

PPL ELECTRIC UTILITIES CORPORATION

Exhibit Regs. § 53.52

Exhibit Regs. § 53.53

Part I – Summary of Filing

Part II – Primary Statements of Rate Base and Operating Income

Docket No. R-2015-2469275

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

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

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

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

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

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

PPL ELECTRIC UTILITIES CORPORATION

PUC Jurisdictional
Year Ended December 31, 2016
(Thousands of Dollars)

AT PRESENT RATES

AT PROPOSED RATES

	<u>Amount</u>	<u>Exhibit Fully Projected Future 1 Reference</u>	<u>Amount</u>	<u>Exhibit Fully Projected Future 1 Reference</u>
Revenue	\$ 902,153	Sch. D-1, Col. (6), line 1	\$ 1,069,632	Sch. D-1, Col. (8), line 1
Operating Expenses	<u>734,973</u>	Sch. D-1, Col. (6), line 12	<u>812,412</u>	Sch. D-1, Col. (8), line 12
Operating Income	<u>\$ 167,180</u>	Sch. D-1, Col. (6), line 13	<u>\$ 257,220</u>	Sch. D-1, Col. (8), line 13
Rate Base	<u>\$3,156,071</u>	Sch. C-1, Col. (2), line 12	<u>\$3,156,071</u>	Sch. C-1, Col. (2), line 12
Rate of Return	<u>5.30%</u>	Sch. C-1, Col. (2), line 14	<u>8.15%</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 Lehighon Electric Light & Power Company merge with PP&L.
- 1939** Lehigh Power Securities Corporation is dissolved. PP&L becomes a subsidiary of National Power & Light Company, and remains an indirect subsidiary of Electric Bond and Share Company.
- 1945-1947** PP&L becomes independent as a result of a multi-step process (carried out under the Public Utility Holding Company Act of 1935) during which National Power & Light Company and Electric Bond and Share Company divest themselves of PP&L ownership, and PP&L stock is sold to the public.
- 1948** PP&L acquires Palmerton Lighting Company.
- 1951** PP&L divests itself of all gas properties, in accordance with decision to confine operations to the electric business.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 (now known as PP&L Residual 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.
- 2010** On November 1, 2010, PPL Corporation acquired all of the limited liability company interests of E.ON U.S. LLC (now known as LG&E and KU Energy LLC), the owner of Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU"). LG&E and KU provide electricity service to customers primarily in Kentucky, with some customers in Virginia and Tennessee. LG&E also provides natural gas delivery service to customers in Kentucky.

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 Thompsontown
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 Alburts, 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. PPL Electric's overall system map includes Critical Energy Infrastructure Information and is not included.

- Q.1. Provide a schedule showing the test year rate base and rates of return at original cost less accrued depreciation under present rates and under proposed rates. Claims made on this schedule should be cross-referenced to appropriate supporting schedules.
- A.1. Schedule C-1 of Exhibits Future 1 and Fully Projected Future 1 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, Future 1 and Fully Projected Future 1. There is no claim being made for fuel inventory.

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

PPL Electric Utilities Corporation
Lag in Days in Payment of Operating Expenses
12 Months Ended December 31, 2014

	<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.	82

**PPL Electric Utilities Corporation
Lag in Payment of Payroll & Benefits
12 Months Ended December 31, 2014**

Payroll

	<u>Number of Days</u>
Midpoint of 14 day payroll period	7
Lag between the end of the payroll period and the pay day (payroll period ends on a Sunday and employees are paid on the following Friday)	<u>5</u>
	<u><u>12</u></u>

Benefits

	<u>Number of Days</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	<u>35</u>

Affiliate Support Costs

	<u>Number of Days</u>
Lag between the midpoint of the calendar month when services are provided and the payment on the 20th of the following month	<u>35</u>

**PPL Electric Utilities Corporation
Lag in Payment of Other Expenses
12 Months Ended December 31, 2014**

Category	Amount	Days Lag	Weighted Amount
Employee Expenses*	\$2,171,539	12.00	26,058,463
Materials & Supplies	\$1,107,986	54.68	60,580,772
Printing & Office Supplies	\$564,197	52.86	29,821,716
Materials & Supplies (HD Supply)	\$399,590	29.98	11,978,615
Tree Trimming	\$49,353,182	159.32	7,863,050,385
Work by Outsiders	\$53,609,364	68.07	3,649,407,487
Services	\$9,060,222	26.04	235,885,309
Postage	\$7,104,156	-6.01	(42,711,273)
Telephone & Leased Wires	\$3,356,575	25.43	85,363,768
Rents	\$9,918,446	-90.05	(893,138,499)
Advertising	\$556,144	28.45	15,819,534
Miscellaneous	\$5,295,790	118.33	626,665,768
Total	<u>\$142,497,190</u>		<u>\$11,668,782,043</u>
Weighted Average Lag = Total Weighted Amount / Total Amount =		81.89	

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

PPL Electric Utilities
Lag in Payment of Materials - BI 25
12 Months Ended December 31, 2014

