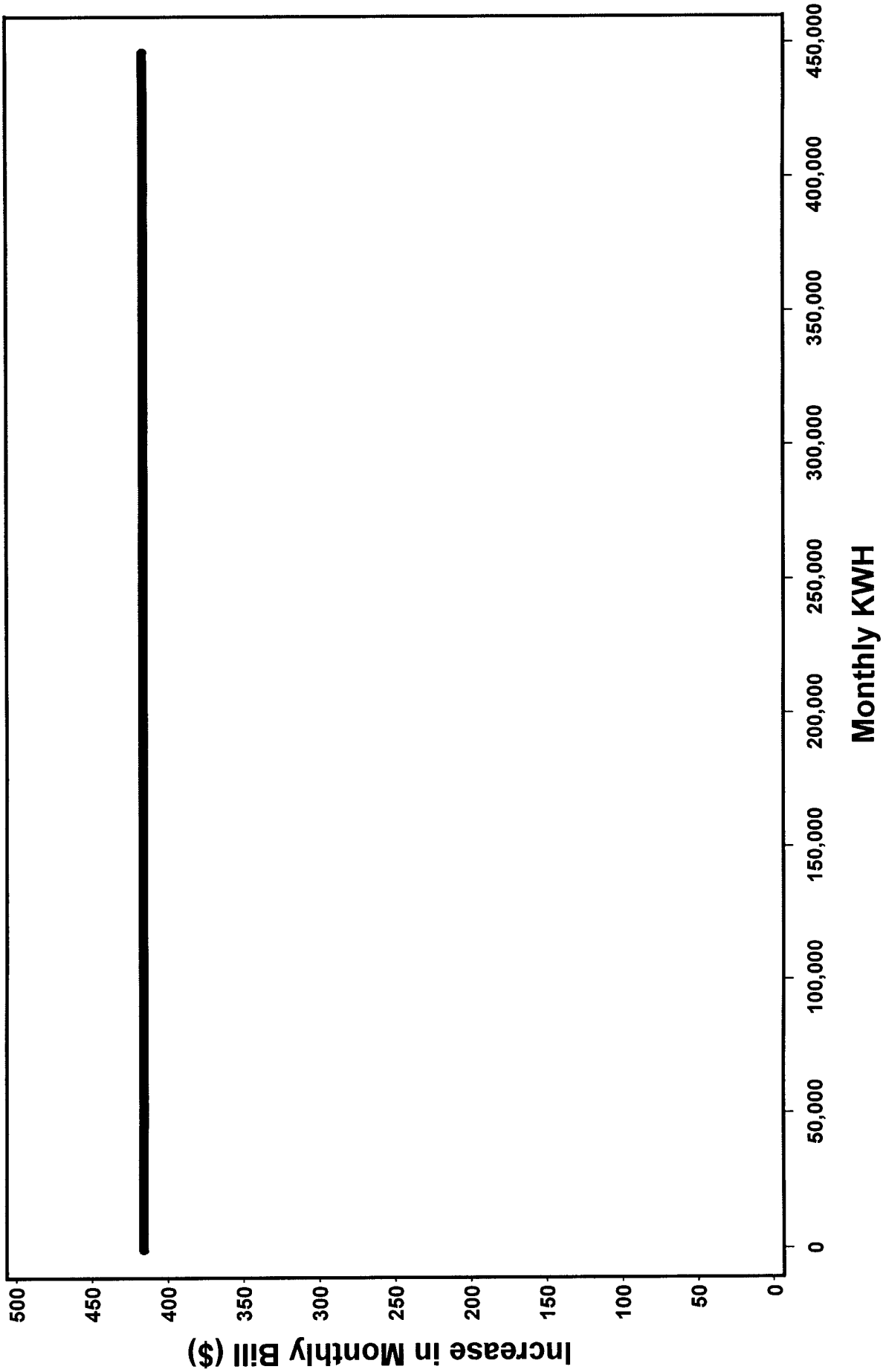
PPL Electric Utilities
Rate Revenue Comparison
Average Demand of 2250 KW
Base Rate Only
Present LP4 Rate and Proposed LP4 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	4,966.19	4,955.75	-10.44	-0.21
56,250	4,966.19	4,955.75	-10.44	-0.21
112,500	4,966.19	4,955.75	-10.44	-0.21
168,750	4,966.19	4,955.75	-10.44	-0.21
225,000	4,966.19	4,955.75	-10.44	-0.21
281,250	4,966.19	4,955.75	-10.44	-0.21
337,500	4,966.19	4,955.75	-10.44	-0.21
393,750	4,966.19	4,955.75	-10.44	-0.21
450,000	4,966.19	4,955.75	-10.44	-0.21
506,250	4,966.19	4,955.75	-10.44	-0.21
562,500	4,966.19	4,955.75	-10.44	-0.21
618,750	4,966.19	4,955.75	-10.44	-0.21
675,000	4,966.19	4,955.75	-10.44	-0.21
731,250	4,966.19	4,955.75	-10.44	-0.21
787,500	4,966.19	4,955.75	-10.44	-0.21
843,750	4,966.19	4,955.75	-10.44	-0.21
900,000	4,966.19	4,955.75	-10.44	-0.21
956,250	4,966.19	4,955.75	-10.44	-0.21
1,012,500	4,966.19	4,955.75	-10.44	-0.21
1,068,750	4,966.19	4,955.75	-10.44	-0.21
1,125,000	4,966.19	4,955.75	-10.44	-0.21
1,181,250	4,966.19	4,955.75	-10.44	-0.21
1,237,500	4,966.19	4,955.75	-10.44	-0.21
1,293,750	4,966.19	4,955.75	-10.44	-0.21
1,350,000	4,966.19	4,955.75	-10.44	-0.21
1,406,250	4,966.19	4,955.75	-10.44	-0.21
1,462,500	4,966.19	4,955.75	-10.44	-0.21
1,518,750	4,966.19	4,955.75	-10.44	-0.21

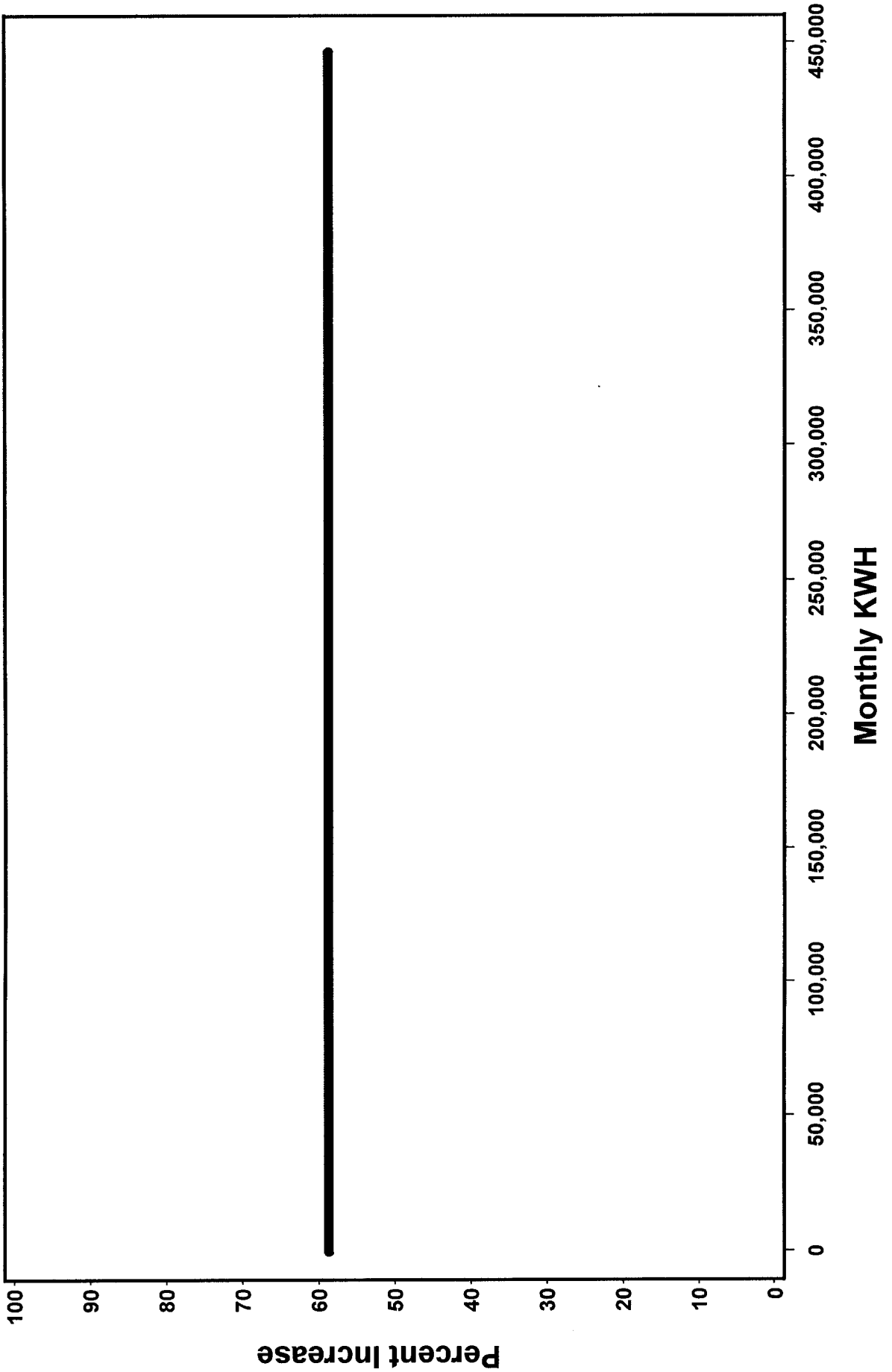
**Proposed LP5 vs Present LP5 Rate
Average Demand 595 KW
Base Rate Only**



**Dollar Difference of Proposed LP5 vs Present LP5 Rate
Average Demand 595 KW
Base Rate Only**



**Percent Increase of Proposed LP5 vs Present LP5 Rate
Average Demand 595 KW
Base Rate Only**

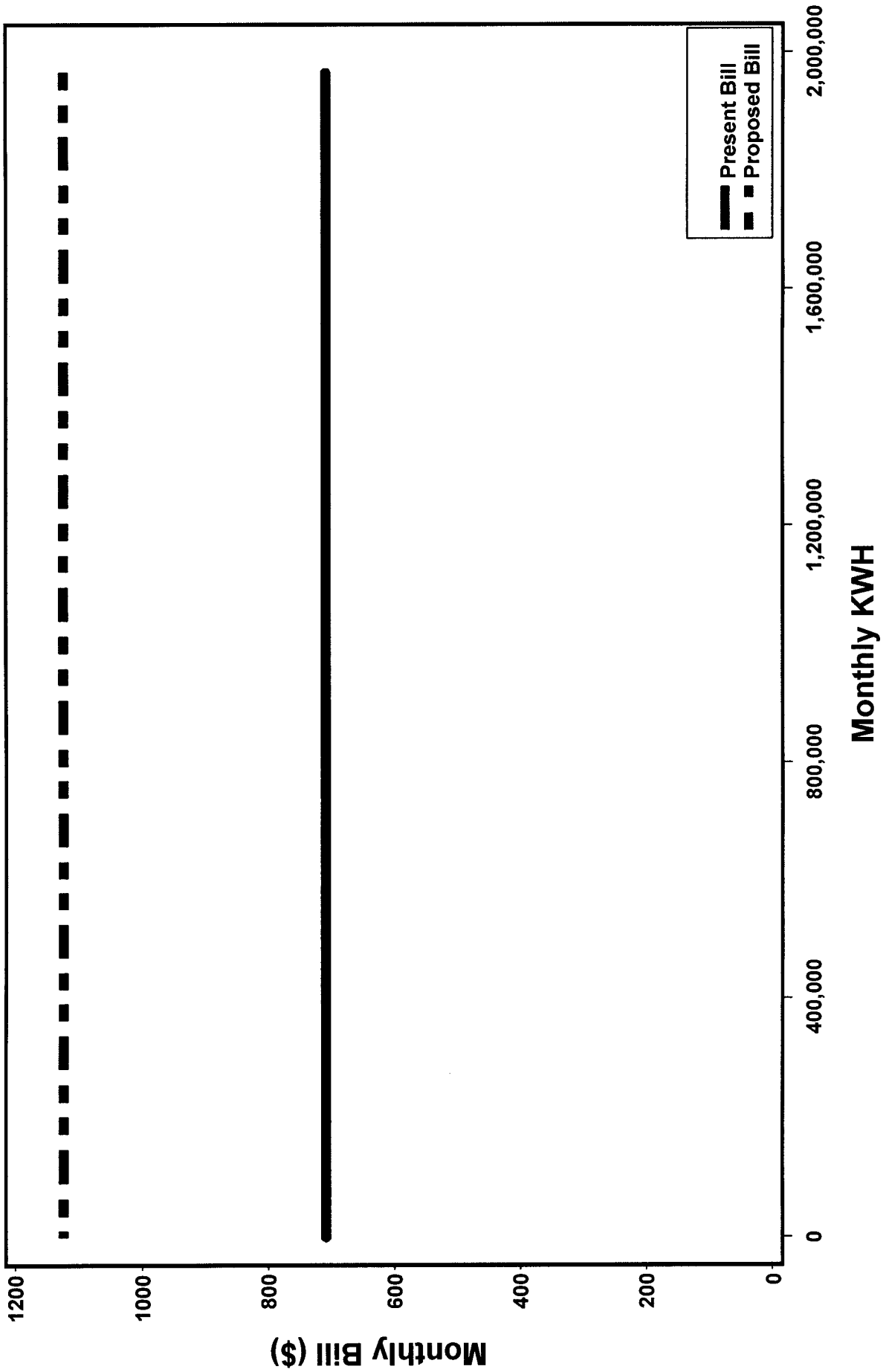


PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 595 KW
 Base Rate Only

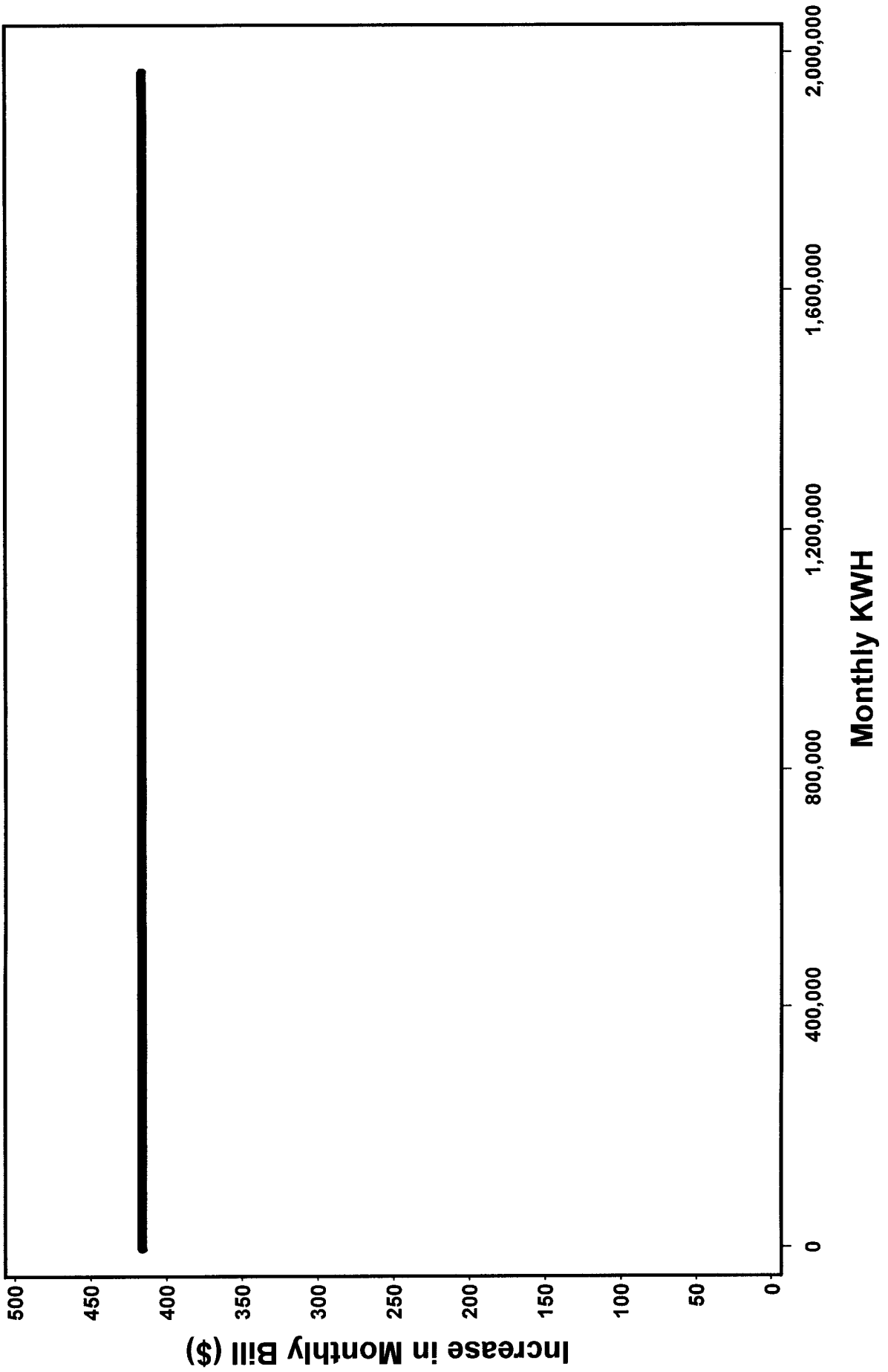
Present LP5 Rate and Proposed LP5 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	709.00	1,125.00	416.00	58.67
14,875	709.00	1,125.00	416.00	58.67
29,750	709.00	1,125.00	416.00	58.67
44,625	709.00	1,125.00	416.00	58.67
59,500	709.00	1,125.00	416.00	58.67
74,375	709.00	1,125.00	416.00	58.67
89,250	709.00	1,125.00	416.00	58.67
104,125	709.00	1,125.00	416.00	58.67
119,000	709.00	1,125.00	416.00	58.67
133,875	709.00	1,125.00	416.00	58.67
148,750	709.00	1,125.00	416.00	58.67
163,625	709.00	1,125.00	416.00	58.67
178,500	709.00	1,125.00	416.00	58.67
193,375	709.00	1,125.00	416.00	58.67
208,250	709.00	1,125.00	416.00	58.67
223,125	709.00	1,125.00	416.00	58.67
238,000	709.00	1,125.00	416.00	58.67
252,875	709.00	1,125.00	416.00	58.67
267,750	709.00	1,125.00	416.00	58.67
282,625	709.00	1,125.00	416.00	58.67
297,500	709.00	1,125.00	416.00	58.67
312,375	709.00	1,125.00	416.00	58.67
327,250	709.00	1,125.00	416.00	58.67
342,125	709.00	1,125.00	416.00	58.67
357,000	709.00	1,125.00	416.00	58.67
371,875	709.00	1,125.00	416.00	58.67
386,750	709.00	1,125.00	416.00	58.67
401,625	709.00	1,125.00	416.00	58.67

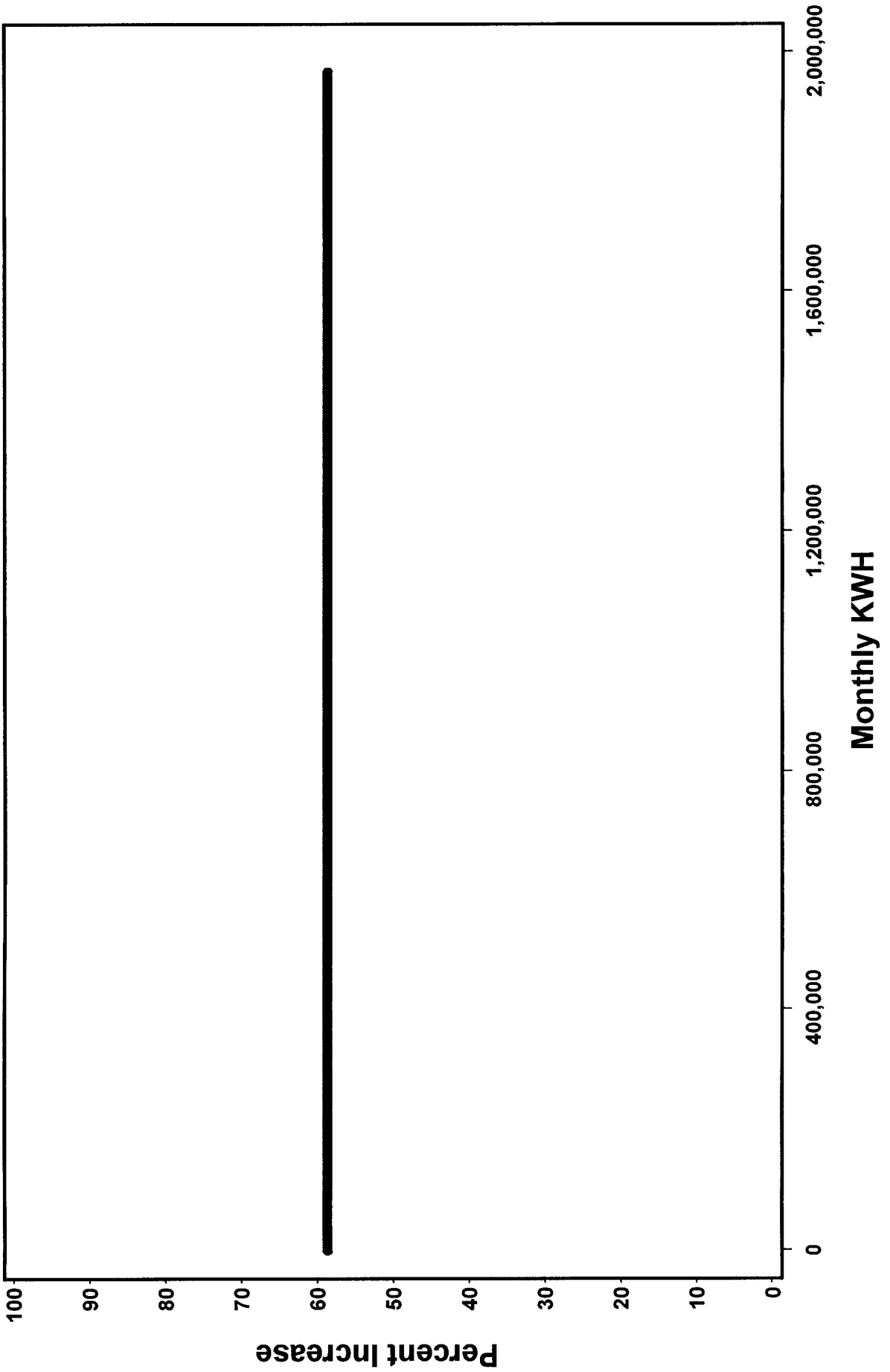
**Proposed LP5 vs Present LP5 Rate
Average Demand 2909 KW
Base Rate Only**



