

PPL ELECTRIC UTILITIES CORPORATION
SUPPLEMENT NO. 118 TO TARIFF-ELECTRIC PA P.U.C. NO. 201
SUPPLEMENTAL INFORMATION
REQUIRED BY 52 PA. CODE § 53.52(a), (b) AND (c)

PPL Electric Utilities Corporation ("PPL Electric") hereby submits the following information in support of Supplement No. 118 to Tariff-Electric Pa P.U.C. No. 201. This tariff supplement proposes a distribution-only rate increase for PPL Electric's retail customers. In response to each of the applicable subsections of 52 Pa. Code § 53.52(a) and (b), PPL Electric states the following:

52 Pa. Code § 53.52(a) (1)

Q. The specific reasons for each change.

A. See PPL Electric's Statement of Reasons in Exhibit Future 1, Section A.

52 Pa. Code § 53.52(a) (2)

Q. The total number of customers served by the utility.

A. As of December 31, 2011, PPL Electric served a total of 1,402,058 customers.

52 Pa. Code § 53.52(a) (3)

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

A. See PPL Electric's Exhibit Future 1, Schedule D-3.

52 Pa. Code § 53.52(a) (4)

Q. The effect of the change on the utility's customers.

A. See PPL: Electric's Exhibit Future 1, Schedule D-3.

52 Pa. Code § 53.52(a) (5)

Q. The effect, whether direct or indirect, of the proposed change on the utility's revenues and expenses.

A. See PPL Electric's Exhibit Future 1, Schedule D-1.

52 Pa. Code § 53.52(a) (6)

Q. The effect of the change on the service rendered by the utility.

A. See PPL Electric's Exhibits DAK 1 and DAK 2.

52 Pa. Code § 53.52(a) (7)

Q. A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).

A. Not applicable.

52 Pa. Code § 53.52(a) (8)

Q. Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.

A. Not applicable.

52 Pa. Code § 53.52(a) (9)

Q. Customer polls taken and other documentation which indicates customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible opposition, an explanation of why the change is in the public interest shall be provided.

A. PPL Electric did not take any customer polls or conduct any other research specifically addressing customer acceptance or desire for the proposed increase in its distribution rates.

52 Pa. Code § 53.52(a) (10)

Q. Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

A. After the Commission acts on PPL Electric's filing, the Company will send a special bill insert to all customers. The bill insert will describe the rate changes approved by the Commission and indicate impact on customer bills. The Company also plans to inform customers about the rate changes in news release, newsletters and on PPL Electric's Internet site.

52 Pa. Code § 53.52(a) (11)

Q. F.C.C., F.E.R.C. or Commission orders or rulings applicable to the filing.

A. None.

52 Pa. Code § 53.52(b) (1)

Q. The specific reasons for each increase or decrease.

A. See PPL Electric's Statement of Reasons in Exhibit Future 1, Section A.

52 Pa. Code § 53.52(b) (2)

Q. The operating income statement for the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and sewer utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

A. See PPL Electric's Exhibit Historic 1, Schedule B-2.

52 Pa. Code § 53.52(b) (3)

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

A. See PPL Electric's response to 52 Pa. Code § 53.52(a) (3).

52 Pa. Code § 53.52(b) (4)

Q. A calculation of total increases, in dollars, by tariff subdivision, projected to an annual basis.

A. See PPL Electric's Exhibit Future 1, Schedule D-3.

52 Pa. Code § 53.52(b) (5)

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

A. See PPL Electric's Exhibit Future 1, Schedule D-3.

52 Pa. Code § 53.52(b) (6)

Q. A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

A. See PPL Electric's Exhibit Future 1, Schedule D-3.

52 Pa. Code § 53.52(c) (1)

Q. A statement showing the utility's calculation of the rate of return earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return to be earned when the tariff revision, or supplement becomes effective. The rate base used in the calculation shall be supported by summaries of original costs.

A. See Schedule C-1 of PPL Electric's Exhibits Historic 1 and Future 1.

52 Pa. Code § 53.52(c) (2)

Q. A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

A. See Schedule B-1 of PPL Electric's Exhibits Historic 1 and Future 1,

52 Pa. Code § 53.52(c) (3)

Q. A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

A. See Schedule C-2 of PPL Electric's Exhibits Historic 1 and Future 1, and the response to Question 3 of Exhibit Regs. § 53.53, Part V, Section A.

52 Pa. Code § 53.52(c) (4)

- Q. A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).
- A. See Schedule C-2 of PPL Electric's Exhibits Historic 1 and Future 1, and the response to Question 3 of Exhibit Regs. § 53.53, Part V, Section A.

52 Pa. Code § 53.52(c) (5)

- Q. A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).
- A. See Schedules B-2, B-3, B-4, and B-5 of PPL Electric's Exhibits Historic 1 and Future 1.

52 Pa. Code § 53.52(c) (5)

- Q. A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision, or supplement. As used in this paragraph, a major change in one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1) – (5).
- A. There have been no major changes in the operating or financial condition of PPL Electric between the date of the balance sheet as of December 31, 2011, and the date of the filing of Supplement No. 118.

CONSOLIDATED STATEMENT OF INCOME
PPL Electric Utilities Corporation and Subsidiaries

(Unaudited)
(Millions of Dollars)

| | Twelve Months Ended December 31, 2011 |
|--|--|
| Operating Revenues | |
| Retail electric | \$ 1,881 |
| Electric revenue from affiliate | 11 |
| Total Operating Revenues | <u>1,892</u> |
| Operating Expenses | |
| Operation | |
| Energy purchases..... | 738 |
| Energy purchases from affiliate | 26 |
| Other operation and maintenance | 530 |
| Depreciation..... | 146 |
| Taxes, other than income..... | 104 |
| Total Operating Expenses..... | <u>1,544</u> |
| Operating Income | 348 |
| Other Income (Expense) – net..... | 5 |
| Interest Income from Affiliate | 2 |
| Interest Expense..... | <u>98</u> |
| Income Before Income Taxes | 257 |
| Income Taxes | <u>68</u> |
| Net Income (a) | 189 |
| Distributions on Preferred Securities..... | <u>16</u> |
| Net Income Available to PPL Corporation | <u><u>\$ 173</u></u> |