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
SYNERGIS TECHNOLOGIES INC PPL-QUAKERTOWN	381241200000	68437	1/8/2014	2/19/2014	\$46,410.00	42	\$1,949,220
ABB INC E-VENDOR - RALEIGH NC	707001200000	7102149846	12/30/2013	3/3/2014	\$37,696.00	63	\$2,374,848
HD SUPPLY UTILITIES PPL - MOUNTAIN TOP P	570711200000	2382520-00AA	9/27/2013	1/22/2014	\$34,339.69	117	\$4,017,744
SCHNEIDER ELECTRIC USA PPL - LAVERGNE TN	863773200000	35772328-01	11/7/2014	12/5/2014	\$18,804.24	28	\$526,519
RFL ELECTRONICS PPL - POTTSTOWN PA	963753200000	115091	9/24/2014	10/24/2014	\$14,775.00	30	\$443,250
CALAMP WIRLESS NETWORK CORPORATION PPL	823573200000	I0119550	10/16/2014	12/15/2014	\$13,725.00	60	\$823,500
SCHWEITZER ENGINEERING LABORATORIES	244392200000	3709-578524	5/20/2014	7/8/2014	\$13,170.00	49	\$645,330
SCHWEITZER ENGINEERING LABORATORIES	930633200000	3709-590828	7/28/2014	8/27/2014	\$7,875.00	30	\$236,250
ROHE INTERNATIONAL INC	420692200000	10318	5/28/2014	6/27/2014	\$5,507.00	30	\$165,210
ALLIED ELECTRONICS NUC VENDOR	650211200000	9002578124	1/7/2014	2/6/2014	\$4,450.00	30	\$133,500
SIEMENS INDUSTRY INC PPL - WENDELL NC	429832200000	50179131	3/28/2014	4/25/2014	\$3,251.00	28	\$91,028
TURNER ELECTRIC COMPANY PPL MIDLOTHIAN V	175083200000	30451	11/19/2014	12/19/2014	\$3,060.00	30	\$91,800
GE ENERGY PPL - CHARLOTTE NC	366733200000	884-184061A	7/15/2014	8/14/2014	\$2,592.00	30	\$77,760
SIEMENS INDUSTRY INC PPL - WENDELL NC	871732200000	50179127	3/28/2014	4/29/2014	\$2,434.00	32	\$77,888
MILLENNIUM MACHINING SPECIALTIES INC PPL	474443200000	14-6046	8/13/2014	9/18/2014	\$2,220.00	36	\$79,920
WORLEY & OBETZ INC	040 010527	040 010527	7/9/2014	7/18/2014	\$1,926.58	9	\$17,339
LINEMENS SUPPLY INC	151562200000	344908	4/16/2014	5/16/2014	\$1,893.72	30	\$56,812
RAYMAR INFORMATION TECHNOLOGY INC PPL-SA	823063200000	INV5449	9/30/2014	10/30/2014	\$1,837.50	30	\$55,125
FRIEDMAN ELECTRIC SUPPLY CO IN	549601200000	S016838267.001	9/27/2013	1/10/2014	\$1,680.00	105	\$176,400
WORLEY & OBETZ INC	040 793339	040 793339	5/19/2014	5/29/2014	\$1,589.56	10	\$15,896
WORLEY & OBETZ INC	4040 12052	4040 12052	9/8/2014	9/18/2014	\$1,528.07	10	\$15,281
					<u>\$220,764</u>		<u>\$12,070,619</u>

Weighted Average Lag (A x B) / A

54.68 days

PPL Electric Utilities
Lag in Payment of Printing and Office Supplies - BI 26
12 Months Ended December 31, 2014

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
CHRISTMAS CITY PRINTING PPL-BETHLEHEM PA	018341200000	140172	01/19/14	02/03/14	\$14,344.00	15	\$215,160
QUALTRICS LABS INC PPL - PROVO UT	006873200000	40649	11/17/14	11/19/14	\$10,000.00	2	\$20,000
CHRISTMAS CITY PRINTING PPL-BETHLEHEM PA	600433200000	142147	07/16/14	07/28/14	\$8,073.00	12	\$96,876
CHRISTMAS CITY PRINTING PPL-BETHLEHEM PA	320741200000	131448	05/09/13	02/03/14	\$7,295.00	270	\$1,969,650
CHRISTMAS CITY PRINTING PPL-BETHLEHEM PA	318341200000	133012	09/25/13	02/03/14	\$4,974.00	131	\$651,594
Corporate Credit Card Transaction	N/A	N/A	01/23/14	02/01/14	\$1,737.81	9	\$15,640
Corporate Credit Card Transaction	N/A	N/A	12/30/14	08/07/14	\$1,126.62	(145)	(\$163,360)
Corporate Credit Card Transaction	N/A	N/A	04/10/14	04/24/14	\$931.58	14	\$13,042
Corporate Credit Card Transaction	N/A	N/A	02/11/14	02/20/14	\$842.70	9	\$7,584
Corporate Credit Card Transaction	N/A	N/A	10/17/14	10/26/14	\$734.30	9	\$6,609
Corporate Credit Card Transaction	N/A	N/A	01/28/14	02/05/14	\$701.95	8	\$5,616
Corporate Credit Card Transaction	N/A	N/A	11/19/14	11/28/14	\$665.89	9	\$5,993
Corporate Credit Card Transaction	N/A	N/A	10/29/14	11/07/14	\$610.25	9	\$5,492
Corporate Credit Card Transaction	N/A	N/A	05/23/14	06/06/14	\$596.26	14	\$8,348
Corporate Credit Card Transaction	N/A	N/A	03/31/14	04/09/14	\$587.02	9	\$5,283
Corporate Credit Card Transaction	N/A	N/A	11/21/14	11/24/14	\$556.49	3	\$1,669
Corporate Credit Card Transaction	N/A	N/A	05/14/14	05/23/14	\$517.92	9	\$4,661
					<u>\$54,295</u>		<u>\$2,869,858</u>