**Dollar Difference of Proposed LP5 vs Present LP5 Rate
Average Demand 2909 KW
Base Rate Only**



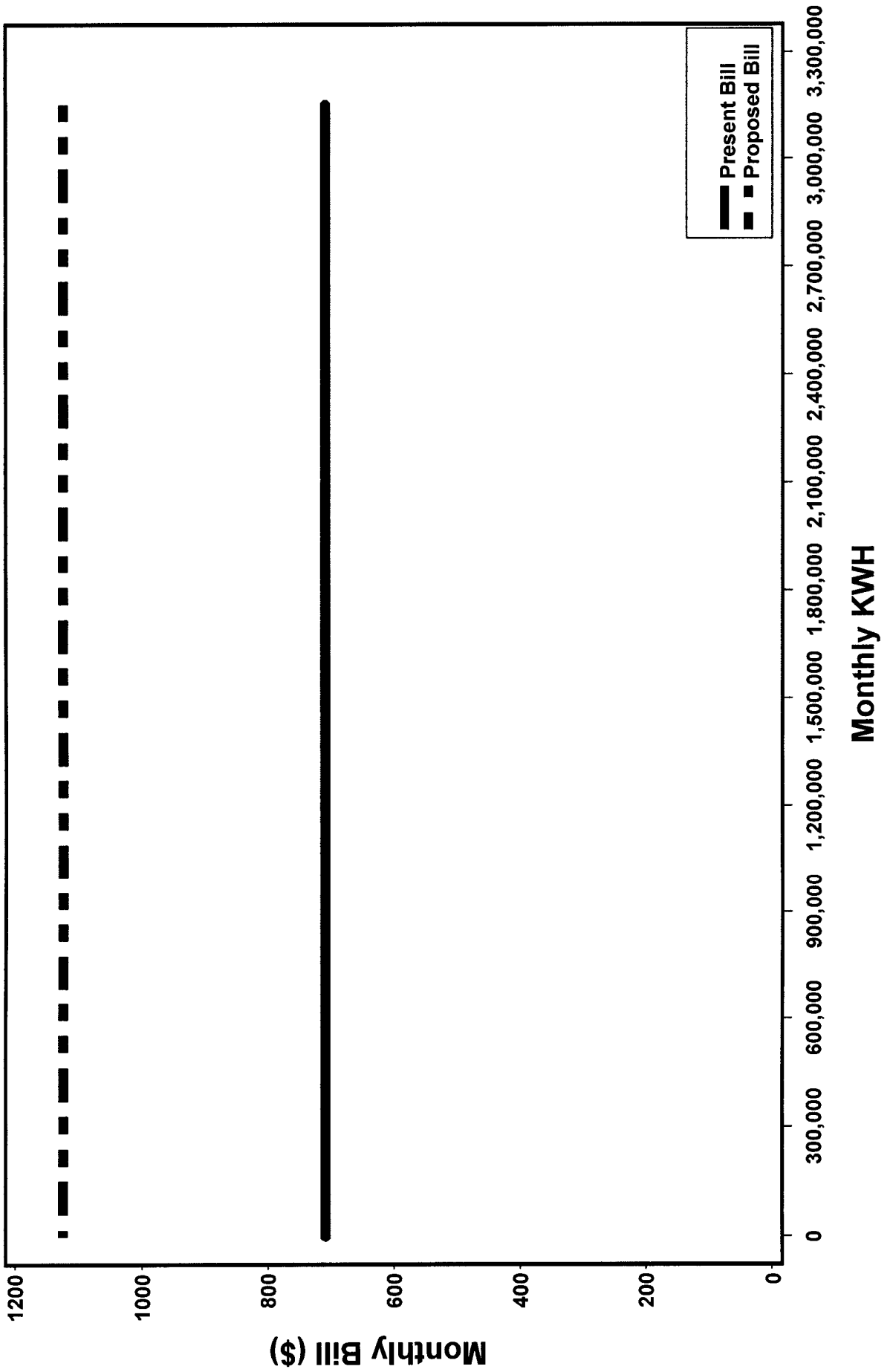
**Percent Increase of Proposed LP5 vs Present LP5 Rate
Average Demand 2909 KW
Base Rate Only**



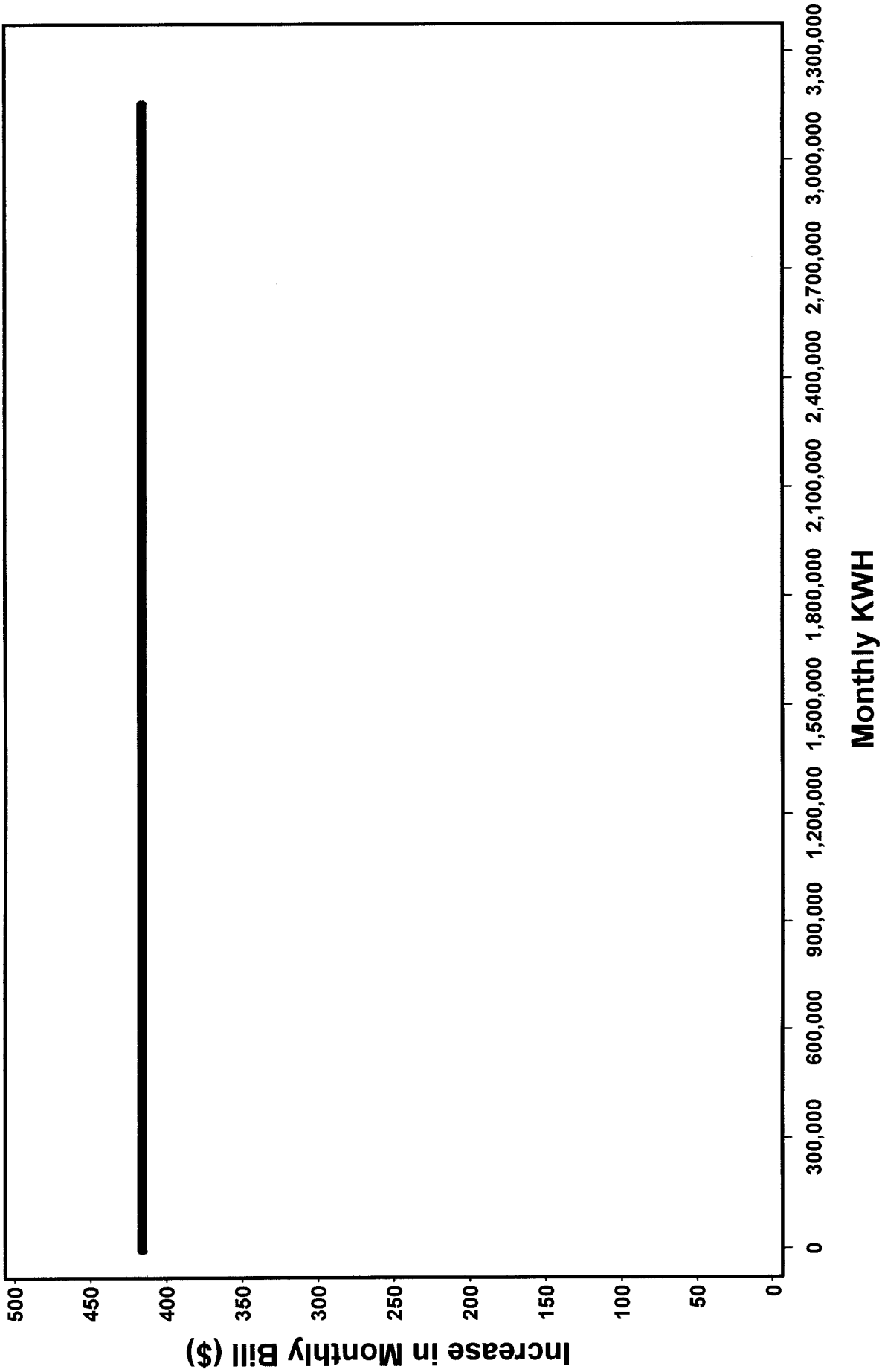
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 2909 KW
 Base Rate Only
 Present LP5 Rate and Proposed LP5 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	709.00	1,125.00	416.00	58.67
72,725	709.00	1,125.00	416.00	58.67
145,450	709.00	1,125.00	416.00	58.67
218,175	709.00	1,125.00	416.00	58.67
290,900	709.00	1,125.00	416.00	58.67
363,625	709.00	1,125.00	416.00	58.67
436,350	709.00	1,125.00	416.00	58.67
509,075	709.00	1,125.00	416.00	58.67
581,800	709.00	1,125.00	416.00	58.67
654,525	709.00	1,125.00	416.00	58.67
727,250	709.00	1,125.00	416.00	58.67
799,975	709.00	1,125.00	416.00	58.67
872,700	709.00	1,125.00	416.00	58.67
945,425	709.00	1,125.00	416.00	58.67
1,018,150	709.00	1,125.00	416.00	58.67
1,090,875	709.00	1,125.00	416.00	58.67
1,163,600	709.00	1,125.00	416.00	58.67
1,236,325	709.00	1,125.00	416.00	58.67
1,309,050	709.00	1,125.00	416.00	58.67
1,381,775	709.00	1,125.00	416.00	58.67
1,454,500	709.00	1,125.00	416.00	58.67
1,527,225	709.00	1,125.00	416.00	58.67
1,599,950	709.00	1,125.00	416.00	58.67
1,672,675	709.00	1,125.00	416.00	58.67
1,745,400	709.00	1,125.00	416.00	58.67
1,818,125	709.00	1,125.00	416.00	58.67
1,890,850	709.00	1,125.00	416.00	58.67
1,963,575	709.00	1,125.00	416.00	58.67

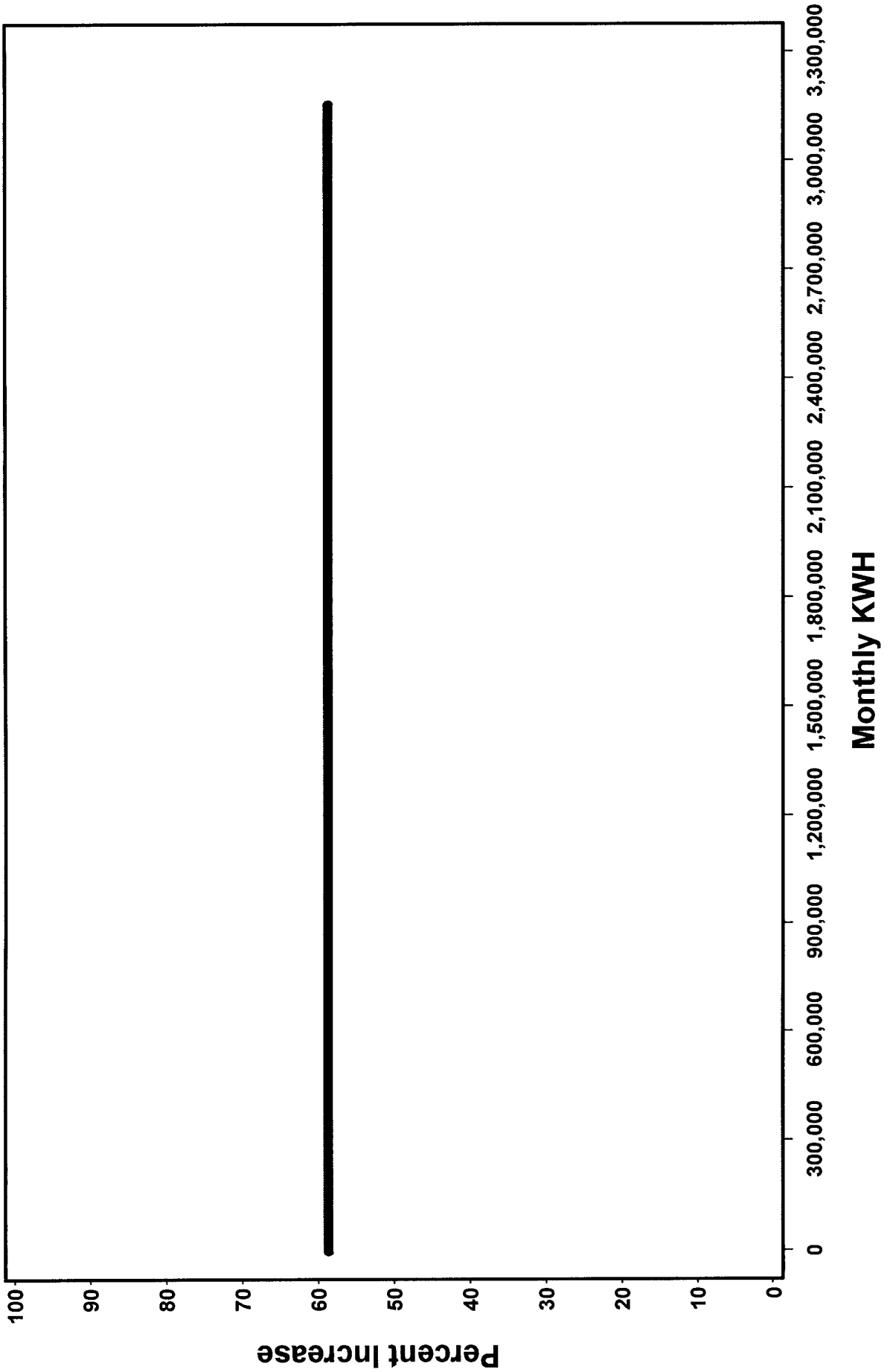
**Proposed LP5 vs Present LP5 Rate
Average Demand 4201 KW
Base Rate Only**



**Dollar Difference of Proposed LP5 vs Present LP5 Rate
Average Demand 4201 KW
Base Rate Only**



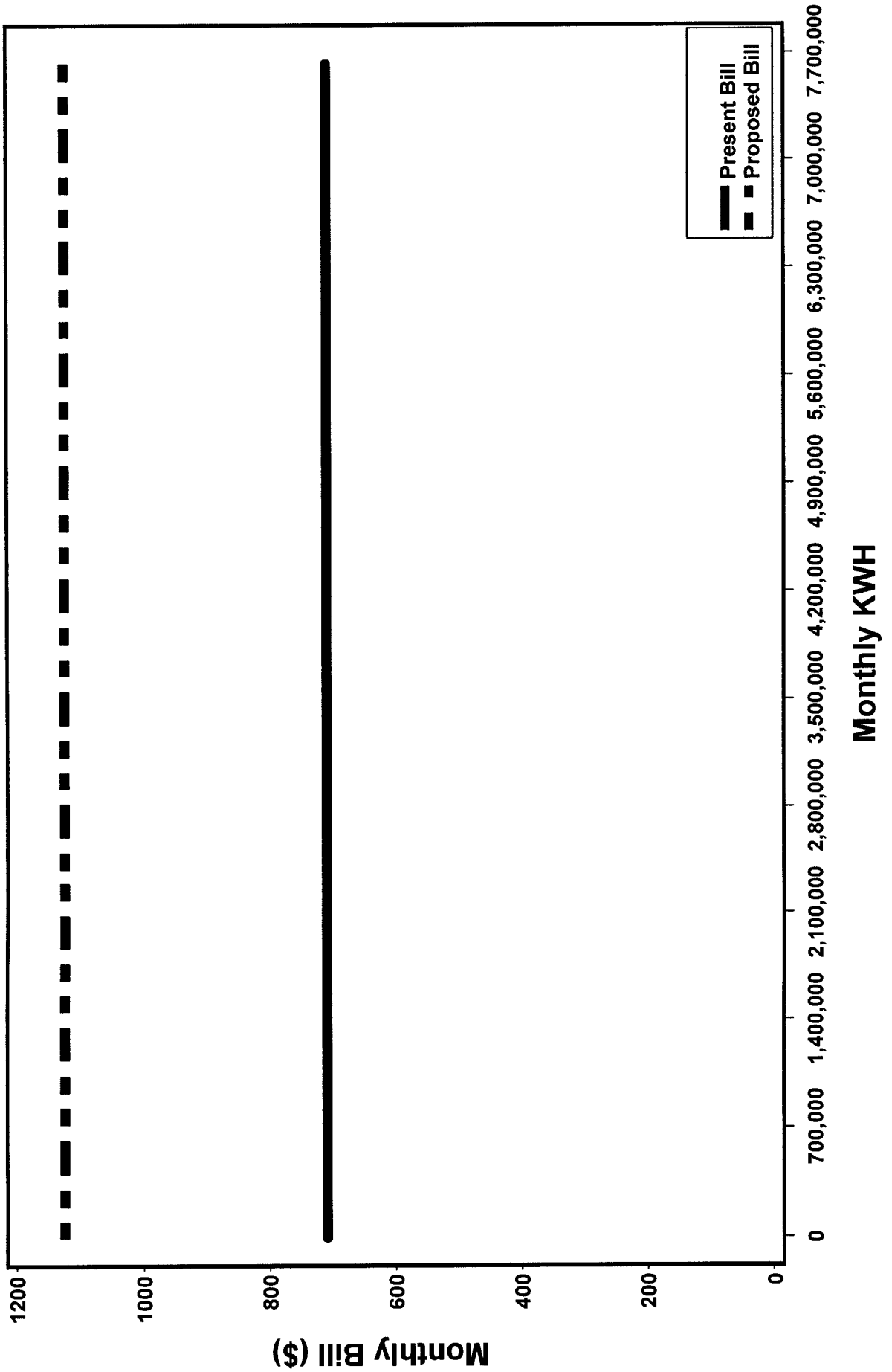
**Percent Increase of Proposed LP5 vs Present LP5 Rate
Average Demand 4201 KW
Base Rate Only**



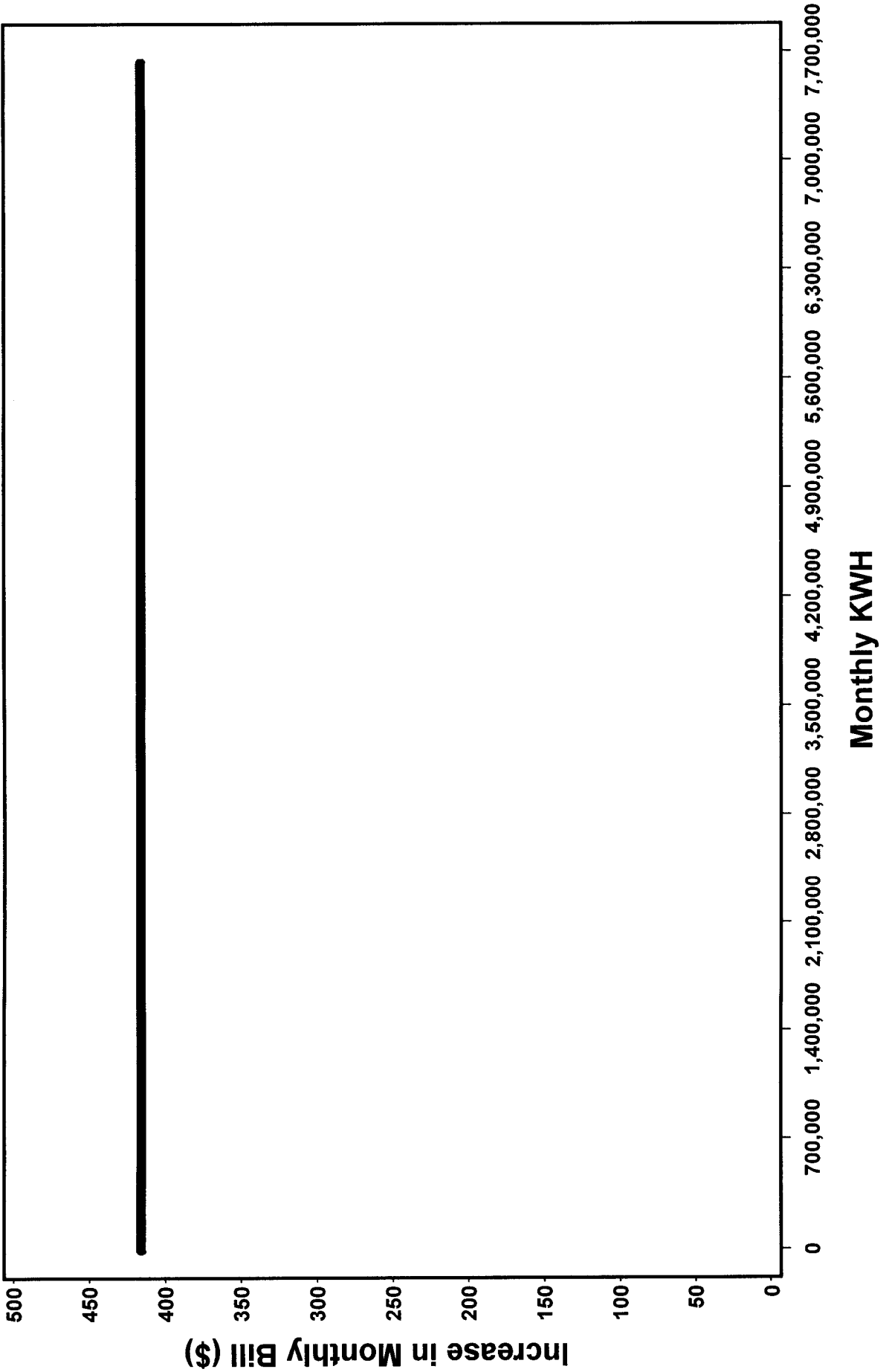
PPL Electric Utilities
Rate Revenue Comparison
Average Demand of 4201 KW
Base Rate Only
Present LP5 Rate and Proposed LP5 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	709.00	1,125.00	416.00	58.67
105,025	709.00	1,125.00	416.00	58.67
210,050	709.00	1,125.00	416.00	58.67
315,075	709.00	1,125.00	416.00	58.67
420,100	709.00	1,125.00	416.00	58.67
525,125	709.00	1,125.00	416.00	58.67
630,150	709.00	1,125.00	416.00	58.67
735,175	709.00	1,125.00	416.00	58.67
840,200	709.00	1,125.00	416.00	58.67
945,225	709.00	1,125.00	416.00	58.67
1,050,250	709.00	1,125.00	416.00	58.67
1,155,275	709.00	1,125.00	416.00	58.67
1,260,300	709.00	1,125.00	416.00	58.67
1,365,325	709.00	1,125.00	416.00	58.67
1,470,350	709.00	1,125.00	416.00	58.67
1,575,375	709.00	1,125.00	416.00	58.67
1,680,400	709.00	1,125.00	416.00	58.67
1,785,425	709.00	1,125.00	416.00	58.67
1,890,450	709.00	1,125.00	416.00	58.67
1,995,475	709.00	1,125.00	416.00	58.67
2,100,500	709.00	1,125.00	416.00	58.67
2,205,525	709.00	1,125.00	416.00	58.67
2,310,550	709.00	1,125.00	416.00	58.67
2,415,575	709.00	1,125.00	416.00	58.67
2,520,600	709.00	1,125.00	416.00	58.67
2,625,625	709.00	1,125.00	416.00	58.67
2,730,650	709.00	1,125.00	416.00	58.67
2,835,675	709.00	1,125.00	416.00	58.67