Weighted Average Lag (A x B) / A

52.86 days

PPL Electric Utilities
Lag in Payment of Materials - BI 27
12 Months Ended December 31, 2014

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 POWER SOLUTIONS LTD	2533231-00	2533231-00	06/16/14	07/16/14	\$42,166.80	30	\$1,265,004
HD SUPPLY POWER SOLUTIONS LTD	2571767-00	2571767-00	08/07/14	09/05/14	\$10,541.70	29	\$305,709
HD SUPPLY POWER SOLUTIONS LTD	2492402-00	2492402-00	03/03/14	04/02/14	\$9,239.28	30	\$277,178
HD SUPPLY POWER SOLUTIONS LTD	2607447-00	2607447-00	07/17/14	08/15/14	\$6,968.80	29	\$202,095
HD SUPPLY POWER SOLUTIONS LTD	2597983-00	2597983-00	08/13/14	09/15/14	\$6,695.52	33	\$220,952
HD SUPPLY POWER SOLUTIONS LTD	2573106-00	2573106-00	08/13/14	09/15/14	\$6,618.19	33	\$218,400
HD SUPPLY POWER SOLUTIONS LTD	2546725-00	2546725-00	05/01/14	05/30/14	\$6,308.50	29	\$182,947
HD SUPPLY POWER SOLUTIONS LTD	2607441-00	2607441-00	07/17/14	08/15/14	\$6,294.40	29	\$182,538
HD SUPPLY POWER SOLUTIONS LTD	2558811-00	2558811-00	05/20/14	06/19/14	\$5,375.70	30	\$161,271
HD SUPPLY POWER SOLUTIONS LTD	2532466-00	2532466-00	04/17/14	05/16/14	\$5,368.46	29	\$155,685
HD SUPPLY POWER SOLUTIONS LTD	2352187-00	2352187-00	10/30/14	11/28/14	\$3,690.00	29	\$107,010
HD SUPPLY POWER SOLUTIONS LTD	2391195-00	2391195-00	10/10/14	11/08/14	\$3,326.70	29	\$96,474
					<u>\$112,594</u>		<u>\$3,375,264</u>

Weighted Average Lag (A x B) / A

29.98 days

PPL Electric Utilities
Lag in Payment of Tree Trimming - BI 31
12 Months Ended December 31, 2014

Vendor Name	Voucher Number	Invoice 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	322453200000	35E067-14	05/17/14	10/17/14	\$996,285.61	153	\$152,431,698
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	823621200000	52E051-13	06/30/13	02/20/14	\$847,517.01	235	\$198,742,739
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	211073200000	44E061-14	05/19/14	11/26/14	\$741,098.07	191	\$141,549,731
PENN LINE SERVICE INC	538443200000	AUGUST14-SUSQ-TARG	04/16/14	09/19/14	\$599,504.21	156	\$93,222,905
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	065562200000	17E051-14	02/18/14	05/23/14	\$514,631.86	94	\$48,118,079
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	603661200000	53E053-13	07/14/13	03/20/14	\$457,480.11	249	\$113,912,547
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	612433200000	31E053-14	04/04/14	08/27/14	\$409,169.38	145	\$59,124,975
PENN LINE SERVICE INC	052333200000	JULY14-SUSQ-TARG	04/03/14	08/22/14	\$347,098.55	141	\$48,940,896
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	076873200000	45E053-14	06/01/14	12/19/14	\$312,283.15	201	\$62,612,772
JAFLO INC	900983200000	5007	11/15/14	01/15/15	\$258,448.32	61	\$15,636,123
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	473682200000	22E055-14	02/25/14	06/20/14	\$220,449.22	115	\$25,351,660
LEWIS TREE SERVICE INC E-VENDOR - WEST H	498243200000	301853	08/13/14	09/12/14	\$174,173.27	30	\$5,225,198
JAFLO INC	605682200000	3943	05/03/14	06/19/14	\$146,420.35	47	\$6,808,546
JAFLO INC	380903200000	4076	05/17/14	07/17/14	\$132,533.13	61	\$8,018,254
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	703661200000	53E055-13	07/14/13	03/20/14	\$124,583.45	249	\$31,021,279
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	176873200000	45E055-14	06/01/14	12/19/14	\$107,021.44	201	\$21,457,799
JAFLO INC	017903200000	4077A	05/22/14	07/17/14	\$96,819.84	56	\$5,373,501
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	142543200000	32E051-14	04/18/14	09/24/14	\$90,132.55	159	\$14,331,075
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	242543200000	32E052-14	07/22/14	09/24/14	\$83,823.33	64	\$5,364,693
PENN LINE SERVICE INC	612873200000	NOVEMBER14-LEHI-TARG	06/05/14	12/18/14	\$77,903.04	196	\$15,268,996
LEWIS TREE SERVICE INC E-VENDOR - WEST H	045662200000	285714	04/03/14	05/02/14	\$71,010.35	29	\$2,059,300
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	821073200000	44E055-14	05/19/14	11/26/14	\$66,063.43	191	\$12,618,115
PENN LINE SERVICE INC	930963200000	OCTOBER14-SUSQ-TARG	05/17/14	11/21/14	\$62,369.30	188	\$11,694,244
PENN LINE SERVICE INC	515093200000	DECEMBER14-CENT-TARG	06/28/14	01/21/15	\$58,602.76	207	\$12,101,470
PENN LINE SERVICE INC	530963200000	OCTOBER14-CENT-TARG	01/02/14	11/21/14	\$55,638.57	323	\$17,943,439
PENN LINE SERVICE INC	725093200000	DECEMBER14-SUSQ-TARG	06/28/14	01/21/15	\$51,885.17	207	\$10,714,288
PENN LINE SERVICE INC	448443200000	AUGUST14-SUSQ-HOUR	07/22/14	09/19/14	\$49,028.86	59	\$2,892,703
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	512433200000	31E057-14	04/04/14	08/27/14	\$43,770.64	145	\$6,324,857
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	149333200000	31E054-14	06/21/14	08/27/14	\$42,895.11	67	\$2,873,972
PENN LINE SERVICE INC	502873200000	NOVEMBER14-SUSQ-TARG	06/05/14	12/18/14	\$41,963.94	196	\$8,224,932
					<u>\$7,280,604</u>		<u>\$1,159,960,788</u>

Weighted Average Lag (A x B) / A

159.32 days

PPL Electric Utilities
Lag in Payment of Work By Outsiders - BI 32
12 Months Ended December 31, 2014

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
ALABAMA POWER COMPANY PPL - BIRMINGHAM A	515313200000	108-466A	02/08/14	07/15/14	\$240,301.82	157	\$37,727,386
PIKE ELECTRIC INC PPL - MT AIRY NC	722171200000	01866329-A	01/27/14	03/21/14	\$188,904.59	53	\$10,011,943
NCO FINANCIAL SYSTEMS INC PPL - HORSHAM	225292200000	OUT03073-0414A	04/15/14	06/26/14	\$171,626.93	72	\$12,357,139
GRID ONE SOLUTIONS PPL - ASTON PA	138033200000	PPLPH101	07/14/14	08/18/14	\$146,287.86	35	\$5,120,075
HARLAN ELECTRIC CO	504302200000	3077404REV1	02/03/14	03/31/14	\$139,357.12	56	\$7,803,999
GRID ONE SOLUTIONS PPL - ASTON PA	578153200000	PPLPH101	09/09/14	10/09/14	\$135,068.83	30	\$4,052,065
CONTRACT CALLERS INC PPL AUGUSTA GA	329082200000	1001	04/15/14	06/05/14	\$128,135.00	51	\$6,534,885
IBM CORPORATION PPL - PITTSBURGH PA	059203200000	C14BV7Z	05/29/14	06/27/14	\$122,490.67	29	\$3,552,229
IBM CORPORATION PPL - PITTSBURGH PA	203432200000	C14BMMV	03/28/14	04/25/14	\$117,253.63	28	\$3,283,102
NCO FINANCIAL SYSTEMS INC PPL - HORSHAM	678863200000	OUT03073-0914	09/15/14	11/21/14	\$114,832.75	67	\$7,693,794
DUQUESNE LIGHT COMPANY PPL - PITTSBURGH	457582200000	49826	02/08/14	06/13/14	\$101,187.34	125	\$12,648,418
BRUCE & MERRILEES ELECTRIC CO	356122200000	29716	03/02/14	04/23/14	\$94,561.20	52	\$4,917,182
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	346481200000	05E056-14	01/18/14	03/28/14	\$89,551.29	69	\$6,179,039
IB ABEL INC PPL - YORK PA	602671200000	13-0299	02/14/14	03/26/14	\$82,420.98	40	\$3,296,839
IB ABEL INC PPL - YORK PA	683243200000	13-0458REV.1	02/08/14	08/20/14	\$77,793.60	193	\$15,014,165
CONTRACT CALLERS INC PPL AUGUSTA GA	070683200000	1008	11/15/14	01/07/15	\$66,130.00	53	\$3,504,890
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	036481200000	05E054-14	01/18/14	03/28/14	\$62,184.61	69	\$4,290,738
DANELLA CONSTRUCTION CORPORATI	927043200000	107325	07/10/14	08/29/14	\$58,317.90	50	\$2,915,895
IB ABEL INC PPL - YORK PA	506862200000	13-0414REV1	03/31/14	05/22/14	\$56,002.29	52	\$2,912,119
USIC LOCATING SERVICES INC PPL - INDIANA	566972200000	OA0414PPLPI	04/15/14	06/12/14	\$54,488.75	58	\$3,160,348
DAVIS H ELLIOT COMPANY INC PPL - LEXINGT	465543200000	230549	07/17/14	08/29/14	\$52,716.06	43	\$2,266,791
USIC LOCATING SERVICES INC PPL - INDIANA	913143200000	PA0714PPLPI	07/15/14	09/12/14	\$50,197.25	59	\$2,961,638
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	159333200000	31E058-14	06/22/14	08/27/14	\$48,787.34	66	\$3,219,964
WILLIAM E GROVES CONSTRUCTION INC PPL -	572143200000	11249	08/13/14	10/10/14	\$46,978.19	58	\$2,724,735
EVERHART & HOOVER POWER LINE	106303200000	05312014-A	05/15/14	07/30/14	\$46,024.75	76	\$3,497,881
APPRISE INC PPL-PRINCETON NJ	609892200000	14064	06/03/14	07/11/14	\$45,333.33	38	\$1,722,667
MICHELS POWER PPL - NEENAH WI	935162200000	242356	03/13/14	05/22/14	\$44,567.02	70	\$3,119,691
USIC LOCATING SERVICES INC PPL - INDIANA	112383200000	103181A	10/15/14	01/02/15	\$43,432.75	79	\$3,431,187
DEPARTMENT OF COMMUNITY AND PPL - HARRIS	940711200000	123013	12/30/13	01/29/14	\$42,416.78	30	\$1,272,503
USIC LOCATING SERVICES INC PPL - INDIANA	740923200000	PA0614PPLPR	06/15/14	08/13/14	\$41,459.75	59	\$2,446,125
COMMUNITY ACTION COMMITTEE OF	061882200000	043014A	04/15/14	07/11/14	\$40,172.99	87	\$3,495,050
					\$2,748,983		\$187,134,482