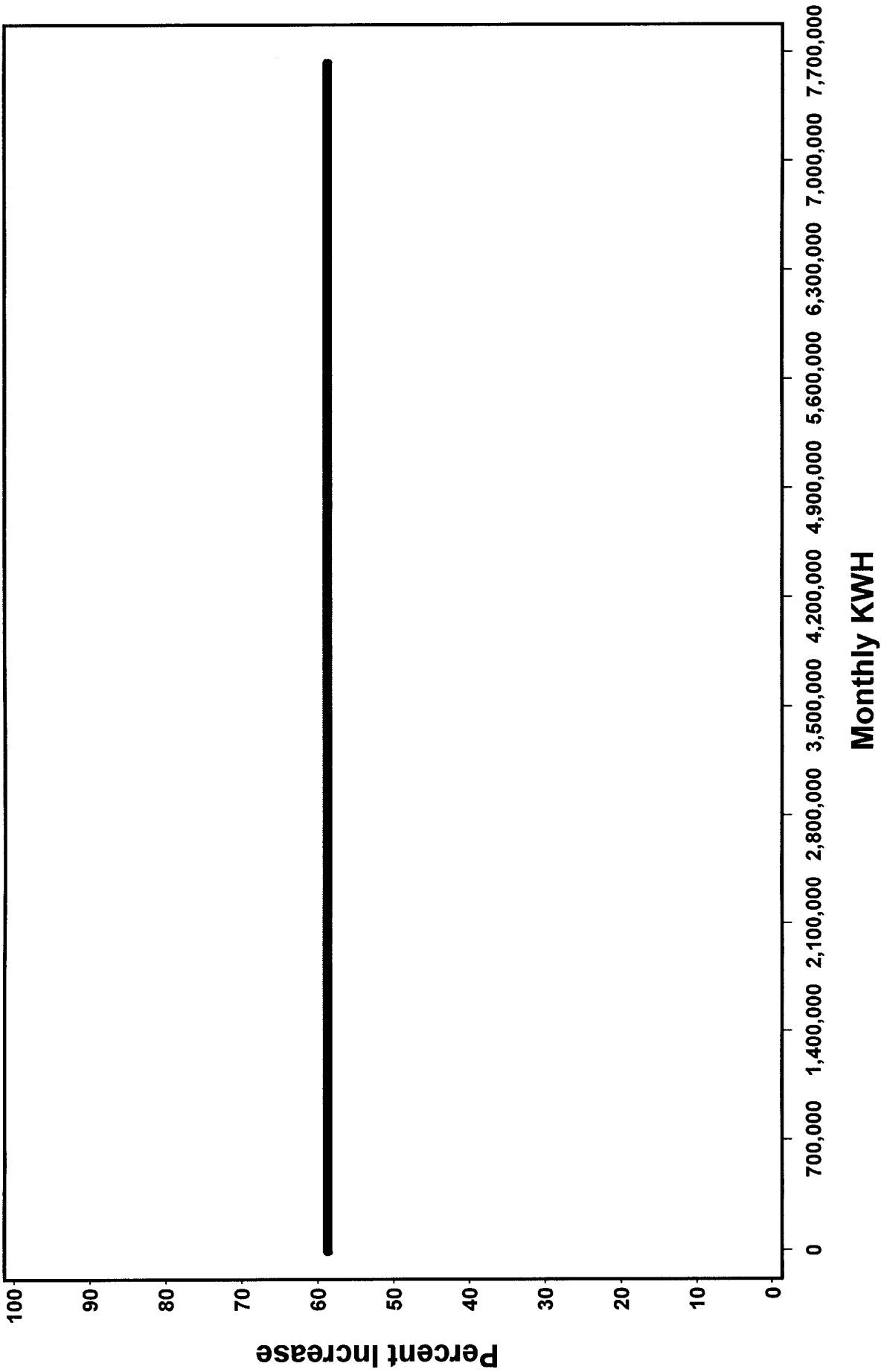
**Proposed LP5 vs Present LP5 Rate
Average Demand 10162 KW
Base Rate Only**



**Dollar Difference of Proposed LP5 vs Present LP5 Rate
Average Demand 10162 KW
Base Rate Only**



**Percent Increase of Proposed LP5 vs Present LP5 Rate
Average Demand 10162 KW
Base Rate Only**



PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 10162 KW
 Base Rate Only
 Present LP5 Rate and Proposed LP5 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	709.00	1,125.00	416.00	58.67
254,050	709.00	1,125.00	416.00	58.67
508,100	709.00	1,125.00	416.00	58.67
762,150	709.00	1,125.00	416.00	58.67
1,016,200	709.00	1,125.00	416.00	58.67
1,270,250	709.00	1,125.00	416.00	58.67
1,524,300	709.00	1,125.00	416.00	58.67
1,778,350	709.00	1,125.00	416.00	58.67
2,032,400	709.00	1,125.00	416.00	58.67
2,286,450	709.00	1,125.00	416.00	58.67
2,540,500	709.00	1,125.00	416.00	58.67
2,794,550	709.00	1,125.00	416.00	58.67
3,048,600	709.00	1,125.00	416.00	58.67
3,302,650	709.00	1,125.00	416.00	58.67
3,556,700	709.00	1,125.00	416.00	58.67
3,810,750	709.00	1,125.00	416.00	58.67
4,064,800	709.00	1,125.00	416.00	58.67
4,318,850	709.00	1,125.00	416.00	58.67
4,572,900	709.00	1,125.00	416.00	58.67
4,826,950	709.00	1,125.00	416.00	58.67
5,081,000	709.00	1,125.00	416.00	58.67
5,335,050	709.00	1,125.00	416.00	58.67
5,589,100	709.00	1,125.00	416.00	58.67
5,843,150	709.00	1,125.00	416.00	58.67
6,097,200	709.00	1,125.00	416.00	58.67
6,351,250	709.00	1,125.00	416.00	58.67
6,605,300	709.00	1,125.00	416.00	58.67
6,859,350	709.00	1,125.00	416.00	58.67

- Q.1. Provide a costs study which allocates the total cost of service to each proposed tariff rate schedule. Tariff rate schedules may be combined for this purpose provided they are of a similar supply or end use nature. A statement describing which rates were combined and the reasons therefore should be submitted.

The rates of return for each tariff schedule as defined above should be determined at both the present and proposed rate levels. Base rate revenues should be used for there purpose unless there are good and sufficient reasons to include revenues derived from other sources. Should the latter be the case, an explanation of other revenue sources included and reasons therefore should accompany the cost allocation study.

The method selected for use in allocating costs to rate classes should include costs analyses based on:

- a. Peak responsibility.
- b. Average and excess, on a non-coincident demand basis.
- c. Company preferred method if different from the above-referenced methods, with rationale behind the selection.

This study should include a statement of the source and age of the load data used in the determination of demand responsibilities, a description of any special studies used to prepare the cost study, and the most recent overall system line loss study.

The cost data used in the allocation study may be based on the test year.

- A.1. Exhibit JMK 2 provides the requested information.

Q.2. Provide comparisons in either graphical or tabular form showing cost, as defined in the cost of service study, and proposed base rate revenues and usage for all residential and demand/energy rate schedules. Demand shall be for representative loads for each demand/energy rate schedule.

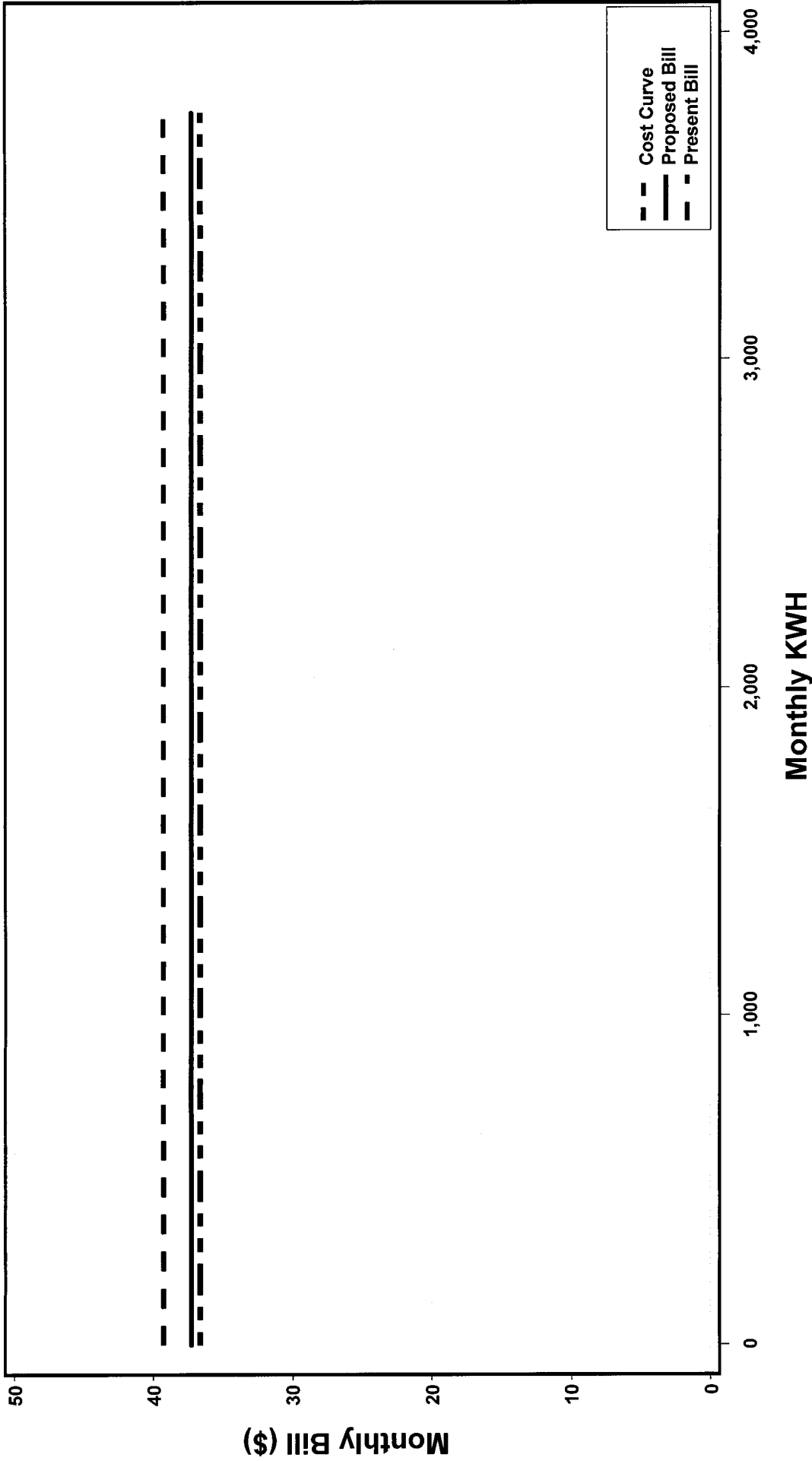
A.2. Attachment IV-E-2 provides cost comparison curves for specific general service rate schedules. The following tabulation shows representative KW loads used for each rate schedule.

Present Rate Schedule	KW Values			
GS-1	5<	5	6	16
GS-3	25	33	55	212
LP-4	116	401	812	2,250
LP-5	595	2909	4201	10,162

Cost data for other rate schedules, which contain both a demand and energy charge, are not available.

The curves shown in Attachment IV-E-2 use load research, factorial relationships, and unit cost information. The cost portion of the curves should be viewed as an approximation of the cost trends developed from limited data and observations. Curves for Rate Schedules RS and RTS are not available due to insufficient load research and cost data.

Proposed GS1 vs Present GS1 Rate
 Average Demand 5 KW
 Base Rate Only



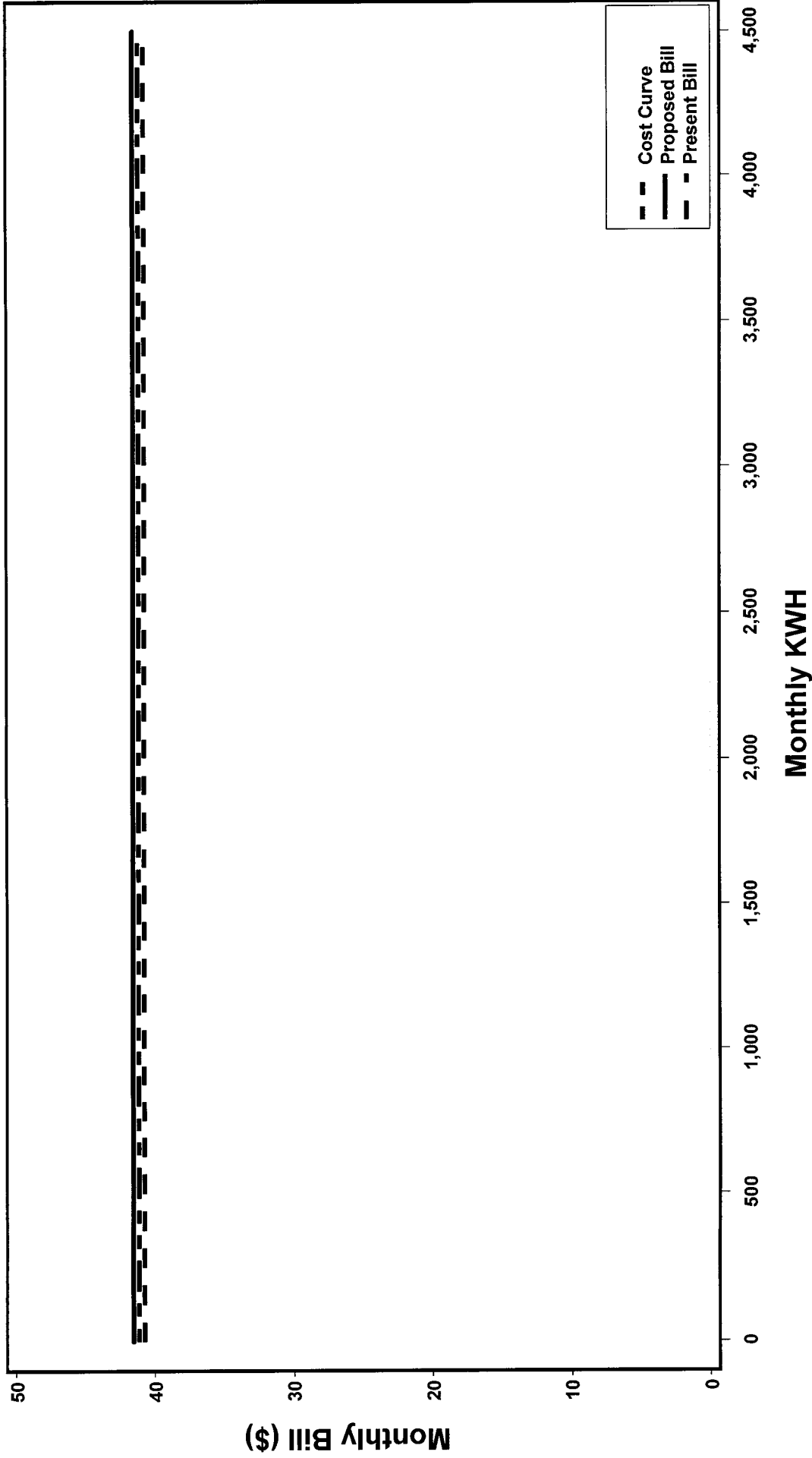
Proposed Rate

\$16.00	Customer Charge
4.258	\$/All KW

Present Rate

\$14.00	Customer Charge
4.53	\$/All KW
0.00	¢/KWH 150 KWH/KW
0.00	¢/KW Excess

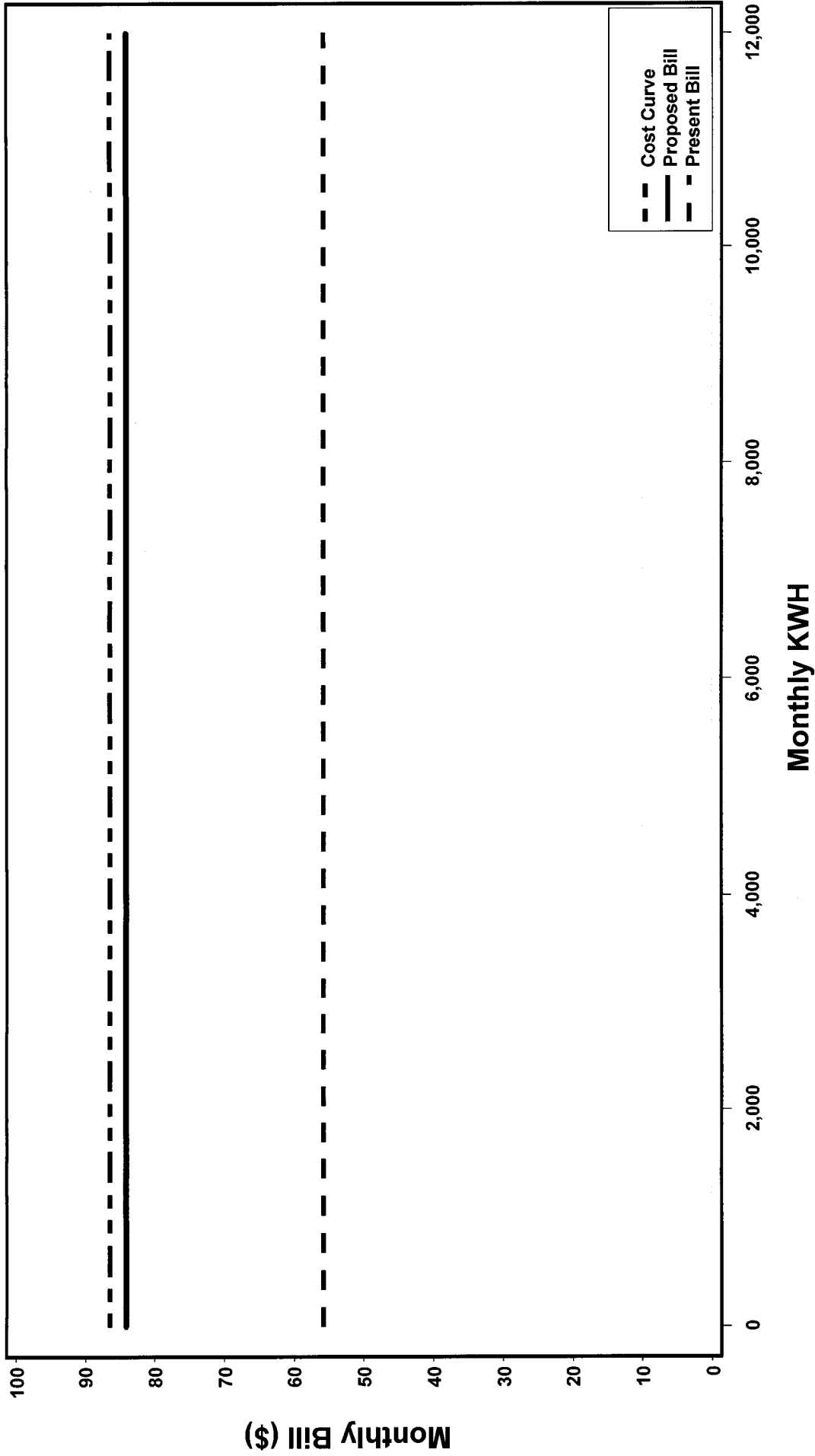
**Proposed GS1 vs Present GS1 Rate
Average Demand 6 KW
Base Rate Only**



Proposed Rate
\$16.00 Customer Charge
4.258 \$/All KW

Present Rate
\$14.00 Customer Charge
4.53 \$/All KW
0.00 ¢/KWH 150 KWH/KW
0.00¢/KW Excess