Weighted Average Lag (A x B) / A

68.07 days

PPL Electric Utilities
Lag in Payment of Services - BI 33
12 Months Ended December 31, 2014

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
TOSAN INC PPL - DENVER CO	852101200000	3107	01/02/14	01/31/14	\$264,615.62	29	\$7,673,853
TOSAN INC PPL - DENVER CO	113490200000	3105	12/28/13	01/27/14	\$239,956.33	30	\$7,198,690
ACCENTURE LLP	156190200000	1000628786	01/15/14	01/24/14	\$132,073.00	9	\$1,188,657
ACCENTURE LLP	178331200000	1000635814	02/14/14	02/27/14	\$132,073.00	13	\$1,716,949
ACCENTURE LLP	124771200000	1000644632	03/15/14	03/21/14	\$132,073.00	6	\$792,438
ACCENTURE LLP	734152200000	1000652998	04/15/14	04/22/14	\$132,073.00	7	\$924,511
ACCENTURE LLP	288882200000	1000670127	06/15/14	06/20/14	\$132,073.00	5	\$660,365
ACCENTURE LLP	468643200000	1000697579	09/15/14	09/26/14	\$132,073.00	11	\$1,452,803
ACCENTURE LLP	066183200000	1000726938	12/15/14	12/24/14	\$132,073.00	9	\$1,188,657
LANGUAGE LINE SERVICES PPL - MONTEREY CA	600682200000	3371688	04/30/14	05/30/14	\$57,187.89	30	\$1,715,637
DELOITTE & TOUCHE PPL - PHILADELPHIA PA	671413200000	8002160848	05/20/14	07/02/14	\$56,764.50	43	\$2,440,874
DELOITTE & TOUCHE PPL - PHILADELPHIA PA	998753200000	8002227961A	09/05/14	10/07/14	\$55,583.13	32	\$1,778,660
DELOITTE & TOUCHE PPL - PHILADELPHIA PA	330843200000	8002222571	08/26/14	09/25/14	\$51,507.50	30	\$1,545,225
DELOITTE & TOUCHE PPL - PHILADELPHIA PA	805913200000	8002183515	06/24/14	07/24/14	\$47,312.00	30	\$1,419,360
LANGUAGE LINE SERVICES PPL - MONTEREY CA	403852200000	3353240	03/31/14	04/30/14	\$43,835.54	30	\$1,315,066
LANGUAGE LINE SERVICES PPL - MONTEREY CA	501502200000	3334883	02/28/14	03/28/14	\$35,566.46	28	\$995,861
J D POWER & ASSOCIATES	561242200000	91822	03/25/14	04/24/14	\$30,000.00	30	\$900,000
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	557103200000	1406-11	05/15/14	07/04/14	\$24,466.50	50	\$1,223,325
WATSON & RENNER PPL WASHINGTON DC	230601200000	111913	07/01/13	05/06/14	\$22,712.00	309	\$7,018,008
DISTRIBUTED ENERGY FINANCIAL GROUP	53533200000	683	07/15/14	09/10/14	\$20,000.00	57	\$1,140,000
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	393783200000	1412-55	11/15/14	01/07/15	\$18,391.50	53	\$974,750
MARKET STRATEGIES PPL - LIVONIA MI	610032200000	25976	03/24/14	04/23/14	\$16,800.00	30	\$504,000
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	826033200000	1407-24	05/15/14	08/14/14	\$15,500.00	91	\$1,410,500
PA CONSULTING GROUP PPL - CAMBRIDGE MA	568592200000	10021205	03/11/14	06/18/14	\$15,000.00	99	\$1,485,000
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	775283200000	1411-37	11/15/14	12/25/14	\$14,467.50	40	\$578,700
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	715662200000	1404-37	02/14/14	05/23/14	\$13,738.00	98	\$1,346,324
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	717923200000	1407-02	06/15/14	08/01/14	\$13,555.00	47	\$637,085
BELLOMY RESEARCH/SURVEY PTNRS PPL - WINS	317572200000	1405-07	04/15/14	06/05/14	\$13,501.00	51	\$688,551
DELOITTE & TOUCHE PPL - PHILADELPHIA PA	655073200000	8002262136	10/24/14	11/21/14	\$13,115.57	28	\$367,236
					<u>\$2,008,087</u>		<u>\$52,281,084</u>

Weighted Average Lag (A x B) / A

26.04 days

PPL Electric Utilities
Lag in Payment of Postage - BI 34
12 Months Ended December 31, 2014