**Proposed GS1 vs Present GS1 Rate
Average Demand 16 KW
Base Rate Only**



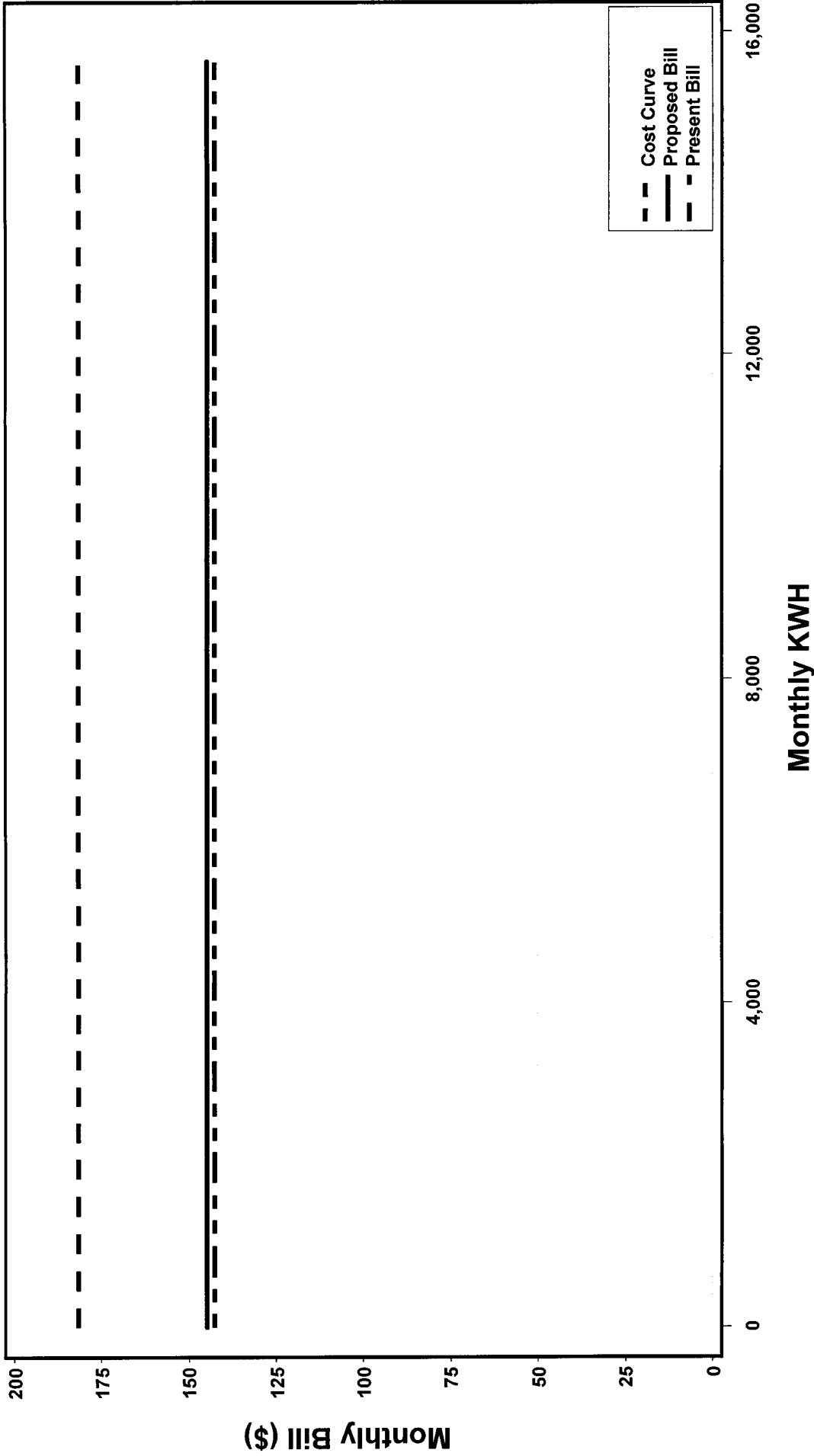
Proposed Rate

\$16.00 Customer Charge
4.258 \$/All KW

Present Rate

\$14.00 Customer Charge
4.53 \$/All KW
0.00 ¢/KWH 150 KWH/KW
0.00¢/KW Excess

**Proposed GS3 vs Present GS3 Rate
Average Demand 25 KW
Base Rate Only**



- - Cost Curve
 — Proposed Bill
 - - Present Bill

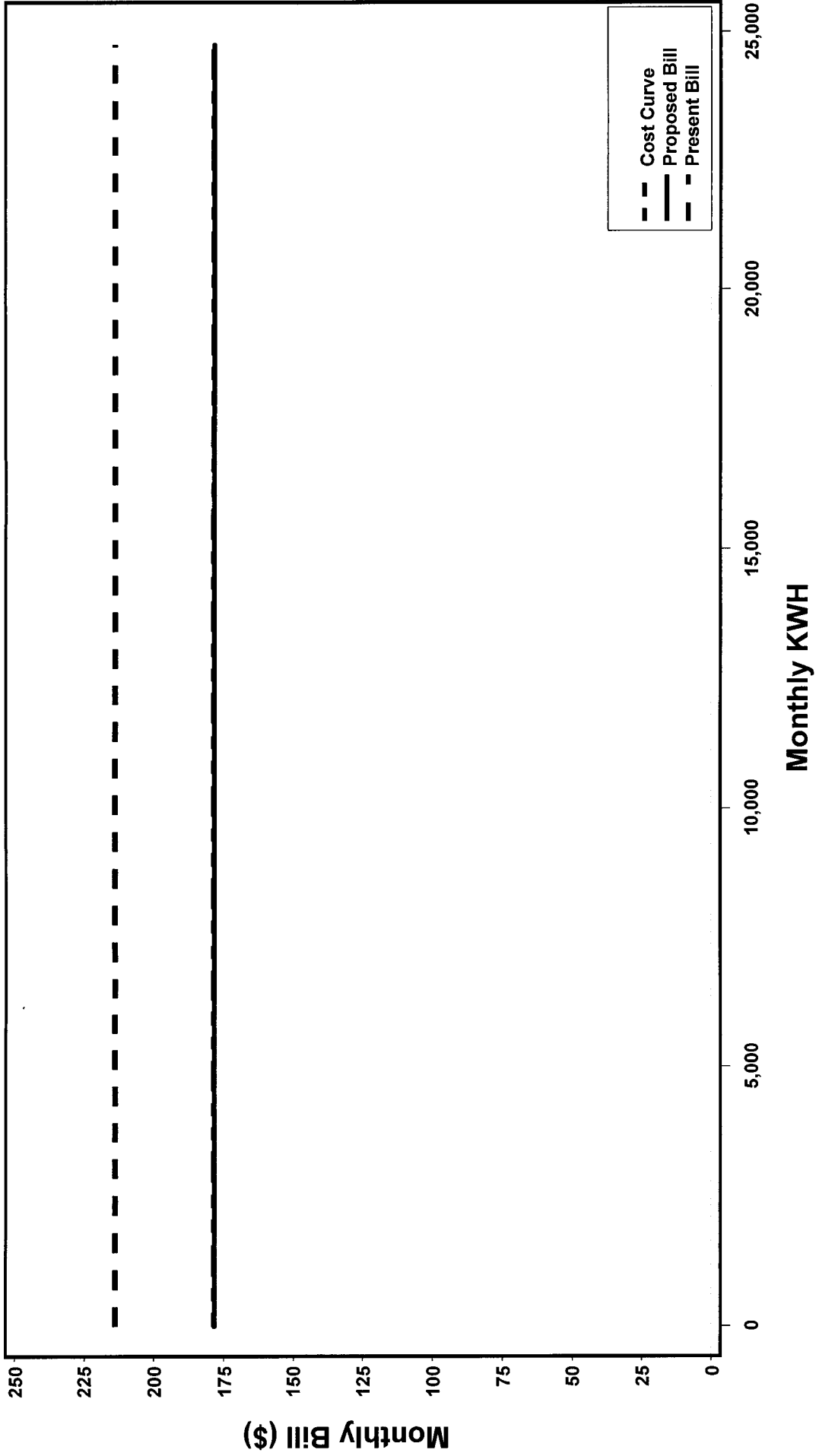
Proposed Rate

\$40.00 Customer Charge
4.192 \$/All KW

Present Rate

\$30.00 Customer Charge
4.51 \$/All KW
0.000¢/KWH 200 KWH/KW
0.000 ¢/KWH 200 KWH/KW
0.000 ¢/KWH Excess

Proposed GS3 vs Present GS3 Rate
 Average Demand 33 KW
 Base Rate Only



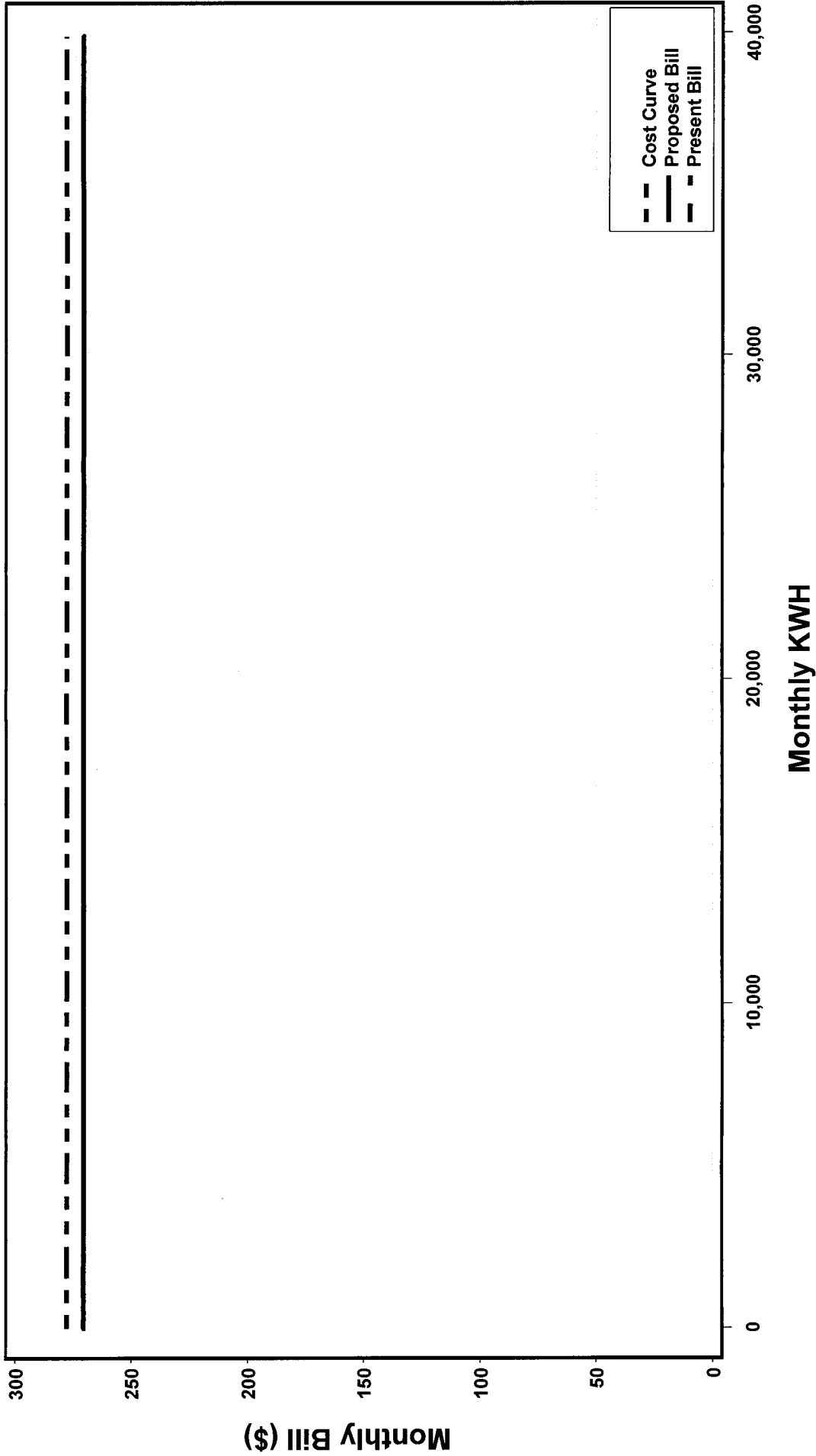
Proposed Rate

\$40.00 Customer Charge
4.192 \$/All KW

Present Rate

\$30.00 Customer Charge
4.51 \$/All KW
0.000¢/KWH 200 KWH/KW
0.000 ¢/KWH 200 KWH/KW
0.000¢/KWH Excess

**Proposed GS3 vs Present GS3 Rate
Average Demand 55 KW
Base Rate Only**



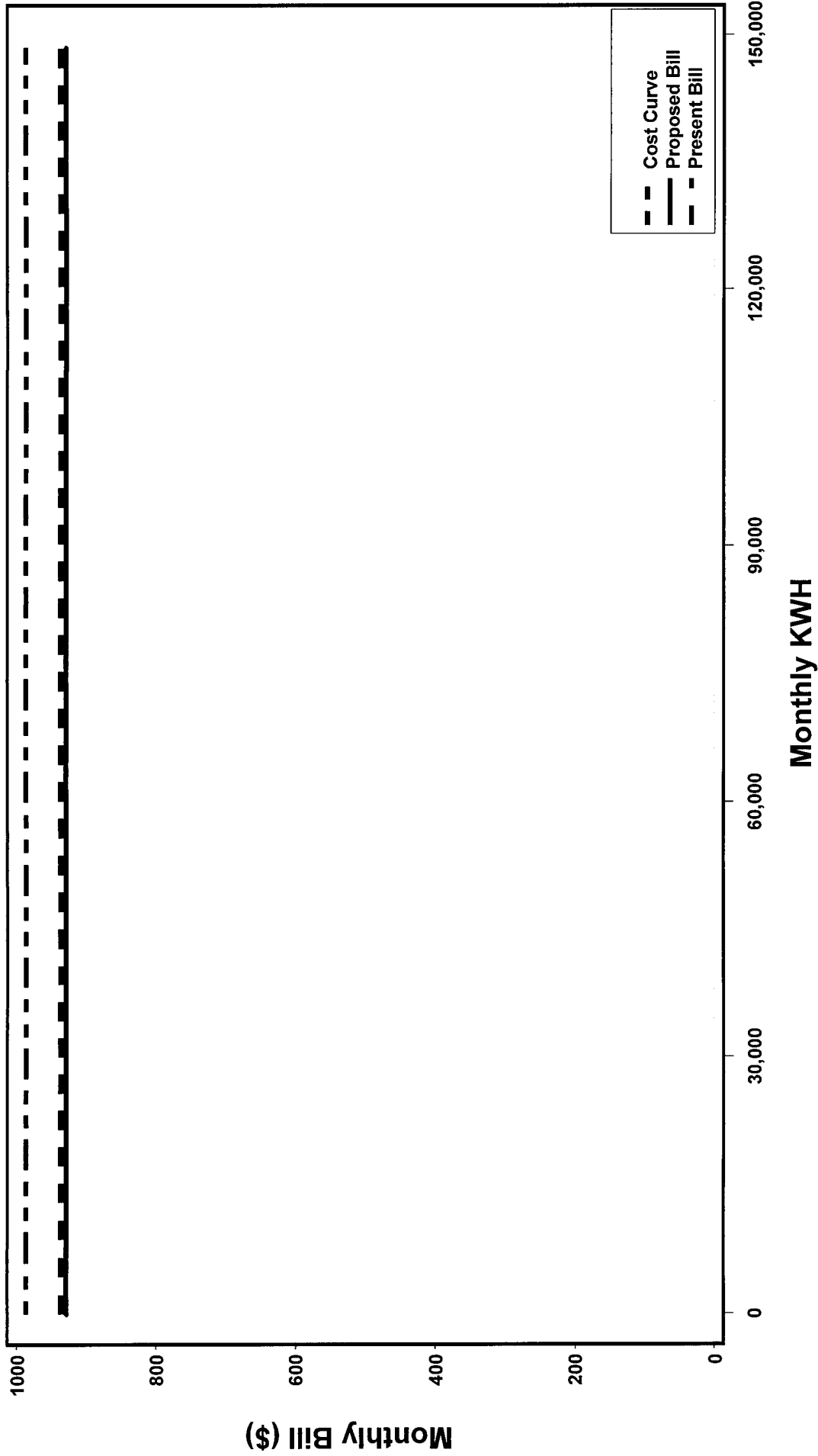
Proposed Rate

\$40.00 Customer Charge
4.192 \$/All KW

Present Rate

\$30.00 Customer Charge
4.51 \$/All KW
0.000¢/KWH 200 KWH/KW
0.000 ¢/KWH 200 KWH/KW
0.000 ¢/KWH Excess

**Proposed GS3 vs Present GS3 Rate
Average Demand 212 KW
Base Rate Only**



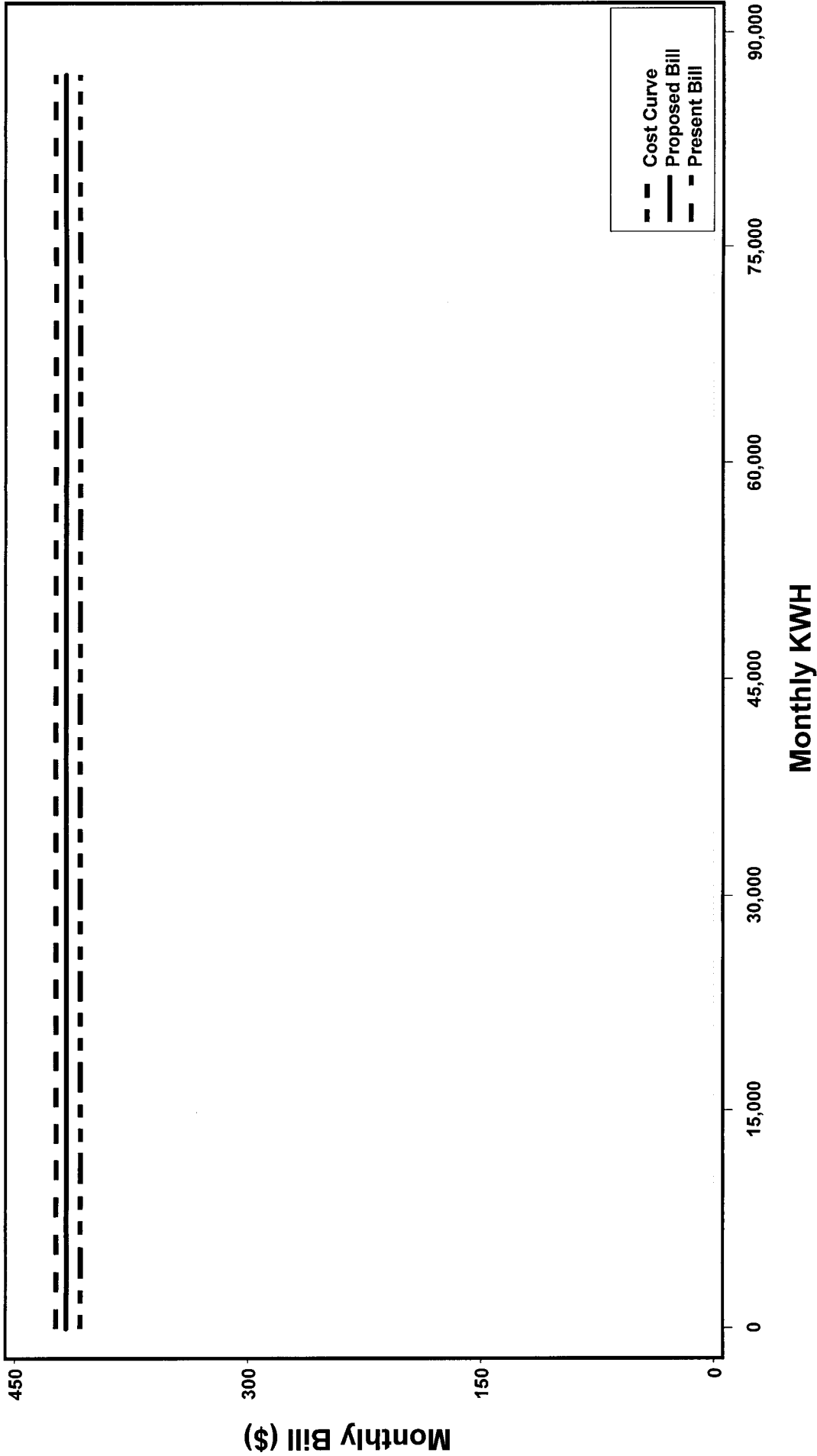
Proposed Rate

\$40.00 Customer Charge
4.192 \$/All KW

Present Rate

\$30.00 Customer Charge
4.51 \$/All KW
0.000¢/KWH 200 KWH/KW
0.000 ¢/KWH 200 KWH/KW
0.000¢/KWH Excess

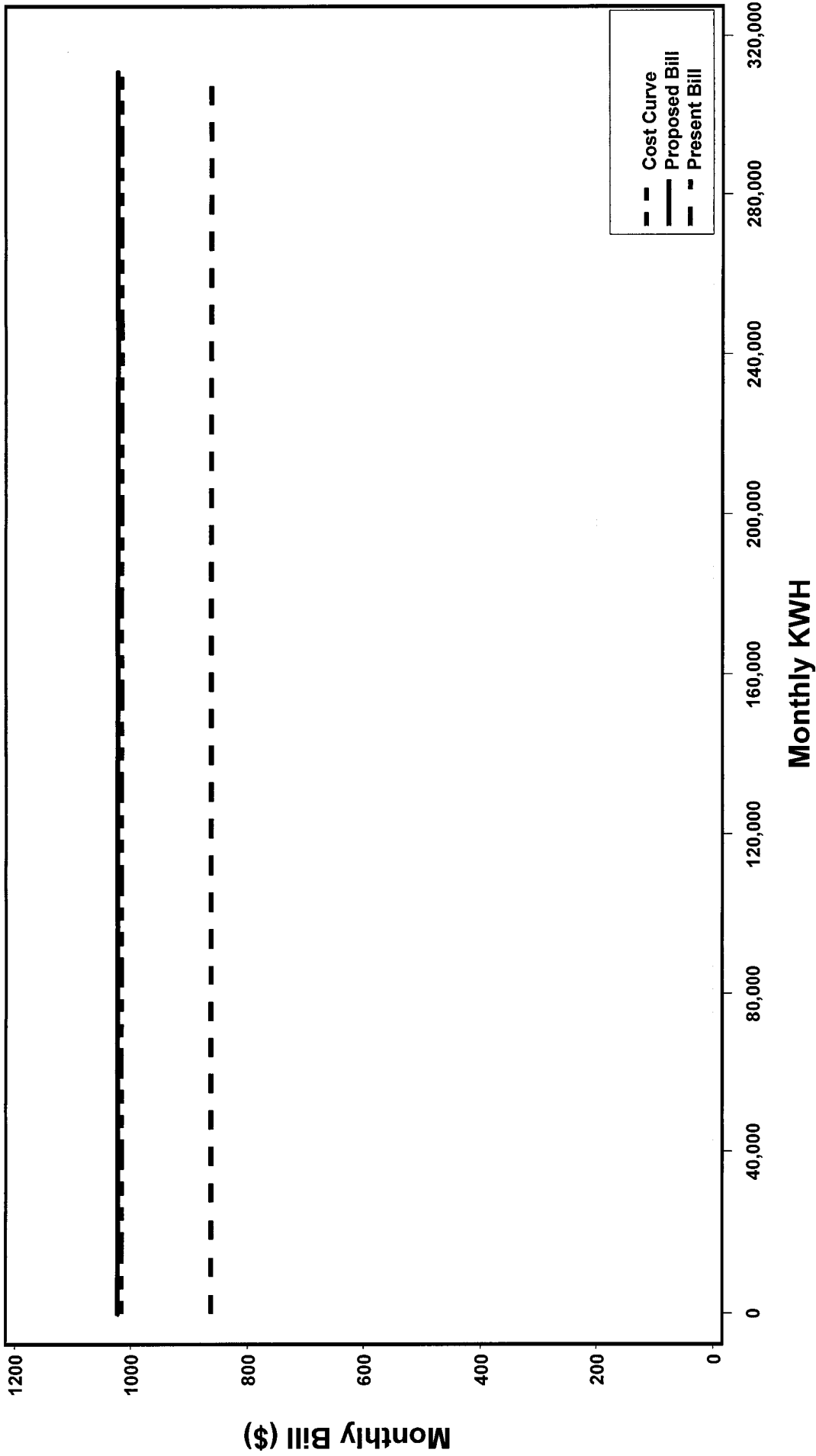
**Proposed LP4 vs Present LP4 Rate
Average Demand 116 KW
Base Rate Only**



Proposed Rate
 \$170.00 Customer Charge
 2.127 \$/All KW

Present Rate
 \$160.19 Customer Charge
 2.136 \$/All KW

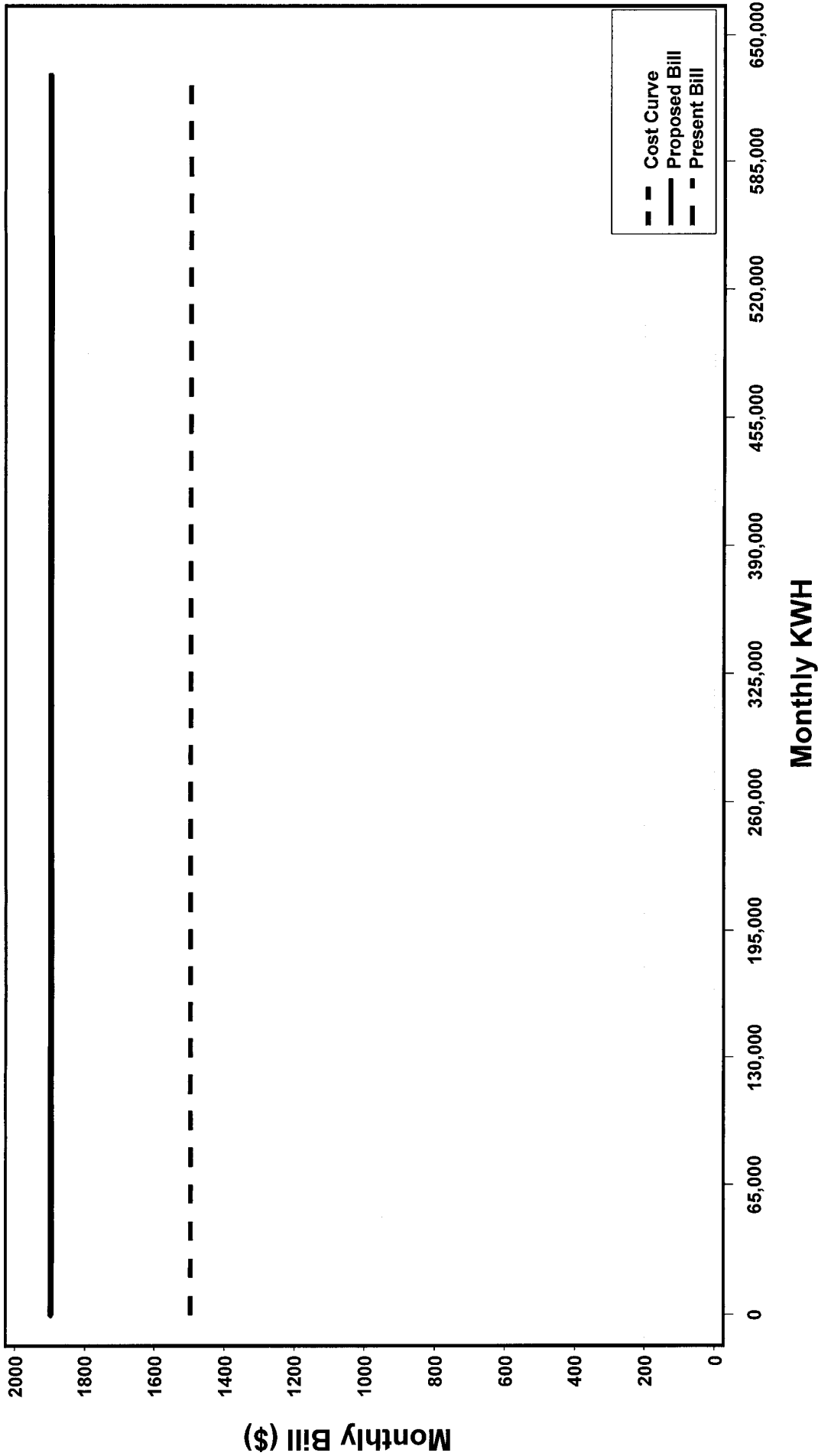
**Proposed LP4 vs Present LP4 Rate
Average Demand 401 KW
Base Rate Only**



Proposed Rate
\$170.00 Customer Charge
2.127 \$/All KW

Present Rate
\$160.19 Customer Charge
2.136 \$/All KW

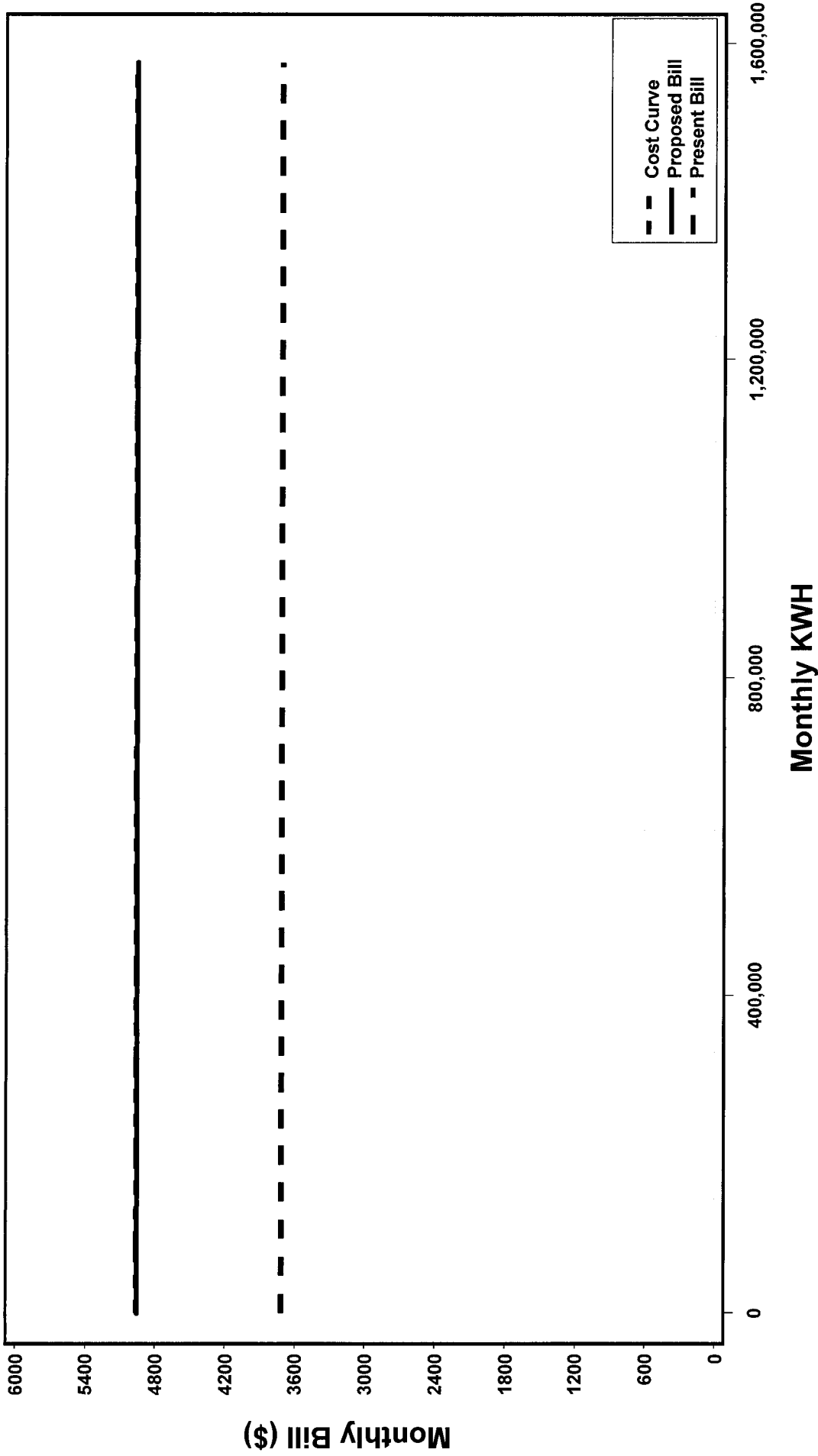
**Proposed LP4 vs Present LP4 Rate
Average Demand 812 KW
Base Rate Only**



Proposed Rate
\$170.00 Customer Charge
2.127 \$/All KW

Present Rate
\$160.19 Customer Charge
2.136 \$/All KW

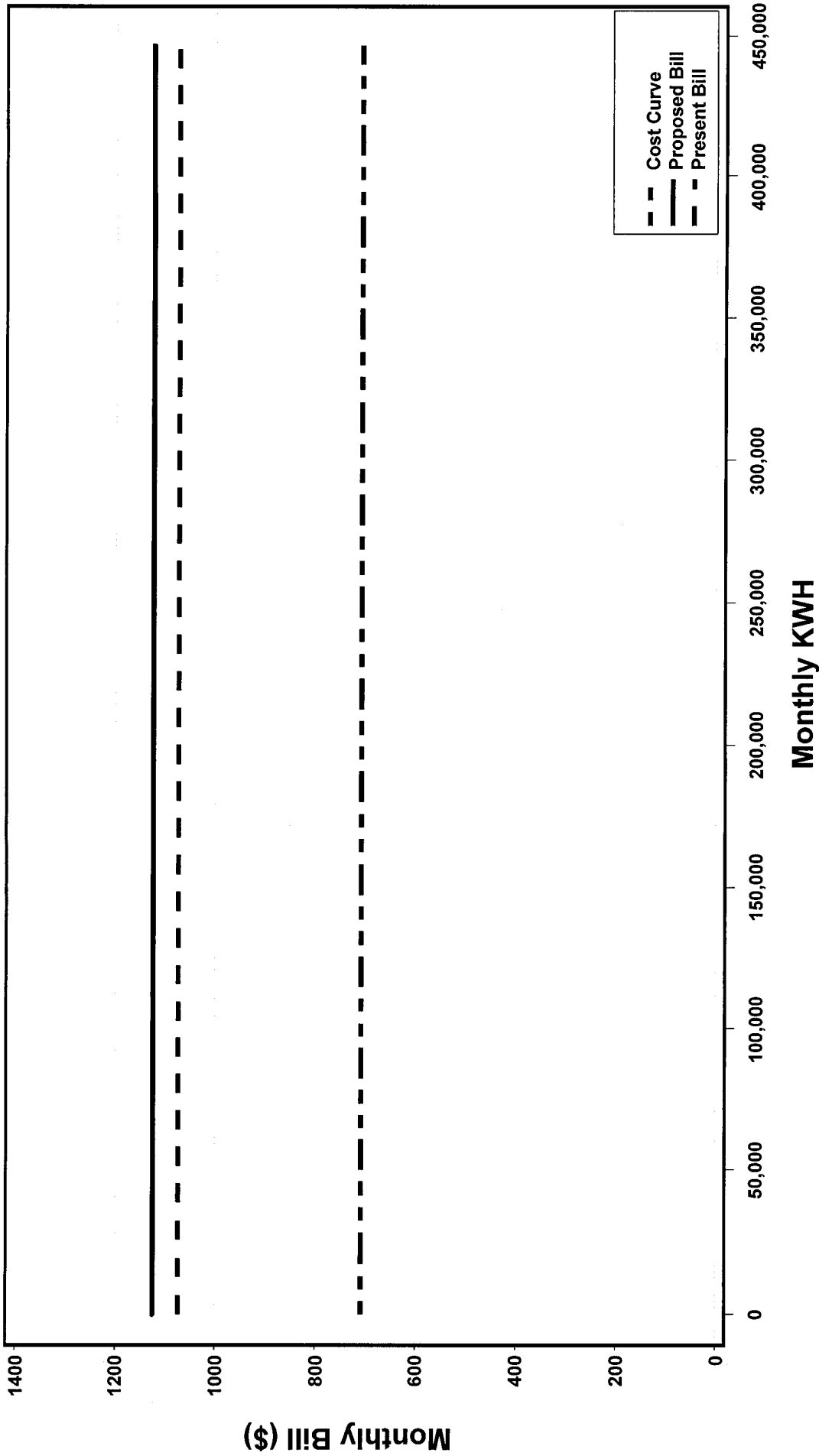
**Proposed LP4 vs Present LP4 Rate
Average Demand 2250 KW
Base Rate Only**



Present Rate
\$160.19 Customer Charge
2.136 \$/All KW

Proposed Rate
\$170.00 Customer Charge
2.127 \$/All KW

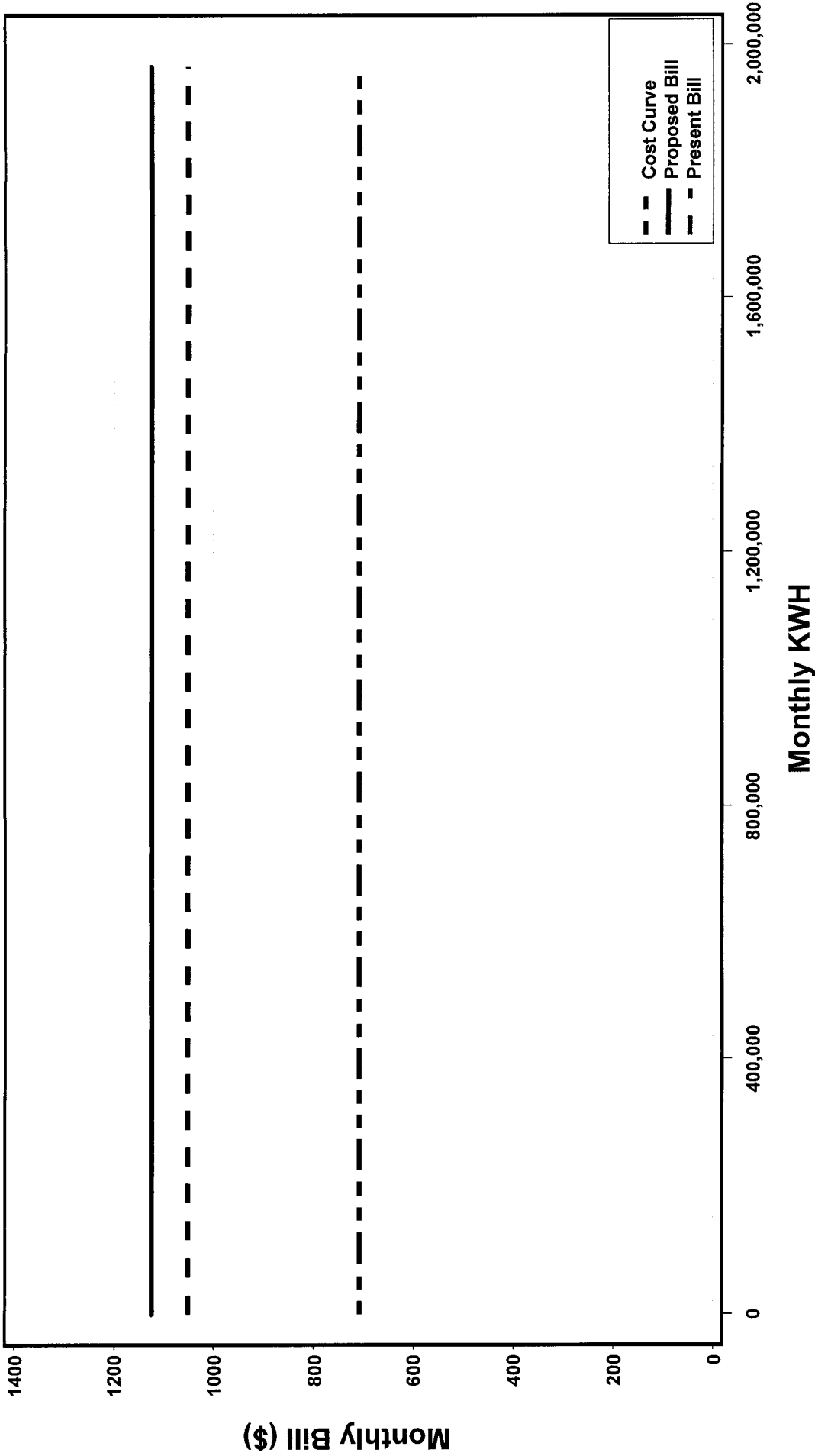
**Proposed LP5 vs Present LP5 Rate
Average Demand 595 KW
Base Rate Only**



Proposed Rate
\$1125.00 Customer Charge

Present Rate
\$709.00 Customer Charge

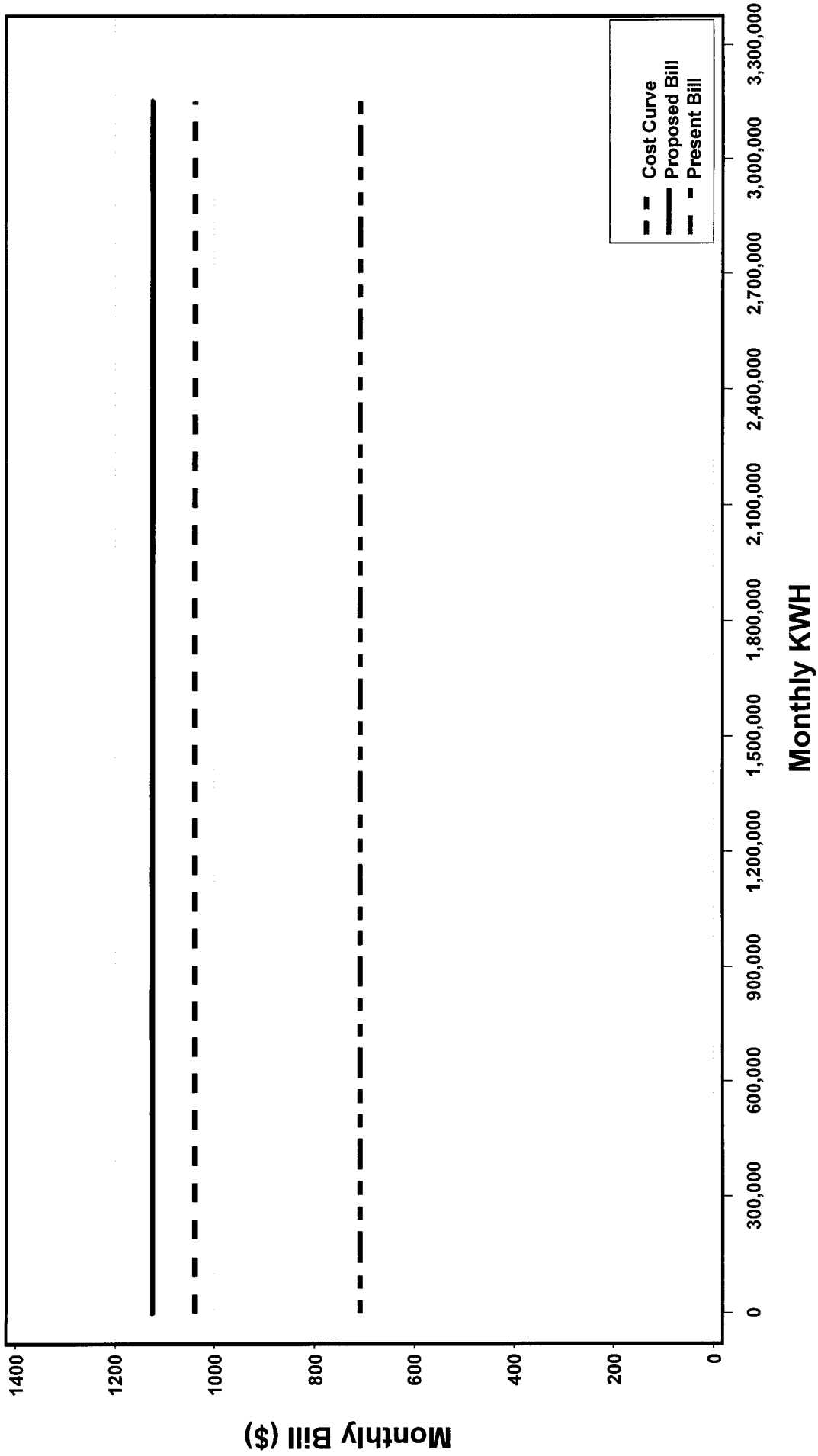
**Proposed LP5 vs Present LP5 Rate
Average Demand 2909 KW
Base Rate Only**



Proposed Rate
\$1125.00 Customer Charge

Present Rate
\$709.00 Customer Charge

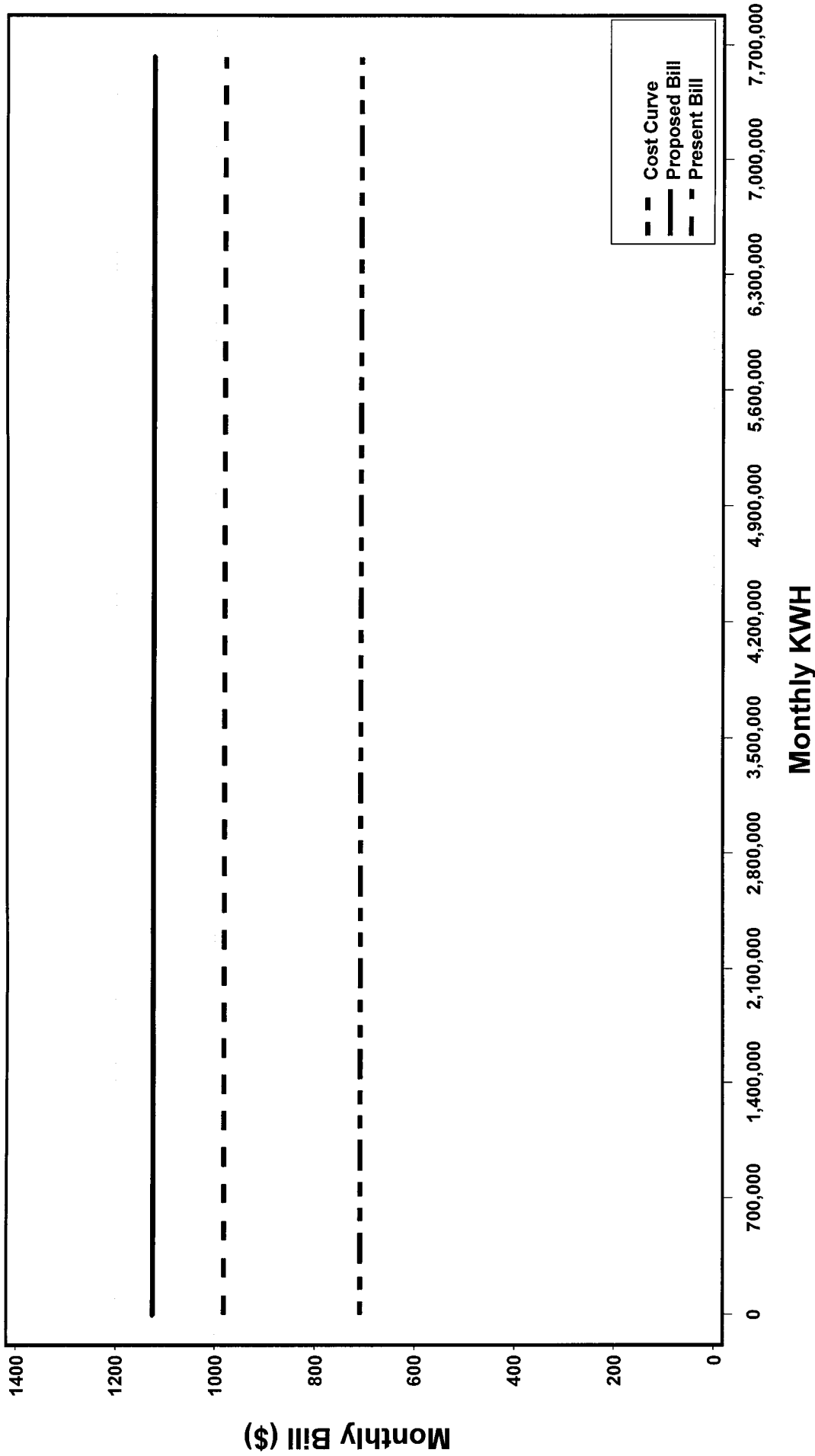
**Proposed LP5 vs Present LP5 Rate
Average Demand 4201 KW
Base Rate Only**



Proposed Rate
\$1125.00 Customer Charge

Present Rate
\$709.00 Customer Charge

**Proposed LP5 vs Present LP5 Rate
Average Demand 10162 KW
Base Rate Only**



Proposed Rate
\$1125.00 Customer Charge

Present Rate
\$709.00 Customer Charge

- Q.1. Provide schedules supporting claimed amounts for Electric Plant in Service by function and by account if available.
- A.1. Attachment V-A-1 provides PPL Electric's plant in service by account as of December 31, 2012, the end of the future test year.