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 CHICAGO	992172200000	POSTAGE-BILLING-PROCESS	05/12/14	05/07/14	\$275,000.00	(5)	(\$1,375,000)
DST OUTPUT CHICAGO	771182200000	POSTAGE-BILLING-PROCESS1	05/22/14	05/16/14	\$275,000.00	(6)	(\$1,650,000)
DST OUTPUT CHICAGO	941892200000	POSTAGE-BILLING-PROCESS	06/12/14	06/06/14	\$275,000.00	(6)	(\$1,650,000)
DST OUTPUT CHICAGO	057403200000	POSTAGE-BILLING-PROCESS1	06/23/14	06/17/14	\$275,000.00	(6)	(\$1,650,000)
DST OUTPUT CHICAGO	944223200000	POSTAGE-BILLING-PROCESS	07/14/14	07/07/14	\$275,000.00	(7)	(\$1,925,000)
DST OUTPUT CHICAGO	991923200000	POSTAGE-BILLING-PROCESS1	07/22/14	07/17/14	\$275,000.00	(5)	(\$1,375,000)
DST OUTPUT CHICAGO	948143200000	POSTAGE-BILLING-PROCESS1	08/22/14	08/15/14	\$275,000.00	(7)	(\$1,925,000)
DST OUTPUT CHICAGO	060733200000	POSTAGE-BILLING-PROCESS	08/12/14	08/07/14	\$275,000.00	(5)	(\$1,375,000)
DST OUTPUT CHICAGO	497843200000	POSTAGE-BILLING-PROCESS	09/12/14	09/05/14	\$275,000.00	(7)	(\$1,925,000)
DST OUTPUT CHICAGO	713253200000	POSTAGE-BILLING-PROCESS1	09/22/14	09/17/14	\$275,000.00	(5)	(\$1,375,000)
DST OUTPUT CHICAGO	085463200000	POSTAGE-BILLING-PROCESS1	10/22/14	10/17/14	\$275,000.00	(5)	(\$1,375,000)
DST OUTPUT CHICAGO	913063200000	POSTAGE-BILLING-PROCESS	10/13/14	10/07/14	\$275,000.00	(6)	(\$1,650,000)
DST OUTPUT CHICAGO	099273200000	POSTAGE-BILLING-PROCESS	11/12/14	11/07/14	\$275,000.00	(5)	(\$1,375,000)
DST OUTPUT CHICAGO	734773200000	POSTAGE-BILLING-PROCESS1	11/24/14	11/17/14	\$275,000.00	(7)	(\$1,925,000)
DST OUTPUT CHICAGO	120783200000	POSTAGE-BILLING-PROCESS1	12/22/14	12/17/14	\$275,000.00	(5)	(\$1,375,000)
DST OUTPUT CHICAGO	810483200000	POSTAGE-BILLING-PROCESS	12/12/14	12/05/14	\$275,000.00	(7)	(\$1,925,000)
DST OUTPUT CHICAGO	945511200000	POSTAGE-BILLING-PROCESS1	01/22/14	01/17/14	\$270,000.00	(5)	(\$1,350,000)
DST OUTPUT CHICAGO	995790200000	POSTAGE-BILLING-PROCESS	01/13/14	01/07/14	\$270,000.00	(6)	(\$1,620,000)
DST OUTPUT CHICAGO	999941200000	POSTAGE-BILLING-PROCESS	02/12/14	02/07/14	\$270,000.00	(5)	(\$1,350,000)
DST OUTPUT CHICAGO	994461200000	POSTAGE-BILLING-PROCESS1	02/25/14	02/14/14	\$270,000.00	(11)	(\$2,970,000)
DST OUTPUT CHICAGO	995981200000	POSTAGE-BILLING-PROCESS	03/12/14	03/07/14	\$270,000.00	(5)	(\$1,350,000)
DST OUTPUT CHICAGO	942802200000	POSTAGE-BILLING-PROCESS1	03/24/14	03/17/14	\$270,000.00	(7)	(\$1,890,000)
DST OUTPUT CHICAGO	947042200000	POSTAGE-BILLING-PROCESS	04/14/14	04/07/14	\$270,000.00	(7)	(\$1,890,000)
DST OUTPUT CHICAGO	949452200000	POSTAGE-BILLING-PROCESS1	04/22/14	04/17/14	\$270,000.00	(5)	(\$1,350,000)
UNITED STATES POSTAL SERVICE ALLENTOWN	998562200000	35653955	04/25/14	04/28/14	\$11,250.00	3	\$33,750
UNITED STATES POSTAL SERVICE ALLENTOWN	544773200000	35653955	11/17/14	11/18/14	\$11,250.00	1	\$11,250
					<u>\$ 6,582,500</u>		<u>\$ (39,575,000)</u>

Weighted Average Lag (A x B) / A

-6.01 days

PPL Electric Utilities
Lag in Payment of Phones & Wires - BI 35
12 Months Ended December 31, 2014