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant In Service
At December 31, 2012
(Thousands of Dollars)

	<u>Amount</u>
<u>Intangible</u>	
301.0 Organization	\$ 476
302.0 Franchises and Consents	147
303.2 Misc Intangible Plant - Computer Software	78,787
303.4 Misc Intangible Plant - Other	1,328
Subtotal - Intangible	<u>80,738</u>
<u>Transmission</u>	
350.2 Land	7,921
350.4 Land Rights	91,942
352.0 Structures and Improvements	44,665
353.0 Station Equipment	596,461
354.0 Towers and Fixtures	390,744
354.2 Clearing Land and R/W - Towers	12,495
355.0 Poles and Fixtures	100,078
355.2 Clearing Land and R/W - Poles	7,408
356.0 Overhead Conductors and Devices	255,772
357.0 Underground Conduit	7,239
358.0 Underground Conductor and Devices	19,979
359.0 Roads and Trails	8,663
Subtotal - Transmission	<u>1,543,367</u>
<u>Distribution</u>	
360.2 Land	14,249
360.4 Land Rights	69,987
361.0 Structures and Improvements	28,931
362.0 Station Equipment	376,904
364.2 Towers and Fixtures	19,125
364.4 Poles and Fixtures	905,872
364.6 Clearing Land and R/W - Towers	189
364.8 Clearing Land and R/W - Poles	38,139
365.0 Overhead Conductors and Devices	728,749
366.0 Underground Conduit	162,527
367.0 Underground Conductor and Devices	473,048
368.2 Transformers - Overhead Type	236,096
368.4 Transformers - Submersible or Pad Mounted	184,789
368.6 Transformers - Non-Network Housing	291
369.0 Services	605,766
370.0 Meters	67,604
370.2 Meters - AMR	202,122
371.2 Installations on Customers Premises	319
371.4 Area Lighting Fixtures	7,968
373.2 Street Lighting and Signal Systems	98,504
Subtotal - Distribution	<u>4,221,179</u>

PPL ELECTRIC UTILITIES CORPORATION

**Electric Plant In Service
At December 31, 2012
(Thousands of Dollars)**

General Plant

389.0	Land and Land Rights	10,519
390.2	Structures and Improvements - Buildings	370,976
390.4	Structures and Improvements - Air Cond. Equip	31,609
391.2	Office Furniture and Equipment - Furniture	19,592
391.4	Office Furniture and Equipment - Mech Equip	2,813
391.6	Computer Equipment - General	2,241
391.8	Computer Equipment - Power Mgmt System	38,155
392.1	Transportation Equipment - 5 yr.	5,769
392.2	Transportation Equipment - 8 yr.	19,017
392.3	Transportation Equipment - 10 yr.	72,058
392.4	Transportation Equipment - Trailers	5,987
392.5	Transportation Equipment - 15 yr.	2,819
392.6	Transportation Equipment - 20 yr.	654
393.0	Stores Equipment	2,586
394.0	Tools & Work Equipment - L&S Line Crews	5,533
394.2	Tools & Work Equipment - Tools	159
394.4	Tools & Work Equipment - Const Dept	1,583
394.6	Tools & Work Equipment - Other	20,664
394.8	Transportation Equipment - Garage Equipment	5,303
395.0	Laboratory Equipment	5,968
396.0	Power Operated Equipment	1,739
397.0	Communication Equipment	13,660
398.0	Miscellaneous Equipment	2,306
	Subtotal - General Plant	<u>641,710</u>

Total - Electric Plant in Service \$ 6,491,649

General Plant - Leasehold Improvements

390.2	Structures and Improvements - Buildings	\$ 742
	Subtotal - General Plant	<u>742</u>

Total - Electric Plant in Service - Leasehold Improvements \$ 742

RECAP

Intangible	\$ 80,738
Transmission	1,543,367
Distribution	4,221,179
General Plant	642,452

Total - Electric Plant in Service \$ 6,487,736

- Q.2. Provide a comparison of calculated depreciation reserve versus book reserve at the end of the test year. Provide this comparison by functional group and by account if available.
- A.2. Attachment V-A-2 provides PPL Electric's calculated depreciation reserve versus book reserve by account for the future test year ending December 31, 2012.

PPL ELECTRIC UTILITIES CORPORATION

Comparison of Calculated Accrued Depreciation
and Book Reserve as of December 31, 2012
(Thousands of Dollars)

Depreciable Group (1)	Calculated Accrued Depreciation (2)	Book Reserve (3)	
Depreciable Plant			
Intangible Plant			
303.2	Miscellaneous Intangible Plant - Software	\$ 38,877	\$ 37,926
303.4	Miscellaneous Intangible Plant - Fiber Optic	1,045	1,075
303.5	Smart Meter Software	67	25
	Total Intangible Plant	39,989	39,027
Transmission Plant			
350.4	Land Rights	33,965	38,147
352	Structures and Improvements	15,270	16,575
353	Station Equipment	137,306	173,128
354	Towers and Fixtures	105,032	130,692
354.2	Towers and Fixtures - Clearing R/W	5,421	6,688
355	Poles and Fixtures	30,064	37,613
355.2	Poles and Fixtures - Clearing R/W	2,896	3,890
356	Overhead Conductors and Devices	93,097	116,393
357	Underground Conduit	2,420	2,262
358	Underground Conductors and Devices	6,702	7,746
359	Roads and Trails	2,733	2,840
	Total Transmission Plant	434,906	535,974
Distribution Plant			
360.4	Land Rights	22,541	29,823
361	Structures and Improvements	10,146	13,751
362	Station Equipment	99,249	113,985
364.2	Poles, Towers and Fixtures - Towers	5,792	6,367
364.4	Poles, Towers and Fixtures - Poles	183,221	277,583
364.6	Poles, Towers and Fixtures - Clearing Towers	59	61
364.8	Poles, Towers and Fixtures - Clearing Poles	14,039	19,125
365	Overhead Conductors and Devices	182,850	246,848
366	Underground Conduit	47,767	48,077
367	Underground Conductors and Devices	128,126	157,777
368.2	Line Transformers - Overhead	111,404	104,848
368.4	Line Transformers - Submersible & Pad Mount	66,924	71,223
368.6	Line Transformers - Non-Network Housing	258	257
369	Services	191,167	293,823
370.1	Meters	44,883	43,446
370.2	Meters - AMR	116,213	105,813
370.4	Meters - Smart Meters	245	90
371.2	Installations on Customers' Premises	185	(6)
371.4	Area Lighting Fixtures	2,823	4,721
373.2	Street Lighting and Signal Systems	32,761	51,214
	Total Distribution Plant	1,260,651	1,588,826

PPL ELECTRIC UTILITIES CORPORATION

Comparison of Calculated Accrued Depreciation
and Book Reserve as of December 31, 2012
(Thousands of Dollars)

<u>Depreciable Group</u> (1)	<u>Calculated Accrued Depreciation</u> (2)	<u>Book Reserve</u> (3)
General Plant		
389.4 Land Rights	\$ 2	\$ 1
390.2 Structures and Improvements		
- Buildings - Major	110,375	69,307
- Buildings - Minor	1,567	984
<i>Total Account 390.2</i>	<u>111,941</u>	<u>70,291</u>
390.21 Structures and Improvements - Leaseholds	260	293
390.4 Structures and Improvements - Air Cond.	11,321	13,309
391.2 Office Furniture and Equipment - Furniture	8,534	8,060
391.4 Office Furniture and Equipment - Equipment	896	785
391.6 Office Furniture and Equipment - Computers	1,547	1,228
391.8 Office Furniture and Equipment - Power Mgmt. Sys.	38,155	38,155
392.1 Transportation Equipment - 5 Years	2,672	3,071
392.2 Transportation Equipment - 8 Years	8,919	13,109
392.3 Transportation Equipment - 10 Years	34,776	35,517
392.4 Transportation Equipment -Trailers	1,345	2,105
392.5 Transportation Equipment - 15 Years	1,231	1,193
392.6 Transportation Equipment - 20 Years	255	122
393 Stores Equipment	1,371	1,179
394 Tools and Work Equipment - L&S Line Crews	2,162	1,792
394.2 Tools and Work Equipment - Tools	118	(17)
394.4 Tools and Work Equipment - Const. Dept.	722	671
394.6 Tools and Work Equipment - Other	7,323	6,803
394.8 Tools and Work Equipment - Garage Equipment	3,833	3,710
395 Laboratory Equipment	1,890	1,825
396 Power Operated Equipment	739	1,008
397 Communication Equipment	9,551	10,595
398 Miscellaneous Equipment	931	727
Total General Plant	<u>250,494</u>	<u>215,530</u>
Total Depreciable Plant	<u>\$ 1,986,039</u>	<u>\$ 2,379,357</u>

Q.3. Provide supporting schedules which indicate the procedures and calculations employed to develop the original cost plant and applicable reserves to the test year end as submitted in the current proceeding.

A.3. Attachment V-A-3 provides PPL Electric's plant in service as of December 31, 2012 based on actual plant balances as of December 31, 2011, as adjusted for 12 months of projected additions, retirements, and adjustments.

Reserves as of December 31, 2012 are based on actual reserves as of December 31, 2011, as adjusted for 12 months of projected depreciation provisions, retirements, and adjustments.

Projected additions are based on PPL Electric's capital budget forecast for 2012. Capital additions are identified by FERC plant account based on projects expected to be placed in service during the future test period and retirements are estimated based on historical experience.

Projected depreciation provisions are based on projected plant balances and projected capital additions during the future test period.

PPL ELECTRIC UTILITIES CORPORATION

Original Plant Costs

Balances As of December 31, 2012
(Thousands of Dollars)

	Original Cost 12/31/11	Projected through 12/31/12			Original Cost 12/31/12
		Additions	Retirements	Transfers	
Intangible					
301.0 Organization	\$ 476	\$ 0	\$ 0	\$ 0	476
302.0 Franchises and Consents	147	0	0	0	147
303.2 Misc Intangible Plant - Computer Software	60,746	19,141	(1,100)	0	78,787
303.4 Misc Intangible Plant - Other	1,035	293	0	0	1,328
303.5 Smart Meter - Computer Software	134	0	0	0	134
Subtotal - Intangible	62,538	19,434	(1,100)	0	80,872
Transmission					
350.2 Land	7,921	0	0	0	7,921
350.4 Land Rights	81,346	10,596	0	0	91,942
352.0 Structures and Improvements	41,376	3,289	0	0	44,665
353.0 Station Equipment	504,470	97,231	(5,240)	0	596,461
354.0 Towers and Fixtures	338,951	51,793	0	0	390,744
354.2 Clearing Land and R/W - Towers	11,730	765	0	0	12,495
355.0 Poles and Fixtures	98,853	2,625	(1,400)	0	100,078
355.2 Clearing Land and R/W - Poles	7,407	1	0	0	7,408
356.0 Overhead Conductors and Devices	221,322	34,950	(500)	0	255,772
357.0 Underground Conduit	7,236	3	0	0	7,239
358.0 Underground Conductor and Devices	19,896	83	0	0	19,979
359.0 Roads and Trails	6,944	1,719	0	0	8,663
Subtotal - Transmission	1,347,452	203,055	(7,140)	0	1,543,367
Distribution					
360.2 Land	14,249	0	0	0	14,249
360.4 Land Rights	67,917	2,070	0	0	69,987
361.0 Structures and Improvements	28,743	188	0	0	28,931
362.0 Station Equipment	350,953	27,951	(2,000)	0	376,904
364.2 Towers and Fixtures	19,125	0	0	0	19,125
364.4 Poles and Fixtures	856,044	53,128	(3,300)	0	905,872
364.6 Clearing Land and R/W - Towers	189	0	0	0	189
364.8 Clearing Land and R/W - Poles	37,349	790	0	0	38,139
365.0 Overhead Conductors and Devices	704,087	35,662	(11,000)	0	728,749
366.0 Underground Conduit	154,142	8,385	0	0	162,527
367.0 Underground Conductor and Devices	455,739	18,709	(1,400)	0	473,048
368.2 Transformers - Overhead Type	231,029	9,667	(4,600)	0	236,096
368.4 Transformers - Submersible or Pad Mounted	175,212	9,577	0	0	184,789
368.6 Transformers - Non-Network Housing	291	0	0	0	291

PPL ELECTRIC UTILITIES CORPORATION

Original Plant Costs
Balances As of December 31, 2012
(Thousands of Dollars)

Distribution	Original Cost 12/31/11	Projected through 12/31/12			Original Cost 12/31/12
		Additions	Retirements	Transfers	
Services	\$ 590,942	\$ 15,274	\$ (450)	\$ 0	\$ 605,766
Meters	70,464	0	(2,860)	0	67,604
Meters - AMR	193,022	9,100	0	0	202,122
Smart Metering	1,073	3,448	0	0	4,521
Installations on Customers Premises	319	0	0	0	319
Area Lighting Fixtures	7,752	216	0	0	7,968
Street Lighting and Signal Systems	95,318	3,636	(450)	0	98,504
Subtotal - Distribution	4,053,959	197,801	(26,060)	0	4,225,700
General Plant					
389.0 Land and Land Rights	10,519	0	0	0	10,519
390.2 Structures and Improvements - Buildings	293,790	79,421	(2,235)	0	370,976
390.4 Structures and Improvements - Air Cond. Equip	31,609	0	0	0	31,609
391.2 Office Furniture and Equipment - Furniture	20,170	418	(996)	0	19,592
391.4 Office Furniture and Equipment - Mech Equip	2,525	288	0	0	2,813
391.6 Computer Equipment - General	2,218	23	0	0	2,241
391.8 Computer Equipment - Power Mgmt System	38,155	0	0	0	38,155
392.1 Transportation Equipment - 5 yr.	4,482	1,287	0	0	5,769
392.2 Transportation Equipment - 8 yr.	18,087	1,830	(900)	0	19,017
392.3 Transportation Equipment - 10 yr.	68,420	5,538	(1,900)	0	72,058
392.4 Transportation Equipment - Trailers	5,987	0	0	0	5,987
392.5 Transportation Equipment - 15 yr.	2,819	0	0	0	2,819
392.6 Transportation Equipment - 20 yr.	654	0	0	0	654
393.0 Stores Equipment	2,582	4	0	0	2,586
394.0 Tools & Work Equipment - L&S Line Crews	5,139	600	(206)	0	5,533
394.2 Tools & Work Equipment - Tools	159	0	0	0	159
394.4 Tools & Work Equipment - Const Dept	1,840	0	(257)	0	1,583
394.6 Tools & Work Equipment - Other	18,508	2,156	0	0	20,664
394.8 Transportation Equipment - Garage Equipment	6,271	262	(1,230)	0	5,303
395.0 Laboratory Equipment	5,264	704	0	0	5,968
396.0 Power Operated Equipment	1,739	0	0	0	1,739
397.0 Communication Equipment	12,260	1,400	0	0	13,660
398.0 Miscellaneous Equipment	2,024	282	0	0	2,306
Subtotal - General Plant	555,221	94,213	(7,724)	0	641,710
Total - Electric Plant in Service	\$ 6,019,170	\$ 514,503	\$ (42,024)	\$ 0	\$ 6,491,649

PPL ELECTRIC UTILITIES CORPORATION

Original Plant Costs
Balances As of December 31, 2012
(Thousands of Dollars)

	Original Cost 12/31/11	Projected through 12/31/12		Original Cost 12/31/12
		Additions	Retirements Transfers	
General Plant - Leasehold Improvements				
390.2 Structures and Improvements - Buildings	\$ 742	\$ 0	\$ 0	\$ 742
Subtotal - General Plant	\$ 742	\$ 0	\$ 0	\$ 742
Total - Electric Plant in Service - Leasehold Improvements	\$ 742	\$ 0	\$ 0	\$ 742
	Original Cost 12/31/11	Projected through 12/31/12		Original Cost 12/31/12
		Additions	Retirements Transfers	
RECAP				
Intangible	\$ 62,538	\$ 19,434	\$ (1,100)	\$ 80,872
Transmission	1,347,452	203,055	(7,140)	1,543,367
Distribution	4,053,959	197,801	(26,060)	4,225,700
General Plant	555,963	94,213	(7,724)	642,452
Total - Electric Plant in Service	\$ 6,019,912	\$ 514,503	\$ (42,024)	\$ 6,492,391

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2012
(Thousands of Dollars)

	Book Reserve 12/31/11	Projected through 12/31/12			Book Reserve 12/31/12
		Provisions	Retirements	Transfers	
Intangible					
301.0 Organization	Non-Depreciable	\$ 0	\$ 0	\$ 0	Non-Depreciable
302.0 Franchises and Consents	Non-Depreciable	0	0	0	Non-Depreciable
303.2 Misc Intangible Plant Computer Software	\$ 27,139	11,887	(1,100)	0	\$ 37,926
303.4 Misc Intangible Plant - Other	1,016	59	0	0	1,075
303.5 Misc Intangible Plant Smart Meter Software	12	13	0	0	25
Subtotal - Intangible	28,167	11,959	(1,100)	0	39,026
Transmission					
350.2 Land	Non-Depreciable	0	0	0	Non-Depreciable
350.4 Land Rights	37,110	1,036	0	0	38,146
352.0 Structures and Improvements	15,870	706	0	0	16,576
353.0 Station Equipment	169,065	9,832	(5,240)	0	173,128
354.0 Towers and Fixtures	125,939	4,753	0	0	130,692
354.2 Clearing Land and R/W - Towers	6,548	140	0	0	6,688
355.0 Poles and Fixtures	37,999	2,777	(1,400)	0	37,613
355.2 Clearing Land and R/W - Poles	3,805	85	0	0	3,890
356.0 Overhead Conductors and Devices	113,784	3,696	(500)	0	116,393
357.0 Underground Conduit	2,095	167	0	0	2,262
358.0 Underground Conductor and Devices	7,224	510	0	12	7,746
359.0 Roads and Trails	2,738	102	0	0	2,840
Subtotal - Transmission	522,177	23,804	(7,140)	0	535,975
Distribution					
360.2 Land	Non-Depreciable	0	0	0	Non-Depreciable
360.4 Land Rights	28,960	862	0	0	29,822
361.0 Structures and Improvements	13,388	363	0	0	13,751
362.0 Station Equipment	109,860	6,942	(2,000)	0	113,986
364.2 Towers and Fixtures	6,019	348	0	0	6,367
364.4 Poles and Fixtures	271,220	22,799	(3,300)	0	277,583
364.6 Clearing Land and R/W - Towers	57	4	0	0	61
364.8 Clearing Land and R/W - Poles	18,664	461	0	0	19,125
365.0 Overhead Conductors and Devices	243,944	13,872	(11,000)	0	246,847
366.0 Underground Conduit	45,173	2,904	0	31	48,077
367.0 Underground Conductor and Devices	149,527	9,749	(1,400)	0	157,778
368.2 Transformers - Overhead Type	101,696	8,186	(4,600)	0	104,848
368.4 Transformers - Submersible or Pad Mounted	67,926	3,298	0	0	71,224
368.6 Transformers - Non-Network Housing	244	12	0	0	256
369.0 Services	283,804	11,018	(450)	0	293,824

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2012
(Thousands of Dollars)

Distribution	Book Reserve 12/31/11	Projected through 12/31/12			Book Reserve 12/31/12
		Provisions	Retirements	Transfers	
Meters	\$ 43,231	\$ 3,074	\$ (2,860)	\$ 0	\$ 43,445
Meters - AMR	92,503	13,310	0	0	105,813
Smart Meter Assets	46	44	0	0	90
Installations on Customers Premises	(29)	23	0	0	(6)
Area Lighting Fixtures	4,458	263	0	0	4,721
Street Lighting and Signal Systems	50,586	1,220	(450)	0	51,214
Subtotal - Distribution	1,531,277	98,752	(26,060)	0	1,588,826
General Plant					
389.0	1	0	0	0	1
390.2	67,484	5,574	(2,235)	0	70,363
390.4	12,419	890	0	0	13,309
391.2	7,989	1,066	(996)	0	8,059
391.4	617	168	0	0	785
391.6	796	432	0	0	1,228
391.8	38,155	-	0	0	38,155
392.1	2,395	676	0	0	3,071
392.2	9,811	1,805	(900)	0	13,109
392.3	30,895	6,328	(1,900)	0	35,517
392.4	1,764	341	0	0	2,105
392.5	941	252	0	0	1,193
392.6	74	48	0	0	122
393.0	1,054	125	0	0	1,179
394.0	1,689	309	(206)	0	1,792
394.2	(39)	21	0	0	(18)
394.4	888	107	(257)	0	738
394.6	5,913	890	0	0	6,803
394.8	4,557	383	(1,230)	0	3,710
395.0	1,590	235	0	0	1,825
396.0	841	167	0	0	1,008
397.0	9,956	858	0	0	10,814
398.0	612	115	0	0	727
Subtotal - General Plant	200,402	20,790	(7,724)	0	215,595
Total - Accumulated Depreciation - Electric Plant in Service	\$ 2,282,023	\$ 155,305	\$ (42,024)	\$ 0	\$ 2,379,422

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2012
(Thousands of Dollars)

	Book Reserve 12/31/11	Projected through 12/31/12			Book Reserve 12/31/12
		Provisions	Retirements	Transfers COR/Salvage	
<u>General Plant - Leasehold Improvements</u>					
390.2 Structures and Improvements - Buildings	\$ 222	\$ 0	\$ 0	\$ 0	\$ 222
390.4 Structures and Improvements - Air Cond. Equip	0	0	0	0	0
394.4 Tools & Work Equipment - Const Dept	(68)	0	0	0	(68)
397.0 Communication Equipment	(219)	0	0	0	(219)
Subtotal - General Plant	(65)	0	0	0	(65)
Total - Accumulated Amortization - Leasehold Improvements	\$ (65)	\$ 0	\$ 0	\$ 0	\$ (65)

	Book Reserve 12/31/11	Projected through 12/31/12			Book Reserve 12/31/12
		Provisions	Retirements	Transfers COR/Salvage	
<u>RECAP - Accumulated Depreciation and Amortization</u>					
Intangible	\$ 28,167	\$ 11,959	\$ (1,100)	\$ 0	\$ 39,026
Transmission	522,177	23,804	(7,140)	0	535,975
Distribution	1,531,277	98,752	(26,060)	0	1,588,826
General Plant	200,337	20,790	(7,724)	0	215,530
Total - Accumulated Depreciation and Amortization	\$ 2,281,958	\$ 155,305	\$ (42,024)	\$ 0	\$ 2,379,357

Q.4. Provide a schedule showing details of rate case adjustments.

A.4. No adjustments have been made to PPL Electric's Original Cost Electric Plant in Service, Accumulated Book Depreciation Reserve or its Calculated Annual Depreciation Expense as a result of this rate case filing.

Q.1. Provide a comparison of calculated depreciation accruals versus book accruals by function and by account if available.

A.1. Attachment V-B-1 provides PPL Electric's calculated and book accruals by function and by account for the future test year ending December 31, 2012.

PPL ELECTRIC UTILITIES CORPORATION

Comparison of Calculated vs. Book
Depreciation Accruals as of December 31, 2012
(Thousands of Dollars)

<u>Depreciable Group</u>	<u>Calculated Depreciation Accruals</u>	<u>Book Depreciation Accruals</u>
(1)	(2)	(3)
Depreciable Plant		
Intangible Plant		
303.2 Miscellaneous Intangible Plant - Software	\$ 11,887	\$ 14,784
303.4 Miscellaneous Intangible Plant - Fiber Optic	60	17
303.5 Smart Meter Software	13	43
	<hr/>	<hr/>
Total Intangible Plant	11,959	14,845
Transmission Plant		
350.4 Land Rights	1,037	1,169
352 Structures and Improvements	697	737
353 Station Equipment	9,436	11,253
354 Towers and Fixtures	4,621	5,175
354.2 Towers and Fixtures - Clearing R/W	140	132
355 Poles and Fixtures	1,558	1,572
355.2 Poles and Fixtures - Clearing R/W	85	78
356 Overhead Conductors and Devices	3,281	3,565
357 Underground Conduit	167	153
358 Underground Conductors and Devices	451	434
359 Roads and Trails	102	121
	<hr/>	<hr/>
Total Transmission Plant	21,576	24,389
Distribution Plant		
360.4 Land Rights	870	850
361 Structures and Improvements	357	331
362 Station Equipment	6,350	6,887
364.2 Poles, Towers and Fixtures - Towers	343	328
364.4 Poles, Towers and Fixtures - Poles	16,170	17,127
364.6 Poles, Towers and Fixtures - Clearing Towers	4	3
364.8 Poles, Towers and Fixtures - Clearing Poles	463	410
365 Overhead Conductors and Devices	13,466	13,590
366 Underground Conduit	2,824	2,937
367 Underground Conductors and Devices	9,593	9,750
368.2 Line Transformers - Overhead	7,017	8,053
368.4 Line Transformers - Submersible & Pad Mount	3,328	3,572
368.6 Line Transformers - Non-Network Housing	12	7
369 Services	10,590	9,817
370.1 Meters	2,998	2,715
370.2 Meters - AMR	13,077	15,446
370.4 Meters - Smart Meters	44	313
371.2 Installations on Customers' Premises	23	26
371.4 Area Lighting Fixtures	263	219
373.2 Street Lighting and Signal Systems	2,359	2,158
	<hr/>	<hr/>
Total Distribution Plant	90,152	94,538

PPL ELECTRIC UTILITIES CORPORATION

Comparison of Calculated vs. Book
Depreciation Accruals as of December 31, 2012
(Thousands of Dollars)

Depreciable Group (1)	Calculated Depreciation Accruals (2)	Book Depreciation Accruals (3)
General Plant		
389.4 Land Rights	\$ 0	\$ 0
390.2 Structures and Improvements		
- Buildings - Major	5,003	15,628
- Buildings - Minor	202	127
<i>Total Account 390.2</i>	<u>5,205</u>	<u>15,754</u>
390.21 Structures and Improvements - Leaseholds	71	69
390.4 Structures and Improvements - Air Cond.	865	893
391.2 Office Furniture and Equipment - Furniture	1,067	1,080
391.4 Office Furniture and Equipment - Equipment	168	202
391.6 Office Furniture and Equipment - Computers	432	623
391.8 Office Furniture and Equipment - Power Mgmt. Sys.	0	0
392.1 Transportation Equipment - 5 Years	738	718
392.2 Transportation Equipment - 8 Years	2,414	897
392.3 Transportation Equipment - 10 Years	7,091	6,312
392.4 Transportation Equipment -Trailers	379	257
392.5 Transportation Equipment - 15 Years	256	199
392.6 Transportation Equipment - 20 Years	59	46
393 Stores Equipment	134	135
394 Tools and Work Equipment - L&S Line Crews	309	331
394.2 Tools and Work Equipment - Tools	21	39
394.4 Tools and Work Equipment - Const. Dept.	107	93
394.6 Tools and Work Equipment - Other	908	1,132
394.8 Tools and Work Equipment - Garage Equipment	382	311
395 Laboratory Equipment	235	304
396 Power Operated Equipment	167	77
397 Communication Equipment	858	237
398 Miscellaneous Equipment	<u>126</u>	<u>166</u>
Total General Plant	21,992	29,878
Total Depreciable Plant	<u>\$ 145,679</u>	<u>\$ 163,651</u>

- Q.2. Supply a schedule by account or by depreciable group showing the survivor curve or interim survivor curve and annual accrual rate estimated to be appropriate:
- a) For the purpose of this filing.
 - b) For the purpose of the most recent rate filing prior to the current proceeding.
 - c) Supply an explanation for any major change in annual accrual rate by account or by depreciable group.
 - d) Supply a comprehensive statement of major changes made in depreciation methods, procedures and techniques and the effect of the changes upon accumulated and annual depreciation, if any.
- A.2.
- a) Attachment V-B-2, columns 4 & 5, provides PPL Electric's survivor curve and annual estimated accrual rate for the future test year.
 - b) Attachment V-B-2, columns 2 & 3, provides PPL Electric's survivor curve and annual estimated accrual rate for the most recent filing with the Commission.
 - c) Attachment V-B-2, column 6, provides an explanation for any major change in annual accrual rate by account. Changes reflect new life study characteristics and amortization of certain accounts.
 - d) The depreciation methods and procedures used in this filing are the same as those used in the previous filing. The survivor curve estimates are based on a service life study as described in Exhibit JJS 2 in the section titled, "Life Analysis," beginning on page II-3.

PPL ELECTRIC UTILITIES CORPORATION

Comparison of Existing Survivor Curve and Depreciation Rate

as of December 31, 2012

Depreciable Group (1)	Most Recent Filing (2)		Current Filing (4)		Reason for Accrual Change (6)
	Curve	Rate (3)	Curve	Rate (5)	
Intangible Plant					
303.2 Miscellaneous Intangible Plant - Software	5-SQ	17.84	5-SQ	18.76	a
303.4 Miscellaneous Intangible Plant - Fiber Optic	15-SQ	4.83	15-SQ	1.31	a
303.5 Smart Meter Software			5-SQ	32.40	
Transmission Plant					
350.4 Land Rights	70-S4	1.23	70-S4	1.27	a
352 Structures and Improvements	55-R4	1.59	55-R4	1.65	a
353 Station Equipment	47-R1	1.77	47-R1	1.89	a
354 Towers and Fixtures	65-R3	1.28	65-R3	1.32	a
354.2 Towers and Fixtures - Clearing RW	70-R4	1.05	70-R4	1.05	a
355 Poles and Fixtures	55-R1	1.52	55-R1	1.57	a
355.2 Poles and Fixtures - Clearing RW	70-R4	1.06	70-R4	1.06	a
356 Overhead Conductors and Devices	55-R3	1.28	55-R3	1.39	a
357 Underground Conduit	50-R4	2.18	50-R4	2.11	a
358 Underground Conductors and Devices	40-R3	2.12	40-R3	2.17	a
359 Roads and Trails	70-R4	1.39	70-R4	1.39	a
Distribution Plant					
360.4 Land Rights	65-R3	1.20	65-R3	1.21	a
361 Structures and Improvements	65-R2.5	1.13	65-R2.5	1.14	a
362 Station Equipment	50-R2	1.80	50-R2	1.83	a
364.2 Poles, Towers and Fixtures - Towers	55-R3	1.72	55-R3	1.71	a
364.4 Poles, Towers and Fixtures - Poles	44-O1	1.86	44-O1	1.89	a
364.6 Poles, Towers and Fixtures - Clearing Towers	55-S3	1.80	55-S3	1.79	a
364.8 Poles, Towers and Fixtures - Clearing Poles	65-R3	1.09	65-R3	1.07	a
365 Overhead Conductors and Devices	45-R1	1.76	45-R1	1.86	a
366 Underground Conduit	55-R3	1.84	55-R3	1.81	a
367 Underground Conductors and Devices	43-S1.5	2.04	43-S1.5	2.06	a
368.2 Line Transformers - Overhead	34-SQ	3.21	34-SQ	3.41	b
368.4 Line Transformers - Submersible & Pad Mount	48-SQ	1.92	48-SQ	1.93	b
368.6 Line Transformers - Non-Network Housing	35-SQ	2.85	35-SQ	2.24	b
369 Services	42-R1.5	1.63	42-R1.5	1.62	a
370.1 Meters	28-SQ	4.12	28-SQ	4.02	b
370.2 Meters - AMR	15-SQ	7.39	15-SQ	7.64	b
370.4 Meters - Smart Meters			15-SQ	6.92	
371.2 Installations on Customers' Premises	35-R3	8.31	35-R3	8.03	a
371.4 Area Lighting Fixtures	19-L0.5	2.66	19-L0.5	2.75	a
373.2 Street Lighting and Signal Systems	30-L1.5	2.01	30-L1.5	2.19	a

PPL ELECTRIC UTILITIES CORPORATION

Comparison of Existing Survivor Curve and Depreciation Rate
as of December 31, 2012

	Depreciable Group (1)		Most Recent Filing Rate (3)		Current Filing Rate (5)		Reason for Accrual Change (6)
	Curve	Rate	Curve	Rate	Curve	Rate	
General Plant							
389.4 Land Rights	65-R4	2.86	65-R4	2.82			a
390.2 Structures and Improvements	55-S0	4.25	55-S0	4.26			a
- Buildings - Major	45-R3	3.16	45-R3	3.09			a
- Buildings - Minor							
390.2 Structures and Improvements - Leaseholds	10-SQ	9.44	10-SQ	9.30			a
390.4 Structures and Improvements - Air Cond.	30-R2	2.80	30-R2	2.83			a
391.2 Office Furniture and Equipment - Furniture	20-SQ	5.57	20-SQ	5.51			b
391.4 Office Furniture and Equipment - Equipment	15-SQ	7.34	15-SQ	7.19			b
391.6 Office Furniture and Equipment - Computers	5-SQ	25.68	5-SQ	27.81			b
391.8 Office Furniture and Equipment - Power Mgmt. Sys.	7-SQ		7-SQ				
392.1 Transportation Equipment - 5 Years	5-SQ	18.07	5-SQ	12.45			b
392.2 Transportation Equipment - 8 Years	8-SQ	9.17	8-SQ	4.72			b
392.3 Transportation Equipment - 10 Years	10-SQ	9.73	10-SQ	8.76			b
392.4 Transportation Equipment - Trailers	19-L0.5	4.69	19-L0.5	4.30			a
392.5 Transportation Equipment - 15 Years	15-SQ	7.88	15-SQ	7.06			b
392.6 Transportation Equipment - 20 Years	20-SQ	6.20	20-SQ	7.03			b
393 Stores Equipment	25-SQ	5.24	25-SQ	5.22			b
394 Tools and Work Equipment - L&S Line Crews	20-SQ	6.55	20-SQ	5.98			b
394.2 Tools and Work Equipment - Tools	20-SQ	7.24	20-SQ	24.81			b
394.4 Tools and Work Equipment - Const. Dept.	20-SQ	7.10	20-SQ	5.91			b
394.6 Tools and Work Equipment - Other	20-SQ	5.57	20-SQ	5.48			b
394.8 Tools and Work Equipment - Garage Equipment	20-SQ	6.29	20-SQ	5.86			b
395 Laboratory Equipment	20-SQ	4.94	20-SQ	5.10			b
396 Power Operated Equipment	15-SQ	5.22	15-SQ	4.41			b
397 Communication Equipment	15-SQ	2.05	15-SQ	1.74			b
398 Miscellaneous Equipment	20-SQ	9.85	20-SQ	7.20			b

Legend:

- a - Plant and Reserve Activity
- b - Amortization Account

- Q.1. Where the retirement rate actuarial method of mortality analysis is utilized, set forth representative examples including charts depicting the observed and estimated survivor curves and a tabular presentation of the observed and estimated life tables plotted on the chart. Other analysis results shall be subject to request.
- A.1. Exhibit JJS 2 provides the observed and estimated survivor curves and life tables for all accounts analyzed by the actuarial method.

- Q.1. Provide the surviving original cost plant at the appropriate test year date or dates by account or functional property group and include claimed depreciation reserves. Provide annual depreciation accruals where appropriate. These calculations should be provided for plant in service as well as other categories of plant, including but not limited to, contributions in aid of construction, customers' advances for construction, and anticipated retirements associated with construction work in progress claims, if applicable.
- A.1. a) Attachment V-D-1a provides PPL Electric's surviving original cost electric plant in service, accumulated book depreciation reserve, annual depreciation expense accruals, survivor curve, future depreciation accruals, and composite remaining life.
- b) No claim is being made in this rate case filing for contributions in aid of construction.
- c) Attachment V-D-1b provides the calculation of customers' advances for construction.
- d) No claim is being made in this rate case filing for pollution control construction work in progress.

PPL ELECTRIC UTILITIES CORPORATION

Estimated Survivor Curve, Original Cost, Book Reserve and Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2012
(Thousands of Dollars)

	Depreciable Group (1)	Survivor Curve (2)	Original Cost at December 31, 2012 (3)	Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Rate, Percent (8)
Depreciable Plant								
Intangible Plant								
303.2	Miscellaneous Intangible Plant - Software	5-SQ	\$ 76,786	\$ 37,926	\$ 40,860	\$ 14,784	2.8	18.76
303.4	Miscellaneous Intangible Plant - Fiber Optic	15-SQ	1,328	1,075	253	17	14.5	1.31
303.5	Smart Meter Software	5-SQ	134	25	109	43	2.5	32.40
	Total Intangible Plant		80,248	39,027	41,221	14,845	2.8	18.50
Transmission Plant								
350.4	Land Rights	70-S4	91,942	38,147	53,795	1,169	46.0	1.27
352	Structures and Improvements	55-R4	44,665	16,575	28,090	737	38.1	1.65
353	Station Equipment	47-R1	596,460	173,128	423,333	11,253	37.6	1.89
354	Towers and Fixtures	65-R3	390,744	130,692	260,052	5,175	50.3	1.32
354.2	Towers and Fixtures - Clearing R/W	70-R4	12,495	6,668	5,807	132	44.1	1.05
355	Poles and Fixtures	55-R1	100,078	37,613	62,465	1,572	39.7	1.57
355.2	Poles and Fixtures - Clearing R/W	70-R4	7,408	3,890	3,518	78	44.9	1.06
356	Overhead Conductors and Devices	55-R3	255,772	116,393	139,379	3,565	39.1	1.39
357	Underground Conduit	50-R4	7,239	2,262	4,977	153	32.6	2.11
358	Underground Conductors and Devices	40-R3	19,979	7,746	12,233	282	28.2	2.17
359	Roads and Trails	70-R4	8,663	2,840	5,824	121	48.2	1.39
	Total Transmission Plant		1,535,446	535,974	999,472	24,389	41.0	1.59
Distribution Plant								
360.4	Land Rights	65-R3	69,986	29,823	40,164	850	47.3	1.21
361	Structures and Improvements	65-R2.5	28,931	13,751	15,180	331	45.9	1.14
362	Station Equipment	50-R2	376,904	113,985	262,918	6,887	38.2	1.83
364.2	Poles, Towers and Fixtures - Towers	55-R3	19,125	6,367	12,758	328	38.9	1.71
364.4	Poles, Towers and Fixtures - Poles	44-O1	905,872	277,583	628,289	17,127	36.7	1.89
364.6	Poles, Towers and Fixtures - Clearing Towers	55-S3	189	61	128	3	37.8	1.79
364.8	Poles, Towers and Fixtures - Clearing Poles	65-F3	38,139	19,125	19,014	410	46.4	1.07
365	Overhead Conductors and Devices	45-R1	728,749	246,848	481,901	13,590	35.5	1.86
366	Underground Conduit	55-F3	162,527	48,077	114,450	2,937	39.0	1.81
367	Underground Conductors and Devices	43-S1.5	475,048	157,777	315,271	9,750	32.3	2.06
368.2	Line Transformers - Overhead	34-SQ	236,096	104,848	131,248	8,053	16.3	3.41
368.4	Line Transformers - Submersible & Pad Mount	48-SQ	184,789	71,223	113,566	3,572	31.8	1.93
368.6	Line Transformers - Non-Network Housing	35-SQ	291	257	34	7	5.2	2.24
369	Services	42-R1.5	605,766	293,823	311,942	9,817	31.8	1.62
370.1	Meters	28-SQ	67,604	43,446	24,158	2,715	8.9	4.02
370.2	Meters - AMR	15-SQ	202,122	105,813	96,310	15,446	6.2	7.64
370.4	Meters - Smart Meters	15-SQ	4,521	90	4,431	313	14.2	6.92
371.2	Installations on Customers' Premises	35-R3	319	(6)	326	26	12.7	8.03
371.4	Area Lighting Fixtures	19-L0.5	7,968	4,721	3,247	219	14.8	2.75
373.2	Street Lighting and Signal Systems	30-L1.5	98,504	51,214	47,290	2,158	21.9	2.19
	Total Distribution Plant		4,211,451	1,588,826	2,622,625	94,536	27.7	2.24

PPL ELECTRIC UTILITIES CORPORATION

Estimated Survivor Curve, Original Cost, Book Reserve and Calculated Annual Depreciation Accruals Related to Utility Plant at December 31, 2012
(Thousands of Dollars)

	Depreciable Group (1)	Survivor Curve (2)	Original		Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Accrual Rate, Percent (8)
			Cost at December 31, 2012 (3)	Cost at December 31, 2012 (3)					
General Plant									
389.4	Land Rights	65-R4	\$	\$	1	\$	\$	24.2	2.82
390.2	Structures and Improvements								
	- Buildings - Major	55-S0	366,873	69,307	297,566	15,628	19.0	4.26	4.26
	- Buildings - Minor	45-R3	4,103	984	3,120	127	24.6	3.09	3.09
	Total Account 390.2		370,976	70,291	300,685	15,754	19.1	4.25	4.25
390.21	Structures and Improvements - Leaseholds	10-SQ	742	293	448	69	6.5	9.30	9.30
390.4	Structures and Improvements - Air Cond.	30-R2	31,609	13,309	18,300	893	20.5	2.83	2.83
391.2	Office Furniture and Equipment - Furniture	20-SQ	19,592	8,060	11,533	1,080	10.7	5.51	5.51
391.4	Office Furniture and Equipment - Equipment	15-SQ	2,813	785	2,028	202	10.0	7.19	7.19
391.6	Office Furniture and Equipment - Computers	5-SQ	2,241	1,228	1,013	623	1.6	27.81	27.81
391.8	Office Furniture and Equipment - Power Mgmt. Sys.	7-SQ	38,155	38,155	0	0			
392.1	Transportation Equipment - 5 Years	5-SQ	5,769	3,071	2,697	718	3.8	12.45	12.45
392.2	Transportation Equipment - 8 Years	8-SQ	19,017	13,109	5,908	897	6.6	4.72	4.72
392.3	Transportation Equipment - 10 Years	10-SQ	72,058	35,517	36,541	6,312	5.8	8.76	8.76
392.4	Transportation Equipment - Trailers	19-L0.5	5,987	2,105	3,882	257	15.1	4.30	4.30
392.5	Transportation Equipment - 15 Years	15-SQ	2,819	1,193	1,626	199	8.2	7.06	7.06
392.6	Transportation Equipment - 20 Years	20-SQ	654	122	531	46	11.6	7.03	7.03
393	Stores Equipment	25-SQ	2,586	1,179	1,407	135	10.4	5.22	5.22
394	Tools and Work Equipment - L&S Line Crews	20-SQ	5,534	1,792	3,742	331	11.3	5.98	5.98
394.2	Tools and Work Equipment - Tools	20-SQ	159	(17)	176	39	4.5	24.81	24.81
394.4	Tools and Work Equipment - Const. Dept.	20-SQ	1,583	671	912	93	9.8	5.91	5.91
394.6	Tools and Work Equipment - Other	20-SQ	20,665	6,803	13,862	1,132	12.2	5.48	5.48
394.8	Tools and Work Equipment - Garage Equipment	20-SQ	5,303	3,710	1,593	311	5.1	5.86	5.86
395	Laboratory Equipment	20-SQ	5,968	1,825	4,143	304	13.6	5.10	5.10
396	Power Operated Equipment	15-SQ	1,739	1,008	731	77	9.5	4.41	4.41
397	Communication Equipment	15-SQ	13,660	10,595	3,065	237	12.9	1.74	1.74
398	Miscellaneous Equipment	20-SQ	2,306	727	1,579	166	9.5	7.20	7.20
	Total General Plant		631,937	215,530	416,407	29,878	13.9	4.73	4.73
	Total Depreciable Plant		\$ 6,459,083	\$ 2,379,357	\$ 4,079,726	\$ 163,651			
Nondepreciable Plant									
301	Organization		\$	476					
302	Franchisees and Consents			147					
350.2	Land			7,921					
360.2	Land			14,249					
389.2	Land			10,515					
	Total Nondepreciable Plant			33,308					
	Total Utility Plant		\$	6,492,391					

* Life Span procedure used. Curves shown as Interim Survivor Curves.

PPL ELECTRIC UTILITIES CORPORATION

Customer Advances for Construction
(Thousands of Dollars)

Line No.

1	Balance -- Account 252 --12/31/2011	\$	180
2	Total Distribution Plant Annual Accrual	\$	94,538
3	Total Depreciable Distribution Plant	\$	4,039,710
4	Composite Distribution Plant Annual Accrual Rate (2) / (3)		2.340%
5	Adjustment to Total Annual Depreciation Expense (1) x (4)	\$	4

- Q.2. Provide representative examples of detail calculations by vintage at account or at a more detailed level, as performed for these purposes. Other vintage detail calculations shall be subject to request.
- A.2. Examples of detailed depreciation calculations by vintage within account at December 31, 2012 are set forth on pages III-147 through III-268 of Exhibit JJS 2.

- Q.1. Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of the significant factors which were considered in arriving at estimates of service life and forecast retirements by facilities, accounts or sub-accounts, as applicable.
- A.1. The depreciation methods utilized in calculating annual and accrued depreciation are discussed in the section titled, "Methods Used in the Determination of Annual and Accrued Depreciation," beginning on page II-2 of Exhibit JJS 2.

Q.1. Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

Balance sheet, in the form available.

A.1. Attachment VI-A provides the requested information.