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	0785464208	0785464208	08/11/14	09/22/14	\$74,648.47	42	\$3,135,236
AT&T	8198825207	8198825207	10/11/14	11/07/14	\$68,762.09	27	\$1,856,576
AT&T	1498506204	1498506204	11/11/14	11/26/14	\$67,354.69	15	\$1,010,320
AT&T	1449854206	1449854206	09/11/14	10/06/14	\$56,718.60	25	\$1,417,965
AT&T	0785464208	0785464208	08/11/14	09/22/14	\$49,765.65	42	\$2,090,157
AT&T	3290403208	3290403208	02/11/14	02/28/14	\$43,686.74	17	\$742,675
AT&T	8198825207	8198825207	10/11/14	11/07/14	\$36,424.01	27	\$983,448
AT&T	4440913203	4440913203	05/11/14	05/27/14	\$32,251.92	16	\$516,031
AT&T	1484832209	1484832209	12/11/13	01/10/14	\$27,696.05	30	\$830,882
VERIZON	215197856599920140801	215197856599920000000	08/01/14	08/15/14	\$26,919.06	14	\$376,867
VERIZON	215197856599920140601	215197856599920140601	06/01/14	06/20/14	\$26,285.88	19	\$499,432
VERIZON	215190682099920140701	215190682099920140701	07/01/14	08/07/14	\$25,327.09	37	\$937,102
VERIZON	2151906820999032014	2151906820999032014	03/01/14	03/14/14	\$24,881.03	13	\$323,453
VERIZON	215197856599920141101	215197856599920141101	11/01/14	11/25/14	\$16,258.02	24	\$390,192
VERIZON	215197856599920140801	215197856599920140801	08/01/14	08/15/14	\$15,784.13	14	\$220,978
VERIZON	215190682099920141001	215190682099920141001	10/01/14	10/17/14	\$15,183.17	16	\$242,931
VERIZON	215190682099920141201	215190682099920141201	12/01/14	12/15/14	\$14,532.68	14	\$203,458
VERIZON	02011420999	02011420999	02/01/14	02/14/14	\$14,037.35	13	\$182,486
VERIZON	02011465999	02011465999	02/01/14	02/14/14	\$13,454.43	13	\$174,908
AT&T	1687202293	1687202293	09/15/14	12/15/14	\$7,571.03	91	\$688,964
CENTURYTEL	00314234627140119	00314234627140119	01/19/14	02/14/14	\$6,920.46	26	\$179,932
CENTURYTEL	00314234627141019	00314234627141019	10/19/14	10/28/14	\$6,812.68	9	\$61,314
AT&T	1688087219	1688087219	12/01/14	12/16/14	\$5,154.97	15	\$77,325
CENTURYTEL	00314234627131219	00314234627131219	12/03/14	01/06/15	\$4,672.99	34	\$158,882
CENTURYTEL	00314234627140819	00314234627140819	08/19/14	08/27/14	\$4,542.35	8	\$36,339
CENTURYTEL	00314234627140619	00314234627140619	06/19/14	07/01/14	\$4,537.88	12	\$54,455
AT&T MOBILITY	363293200000	PPL112014	12/04/14	01/19/15	\$3,949.66	46	\$181,684
AT&T MOBILITY	996882200000	PPL042014	05/04/14	06/19/14	\$3,844.13	46	\$176,830
					<u>\$697,977.21</u>		<u>\$17,750,819.57</u>

Weighted Average Lag (A x B) / A

25.43 days

PPL Electric Utilities
Lag in Payment of Rents - BI 36
12 Months Ended December 31, 2014

Vendor Name	Voucher Number	Invoice Number	Mid-point of Service Date	Payment Date	(A) Amount	(B) Days Lag	(A) x (B) Weighted Amount
COMMONWEALTH OF PENNSYLVANIA PPL - HARRI DOBLE ENGINEERING COMPANY WATERTOWN	733683200000	1801644150	07/01/15	01/01/15	\$81,420.24	(181)	(\$14,737,063)
NATIONAL RAILROAD PASSENGER CORPORATION	885453200000	155597	01/01/15	11/03/14	\$73,494.96	(59)	(\$4,336,203)
READING & NORTHERN REAL ESTATE COMPANY A	253533200000	33743	07/23/14	08/06/14	\$45,299.92	14	\$634,199
READING ANTHRACITE COMPANY POTTSVILLE	083583200000	11529	07/01/15	12/31/14	\$33,692.62	(182)	(\$6,132,057)
READING & NORTHERN REAL ESTATE COMPANY A	991341200000	2014-000540	01/07/14	02/07/14	\$29,690.02	31	\$920,391
READING & NORTHERN REAL ESTATE COMPANY A	991990200000	21421	08/01/14	01/31/14	\$21,630.00	(182)	(\$3,936,660)
READING & NORTHERN REAL ESTATE COMPANY A	426033200000	81418	01/31/15	07/31/14	\$8,221.98	(184)	(\$1,512,844)
COMMONWEALTH OF PENNSYLVANIA PPL - HARRI	727783200000	1801644538	07/01/15	12/31/14	\$7,500.00	(182)	(\$1,365,000)
PENNSYLVANIA NORTHEAST REGIONAL RAILROAD	999302200000	6071	07/01/13	03/18/14	\$5,120.84	260	\$1,331,418
COMMONWEALTH OF PENNSYLVANIA ALLENTOWN	398963200000	1801620353	05/07/15	11/07/14	\$3,210.00	(181)	(\$581,010)
COMMONWEALTH OF PENNSYLVANIA PPL - HARRI	540883200000	1801644317	07/01/15	01/01/15	\$3,000.00	(181)	(\$543,000)
HERTZ EQUIPMENT RENTAL CORP	574752200000	27260242-001	02/04/14	04/22/14	\$2,685.00	77	\$206,745
HERTZ EQUIPMENT RENTAL CORP	428092200000	27260242.01	05/06/14	06/19/14	\$2,580.00	44	\$113,520
COMMONWEALTH OF PENNSYLVANIA PPL - HARRI	340883200000	1801644250	07/01/15	01/01/15	\$2,350.00	(181)	(\$425,350)
UNITED RENTALS MECHANICSBURG	300073200000	123337751-001	10/21/14	11/19/14	\$2,043.37	29	\$59,258
READING & NORTHERN REAL ESTATE COMPANY A	667853200000	9149	03/01/15	10/03/14	\$1,678.48	(149)	(\$250,094)
R J CORMAN RAILROAD COMPANY	059302200000	913671	02/19/14	03/17/14	\$1,543.50	26	\$40,131
COMMONWEALTH OF PENNSYLVANIA PPL - HARRI	977333200000	1801577942	01/31/15	08/04/14	\$1,500.00	(180)	(\$270,000)
BEST LINE EQUIPMENT PPL - ALLENTOWN PA	715373200000	R08063	11/02/14	12/03/14	\$1,475.00	31	\$45,725
HERTZ EQUIPMENT RENTAL CORP PPL - PARK R	870903200000	27430962-001	05/25/14	07/09/14	\$1,446.81	45	\$65,106
COMMONWEALTH OF PENNSYLVANIA PPL - HARRI	008461200000	1801499878	01/01/14	02/20/14	\$1,362.00	50	\$68,100
HERTZ EQUIPMENT RENTAL CORP PPL - PARK R	796923200000	27430962-002	06/24/14	08/08/14	\$1,317.81	45	\$59,301
HERTZ EQUIPMENT RENTAL CORP PPL - FARMIN	008721200000	27115274-004	12/31/13	02/13/14	\$1,300.00	44	\$57,200
HERTZ EQUIPMENT RENTAL CORP PPL - PARK R	721413200000	27115274-009	05/30/14	07/11/14	\$1,300.00	42	\$54,600
HERTZ EQUIPMENT RENTAL CORP PPL - PARK R	130873200000	27115274-014	10/27/14	11/10/14	\$1,300.00	14	\$18,200
UNITED RENTALS MECHANICSBURG	633933200000	19102691-003	07/03/14	08/14/14	\$1,094.63	42	\$45,974
					<u>\$ 337,257</u>		<u>\$ (30,369,412)</u>