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at December 31,
Assets and Other Debits
(Thousands of Dollars)

Acct. No.	Title of Account	2009	2010	2011	2012
Utility Plant					
101	Plant in service	\$ 5,247,171	\$ 5,463,992	\$ 5,783,442	\$ 6,291,315
105	Plant held for future use	33,615	36,267	38,911	38,911
106	Completed construction not classified	131,923	214,606	236,470	236,470
107	Construction work in progress	130,231	195,702	263,133	425,859
	Gross utility plant	<u>5,542,940</u>	<u>5,910,567</u>	<u>6,321,956</u>	<u>6,992,555</u>
108	Accumulated provision for depreciation	(2,081,339)	(2,156,778)	(2,231,826)	(2,387,895)
111	Accumulated provision for amortization	(16,949)	(24,609)	(28,103)	(28,103)
	Net utility plant	<u>3,444,652</u>	<u>3,729,180</u>	<u>4,062,027</u>	<u>4,576,557</u>
Other Property and Investments					
121	Nonutility property	3,520	3,728	3,557	3,558
122	Accumulated provision for depreciation of nonutility property	(692)	(735)	(778)	(779)
	Net nonutility property	<u>2,828</u>	<u>2,993</u>	<u>2,779</u>	<u>2,779</u>
123	Investment in subsidiary companies	0	0	0	0
124	Other investments	1,031	1,021	988	988
128	Other special funds	12,946	12,187	11,428	11,428
	Total Other Property and Investments	<u>16,805</u>	<u>16,201</u>	<u>15,195</u>	<u>15,195</u>
Current and Accrued Assets					
131	Cash	2,373	8,562	193	237
132	Interest special deposits	0	0	0	0
134	Other special deposits	0	0	0	0
135	Working funds	198	189	94	94
136	Temporary cash investments	379,221	42,735	14,582	54,676
Notes and accounts receivable					
141	Notes receivable	0	0	0	0
142	Customer accounts receivable	238,230	267,476	272,960	274,416
143	Other accounts receivable	24,178	38,336	21,945	25,695
144	Accumulated provision for uncollectible accounts-credit	(15,626)	(19,921)	(21,050)	(21,050)
	Total notes and accounts receivable	<u>246,782</u>	<u>285,891</u>	<u>273,855</u>	<u>279,061</u>
145	Notes receivable from associated companies	0	0	0	0
146	Accounts receivable from associated companies	22,205	129,961	341,518	0
Materials and supplies					
154	Plant materials and operating supplies	30,348	42,596	38,868	38,868
163	Stores expense undistributed	2,617	4,151	2,993	2,993
	Total materials and supplies	<u>32,965</u>	<u>46,747</u>	<u>41,861</u>	<u>41,861</u>
165	Prepayments	18,338	138,074	78,386	73,528
Other current and accrued assets					
171	Interest and dividends receivable	213	6	2	2
172	Rents receivable	11,783	5,779	6,187	6,187
173	Accrued utility revenues	197,710	133,429	97,803	101,402
174	Miscellaneous current and accrued assets	7,647	4,220	5,023	5,291
190	Accumulated deferred income taxes (current)	22,823	14,002	28,692	21,508
	Total other current and accrued assets	<u>240,176</u>	<u>157,436</u>	<u>137,707</u>	<u>134,390</u>
	Total Current and Accrued Assets	<u>942,258</u>	<u>809,595</u>	<u>888,196</u>	<u>583,847</u>

PPL ELECTRIC UTILITIES CORPORATION

**Balance Sheet at December 31,
Assets and Other Debits (Continued)**
(Thousands of Dollars)

Acct. No.	Title of Account	2009	2010	2011	2012
Deferred Debits					
181	Unamortized debt expense	\$ 13,145	\$ 14,304	\$ 17,598	\$ 16,261
182.3	Other regulatory assets	503,849	596,733	603,594	601,323
183	Preliminary survey and investigation charges	0	0	0	0
184	Clearing accounts	0	0	0	0
185	Temporary facilities	11	26	12	0
186	Miscellaneous deferred debits	50,261	48,360	50,602	52,259
189	Unamortized loss on reacquired debt	33,015	27,466	76,633	65,452
190	Accumulated deferred income taxes (noncurrent)	265,953	247,197	283,655	301,416
	Total Deferred Debits	<u>866,234</u>	<u>934,086</u>	<u>1,032,094</u>	<u>1,036,711</u>
	Total Assets and Other Debits	<u>\$ 5,269,949</u>	<u>\$ 5,489,062</u>	<u>\$ 5,997,512</u>	<u>\$ 6,212,310</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at December 31,
Liabilities and Other Credits
(Thousands of Dollars)

Acct. No.	Title of Account	2009	2010	2011	2012
Proprietary Capital					
201	Common stock issued	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833
204	Preferred stock issued	300,519	250,000	250,000	0
207	Premium on capital stock	41	0	0	0
211	Miscellaneous paid-in capital	836,263	891,263	991,263	1,141,330
214	Capital stock expense	(12,225)	(11,735)	(11,735)	(11,735)
216	Unappropriated retained earnings	309,805	349,112	425,052	473,670
216.1	Unappropriated undistributed subsidiary earnings	0	0	0	0
217	Reacquired capital stock	0	0	0	0
219	Other comprehensive income	50	81	67	0
	Total Proprietary Capital	<u>1,798,286</u>	<u>1,842,554</u>	<u>2,018,480</u>	<u>1,967,098</u>
Long-Term Debt					
221	Bonds	1,474,040	1,474,040	1,724,040	1,964,040
224	Other long-term debt	0	0	0	0
225	Unamortized premium on long-term debt	17	13	0	0
226	Unamortized discount on long-term debt-debit	(2,125)	(1,989)	(6,253)	(6,082)
		<u>1,471,932</u>	<u>1,472,064</u>	<u>1,717,787</u>	<u>1,957,958</u>
	Less amount due within one year				
221	Bonds	0	0	0	0
	Total Long-Term Debt	<u>1,471,932</u>	<u>1,472,064</u>	<u>1,717,787</u>	<u>1,957,958</u>
Other Noncurrent Liabilities					
227	Obligations under capital leases (noncurrent)	0	0	0	0
Current and Accrued Liabilities					
224	Long-term debt due within one year-other	0	0	0	0
231	Notes payable	0	0	0	0
232	Accounts payable	55,696	224,896	174,724	186,716
233	Notes payable to associated companies	0	0	0	0
234	Accounts payable to associated companies	190,130	142,956	165,963	125,104
235	Customer deposits	18,299	17,558	16,862	16,862
236	Taxes accrued	61,185	22,581	0	0
237	Interest accrued	17,771	16,488	24,378	22,533
238	Dividends declared	4,518	3,906	3,906	0
240	Matured interest	0	0	0	0
241	Tax collections payable	4,115	2,094	576	576
242	Miscellaneous current and accrued liabilities	123,991	74,972	56,337	56,338
243	Obligations under capital-leases - current	0	0	0	0
283	Accumulated deferred income taxes-other (current)	7,863	28,310	3,402	3,401
	Total Current and Accrued Liabilities	<u>483,568</u>	<u>533,761</u>	<u>446,148</u>	<u>411,530</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at December 31,
Liabilities and Other Credits (Continued)
(Thousands of Dollars)

Acct. No.	Title of Account	2009	2010	2011	2012
Deferred Credits					
228.3	Accumulated provision for pensions and benefits	\$ 317,775	\$ 315,802	\$ 239,403	\$ 184,965
229	Accumulated provision for rate refunds	0	0	0	0
252	Customer advances for construction	241	201	180	180
253	Other deferred credits	73,823	55,404	63,753	74,098
254	Other regulatory liabilities	48,519	36,474	63,479	62,506
255	Accumulated deferred investment tax credits	8,025	6,317	4,749	3,377
281	Accumulated deferred income taxes - accelerated amortization property	0	0	0	0
282	Accumulated deferred income taxes - other property	836,433	966,985	1,130,817	1,214,894
283	Accumulated deferred income taxes - other (noncurrent)	231,347	259,500	312,716	335,704
	Total Deferred Credits	<u>1,516,163</u>	<u>1,640,683</u>	<u>1,815,097</u>	<u>1,875,724</u>
	Total Liabilities and Other Credits	<u>\$ 5,269,949</u>	<u>\$ 5,489,062</u>	<u>\$ 5,997,512</u>	<u>\$ 6,212,310</u>

Q.1. Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

Statement of income, in the form available.

A.1. Attachment VI-B provides the requested statements of income for the twelve months ended December 31, 2009, 2010, 2011 and 2012.

PPL ELECTRIC UTILITIES CORPORATION

Statement of Income
Twelve Months Ended December 31,
(Thousands of Dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>OPERATING REVENUES</u>	<u>\$3,429,101</u>	<u>\$ 2,502,266</u>	<u>\$ 1,957,974</u>	<u>\$1,864,765</u>
<u>OPERATING EXPENSE</u>				
401 - 402 Total Operation & Maintenance Expense	2,466,006	1,966,853	1,349,850	1,295,879
403 - 405 Depreciation Expense and Amortization of Electric Plant Acquisition Adjustments	128,251	136,249	145,442	156,070
407 Regulatory Debits (Credits), net	314,289	(30,279)	(7,195)	2,285
408.1 Taxes Other Than Income Taxes	190,704	145,230	120,715	110,944
411.6/411.7 (Gains)/Losses From Disposition of Utility Plant	(1)	(273)	65	0
Total Operating Expenses Prior to Federal & State Income Taxes	<u>3,099,249</u>	<u>2,217,780</u>	<u>1,608,877</u>	<u>1,565,178</u>
Operating Income Prior to Federal & State Income Taxes	<u>329,852</u>	<u>284,486</u>	<u>349,097</u>	<u>299,587</u>
<u>FEDERAL AND STATE INCOME TAXES</u>				
409.1 Federal Income Taxes	72,253	(115,077)	(20,192)	(21,849)
State Income Taxes	25,064	(11,392)	(9,218)	5,307
410.1 & 411.1				
Deferred Federal Income Taxes - Net	(16)	185,359	100,003	84,476
Deferred State Income Taxes - Net	(14,839)	14,719	1,431	11,377
411.4 Investment Tax Credit Adjustments				
Deferrals	0	0	0	0
Amortization - Credit	(1,858)	(1,708)	(1,568)	(1,373)
Total Federal & State Income Taxes	<u>80,604</u>	<u>71,901</u>	<u>70,456</u>	<u>77,938</u>
Operating Income After Federal & State Income Taxes	<u>\$ 249,248</u>	<u>\$ 212,585</u>	<u>\$ 278,641</u>	<u>\$ 221,649</u>

PPL ELECTRIC UTILITIES CORPORATION

Statement of Income
Twelve Months Ended December 31,
(Thousands of Dollars)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	
<u>OTHER INCOME AND DEDUCTIONS</u>					
Other Income					
415	Merchandising Income	\$ 455	409	\$ 324	\$ 0
416,417	Merchandising Expense	(357)	(401)	(345)	0
418.0	Non-Utility Operating Income (Loss)	(43)	(43)	(43)	0
418.1	Equity in Earnings of Subsidiary Companies	0	0	0	0
419.0	Interest & Dividend Income	7,942	1,601	888	1,705
419.1	Allowance for Other Funds Used During Construction	1,037	4,597	7,300	0
421.1	Gain on Disposition of Property	23	179	132	0
421	Other Misc. Non-Operating Income	437	1,000	0	0
	Total Other Income	<u>9,494</u>	<u>7,342</u>	<u>8,256</u>	<u>1,705</u>
Other Income Deductions					
421.2	Loss on Disposition of Property	4	746	275	0
426	Miscellaneous	3,478	1,904	3,260	3,027
	Total Other Income Deductions	<u>3,482</u>	<u>2,650</u>	<u>3,535</u>	<u>3,027</u>
Taxes Applicable to Other Income Deductions					
408.2	Taxes Other Than Income Taxes	0	0	0	0
409.2	Federal Income Tax	516	1,746	(99)	(417)
	State Income Tax	164	0	0	(132)
410.2 & 411.2	Deferred Federal Income Taxes - Net	(1,057)	(2,347)	3,049	0
	Deferred State Income Taxes - Net	(335)	(191)	935	0
	Total Taxes Applicable to Other Income Deduction	<u>(712)</u>	<u>(792)</u>	<u>3,885</u>	<u>(549)</u>
	Income Before Interest Charges	<u>255,972</u>	<u>218,069</u>	<u>279,477</u>	<u>220,876</u>
<u>INTEREST CHARGES</u>					
427	Interest on Long-term Debt	104,950	88,978	86,428	88,971
428	Amortization of Debt Discount & Expense	3,085	2,185	2,584	1,599
428.1	Amortization of Loss on Reacquired Debt	2,958	5,549	9,896	11,000
429	Amortization of Premium on Debt-Credit	(4)	(4)	(2)	0
430	Interest on Debt to Associated Companies	1,614	0	178	0
431	Other Interest Expense	8,706	(7,372)	146	1,200
432	Allowance for Borrowed Funds Used During Construction	(2,010)	(2,357)	(3,618)	(13,118)
	Net Interest Charges	<u>119,299</u>	<u>86,979</u>	<u>95,612</u>	<u>89,652</u>
	NET INCOME	<u>\$ 136,673</u>	<u>\$ 131,090</u>	<u>\$ 183,865</u>	<u>\$ 131,224</u>

Q.1. Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

Plant in service

A.1. Attachment VI-C provides PPL Electric's plant in service balances by account as of December 31, 2009 and December 31, 2010. Plant in service as of December 31, 2011 and 2012 is provided in Attachment V-A-3.

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service
December 31
(Thousands of Dollars)

<u>Intangible</u>		2009	2010
301.0	Organization	\$ 476	\$ 476
302.0	Franchises and Consents	147	147
303.2	Misc Intangible Plant - Computer Software	37,010	53,693
303.4	Misc Intangible Plant - Other	1,035	1,035
Subtotal - Intangible		<u>38,668</u>	<u>55,351</u>
<u>Transmission</u>			
350.2	Land	5,124	6,285
350.4	Land Rights	75,346	76,672
352.0	Structures and Improvements	31,573	32,234
353.0	Station Equipment	424,290	463,106
354.0	Towers and Fixtures	303,171	316,908
354.2	Clearing Land and R/W - Towers	11,740	11,838
355.0	Poles and Fixtures	96,302	96,686
355.2	Clearing Land and R/W - Poles	7,346	7,350
356.0	Overhead Conductors and Devices	197,634	214,255
357.0	Underground Conduit	6,161	7,920
358.0	Underground Conductor and Devices	16,500	19,053
359.0	Roads and Trails	6,578	7,101
Subtotal - Transmission		<u>1,181,765</u>	<u>1,259,408</u>
<u>Distribution</u>			
360.2	Land	11,989	13,178
360.4	Land Rights	62,417	64,483
361.0	Structures and Improvements	27,178	27,680
362.0	Station Equipment	284,736	308,697
364.2	Towers and Fixtures	18,998	19,010
364.4	Poles and Fixtures	769,673	811,759
364.6	Clearing Land and R/W - Towers	210	210
364.8	Clearing Land and R/W - Poles	36,809	37,168
365.0	Overhead Conductors and Devices	616,337	659,331
366.0	Underground Conduit	141,411	145,638
367.0	Underground Conductor and Devices	402,737	425,962
368.2	Transformers - Overhead Type	212,202	221,006
368.4	Transformers - Submersible or Pad Mounted	166,411	169,266
368.6	Transformers - Non-Network Housing	478	383
369.0	Services	553,881	571,030
370.0	Meters	75,978	72,772
370.2	Meters - AMR	184,845	188,498
370.4	Meters - Smart Meters	0	262
371.2	Installations on Customers Premises	319	319
371.4	Area Lighting Fixtures	6,522	6,758
373.2	Street Lighting and Signal Systems	87,750	90,757
Subtotal - Distribution		<u>3,660,881</u>	<u>3,834,167</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service

December 31

(Thousands of Dollars)

<u>General Plant</u>		2009	2010
389.0	Land and Land Rights	\$ 8,408	\$ 8,446
390.2	Structures and Improvements - Buildings	266,012	285,937
390.4	Structures and Improvements - Air Cond. Equip	28,027	27,717
391.2	Office Furniture and Equipment - Furniture	19,306	19,642
391.4	Office Furniture and Equipment - Mech Equip	1,923	2,157
391.6	Computer Equipment - General	568	1,829
391.8	Computer Equipment - Power Mgmt System	38,155	38,155
392.1	Transportation Equipment - 5 years	2,615	3,630
392.2	Transportation Equipment - 8 years	14,636	16,859
392.3	Transportation Equipment - 10 years	60,054	62,059
392.4	Transportation Equipment - Trailers	4,923	5,947
392.5	Transportation Equipment - 15 years	2,864	2,691
392.6	Transportation Equipment - 20 years	767	654
393.0	Stores Equipment	2,912	2,667
394.0	Tools & Work Equipment - L&S Line Crews	5,569	5,405
394.2	Tools & Work Equipment - L&S Line Crews	293	294
394.4	Tools & Work Equipment - Const Dept	2,380	2,091
394.6	Tools & Work Equipment - Other	13,708	16,527
394.8	Transportation Equipment - Garage Equipment	6,658	6,823
395.0	Laboratory Equipment	3,366	4,359
396.0	Power Operated Equipment	1,505	1,463
397.0	Communication Equipment	10,668	12,015
398.0	Miscellaneous Equipment	1,721	1,564
	Subtotal - General Plant	<u>497,038</u>	<u>528,931</u>
	Total	<u>\$ 5,378,352</u>	<u>\$ 5,177,572</u>
<u>General Plant - Leasehold Improvements</u>			
390.2	Structures and Improvements - Buildings	\$ 742	\$ 742
	Subtotal - General Plant	<u>742</u>	<u>0</u>
	Total - Leasehold Improvements	<u>\$ 742</u>	<u>\$ 742</u>
<u>SUMMARY</u>			
	Intangible	\$ 38,668	\$ 55,351
	Transmission	1,181,765	1,259,408
	Distribution	3,660,881	3,834,167
	General Plant	<u>497,780</u>	<u>529,673</u>
		<u>\$ 5,379,094</u>	<u>\$ 5,678,599</u>

Q.1. Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

Accumulated depreciation

A.1. Attachment VI-D provides PPL Electric's accumulated depreciation by account as of December 31, 2009 and December 31, 2010. Accumulated depreciation as of December 31, 2011 and 2012 is provided in Attachment V-A-3.

PPL ELECTRIC UTILITIES CORPORATION

**Accumulated Depreciation and Amortization
December 31
(Thousands of Dollars)**

<u>Intangible</u>		2009	2010
301.0	Organization	Non-Depreciable	Non-Depreciable
302.0	Franchises and Consents	Non-Depreciable	Non-Depreciable
303.2	Misc Intangible Plant - Computer Software	\$ 15,368	\$ 23,792
303.4	Misc Intangible Plant - Other	896	958
	Subtotal - Intangible	16,264	24,750
<u>Transmission</u>			
350.2	Land	Non-Depreciable	Non-Depreciable
350.4	Land Rights	35,097	36,075
352.0	Structures and Improvements	14,838	15,350
353.0	Station Equipment	162,268	165,408
354.0	Towers and Fixtures	118,326	121,355
354.2	Clearing Land and R/W - Towers	6,266	6,402
355.0	Poles and Fixtures	37,673	38,717
355.2	Clearing Land and R/W - Poles	3,639	3,721
356.0	Overhead Conductors and Devices	108,954	111,517
357.0	Underground Conduit	1,814	1,941
358.0	Underground Conductor and Devices	6,673	7,055
359.0	Roads and Trails	2,544	2,637
	Subtotal - Transmission	498,092	510,178
<u>Distribution</u>			
360.2	Land	Non-Depreciable	Non-Depreciable
360.4	Land Rights	27,252	28,039
361.0	Structures and Improvements	12,714	13,048
362.0	Station Equipment	101,246	105,928
364.2	Towers and Fixtures	5,396	5,739
364.4	Poles and Fixtures	247,790	258,395
364.6	Clearing Land and R/W - Towers	55	59
364.8	Clearing Land and R/W - Poles	17,706	18,151
365.0	Overhead Conductors and Devices	238,879	243,838
366.0	Underground Conduit	38,794	41,258
367.0	Underground Conductor and Devices	134,451	141,717
368.2	Transformers - Overhead Type	99,423	99,996
368.4	Transformers - Submersible or Pad Mounted	62,025	64,933
368.6	Transformers - Non-Network Housing	405	325
369.0	Services	266,444	274,795
370.0	Meters	43,539	43,070
370.2	AMR Meters	67,626	79,974
370.4	Meters - Smart Grid		4
371.2	Installations on Customers Premises	(75)	(52)
371.4	Area Lighting Fixtures	4,028	3,973
373.2	Street Lighting and Signal Systems	49,942	50,219
	Subtotal - Distribution	1,417,640	1,473,409

PPL ELECTRIC UTILITIES CORPORATION

Accumulated Depreciation and Amortization

December 31

(Thousands of Dollars)

<u>General Plant</u>	2009	2010
389.4 Land and Land Rights	\$ 1	\$ 1
390.2 Structures and Improvements - Buildings	61,320	63,490
390.4 Structures and Improvements - Air Cond. Equip	11,345	11,643
391.2 Office Furniture and Equipment - Furniture	7,581	7,753
391.4 Office Furniture and Equipment - Mech Equip	325	454
391.6 Computer Equipment - General	84	377
391.8 Computer Equipment - Power Mgmt System	38,155	38,155
392.1 Transportation Equipment - 5 years	1,198	1,729
392.2 Transportation Equipment - 8 years	6,670	8,114
392.3 Transportation Equipment - 10 years	21,893	26,910
392.4 Transportation Equipment - Trailers	1,010	1,343
392.5 Transportation Equipment - 15 years	618	671
392.6 Transportation Equipment - 20 years	99	28
393.0 Stores Equipment	1,136	1,018
394.0 Tools & Work Equipment - L&S Line Crews	1,507	1,654
394.2 Tools/EU	55	76
394.4 Tools & Work Equipment - Const Dept	1,130	968
394.6 Tools & Work Equipment - Other	4,491	5,177
394.8 Transportation Equipment - Garage Equipment	4,874	4,967
395.0 Laboratory Equipment	1,204	1,366
396.0 Power Operated Equipment	572	682
397.0 Communication Equipment	7,927	8,904
398.0 Miscellaneous Equipment	620	562
Subtotal - General Plant	<u>173,815</u>	<u>186,042</u>
Total - Accumulated Depreciation	<u>\$ 2,105,811</u>	<u>\$ 2,194,379</u>
<u>General Plant - Leasehold Improvements</u>		
390.2 Structures and Improvements - Buildings	\$ 70	\$ 146
394.4 Tools & Work Equipment - Const Dept	(76)	(76)
397.0 Communication Equipment	691	468
Subtotal - General Plant	<u>685</u>	<u>538</u>
Total - Accumulated Amortization - Leasehold Improvements	<u>\$ 685</u>	<u>\$ 538</u>
<u>SUMMARY - Accumulated Depreciation and Amortization</u>		
Intangible	\$ 16,264	\$ 24,750
Transmission	498,092	510,178
Distribution	1,417,640	1,473,409
General Plant	<u>174,500</u>	<u>186,580</u>
Total - Accumulated Depreciation and Amortization	<u>\$ 2,106,496</u>	<u>\$ 2,194,917</u>