Weighted Average Lag (A x B) / A

-90.05 days

PPL Electric Utilities
Lag in Payment of Advertising Expenses - BI 37
12 Months Ended December 31, 2014

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	699983200000	INV-05401	12/05/14	01/02/15	\$127,765.00	28	\$3,577,420
UMARKETING LLC PPL - LOMBARD IL	908021200000	INV-03879	12/31/13	01/30/14	\$64,892.20	30	\$1,946,766
UMARKETING LLC PPL - LOMBARD IL	912951200000	INV-03994	01/31/14	02/28/14	\$53,823.35	28	\$1,507,054
UMARKETING LLC PPL - LOMBARD IL	004301200000	INV-03844A	12/30/13	01/29/14	\$50,750.00	30	\$1,522,500
UMARKETING LLC PPL - LOMBARD IL	818973200000	INV-05248	11/20/14	12/16/14	\$43,867.01	26	\$1,140,542
UMARKETING LLC PPL - LOMBARD IL	590933200000	INV-04794	07/31/14	08/29/14	\$15,299.22	29	\$443,677
CONSOLIDATED GRAPHIC	800153200000	600932	08/07/14	10/03/14	\$13,403.77	57	\$764,015
UMARKETING LLC PPL - LOMBARD IL	718973200000	INV-05266	11/11/14	12/16/14	\$10,500.00	35	\$367,500
UMARKETING LLC PPL - LOMBARD IL	360533200000	INV-04755	07/28/14	08/27/14	\$6,045.00	30	\$181,350
DIRECTORY ASSISTANCE INC PPL - ATLANTA G	651522200000	14-1099	04/01/14	04/16/14	\$5,885.40	15	\$88,281
UMARKETING LLC PPL - LOMBARD IL	879473200000	INV-05214	11/30/14	11/26/14	\$5,000.00	(4)	(\$20,000)
UMARKETING LLC PPL - LOMBARD IL	805953200000	INV-05004	11/30/14	10/22/14	\$3,873.50	(39)	(\$151,067)
UMARKETING LLC PPL - LOMBARD IL	940352200000	INV-04194	03/16/14	04/30/14	\$2,500.00	45	\$112,500
					<u>\$ 403,604</u>		<u>\$ 11,480,539</u>

Weighted Average Lag (A x B) / A

28.45 days

PPL Electric Utilities
Lag in Payment of Miscellaneous Expenses - BI 49
12 Months Ended December 31, 2014

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	173132200000	12F004-14REV	11/15/13	04/30/14	\$186,059.96	166	\$30,885,953
PENN LINE SERVICE INC	240773200000	3Q14-PLS-KPI	08/30/14	12/09/14	\$135,682.52	101	\$13,703,935
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	240683200000	39F004-14	08/30/14	01/09/15	\$133,541.13	132	\$17,627,429
PENN LINE SERVICE INC	701533200000	2Q14-PLS-KPI	05/31/14	08/26/14	\$75,782.32	87	\$6,593,062
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	701643200000	33F001-14	05/31/14	09/26/14	\$61,814.76	118	\$7,294,142
ASPLUNDH TREE EXPERT CO E-VENDOR - WILLO	656292200000	21F001-14	02/28/14	06/27/14	\$41,976.17	119	\$4,995,164
PEOPLEMETRICS PPL - PHILADELPHIA PA	160853200000	5814	09/22/14	10/22/14	\$23,725.00	30	\$711,750
MOHEGAN SUN AT POCONO DOWNS PPL - WILKES	134573200000	103014	10/28/14	12/29/14	\$7,400.40	62	\$458,825
PENN LINE SERVICE INC	535872200000	1Q14-PLS-KPI	02/28/14	06/10/14	\$6,735.66	102	\$687,037
AMANDA SAVITZ PPL - KUNKLETOWN PA	202463200000	17551-20016	10/13/14	10/16/14	\$4,320.28	3	\$12,961
DAVID WINAND PPL - POTTSVILLE PA	868343200000	80910-30016	08/20/14	09/23/14	\$4,510.00	34	\$153,340
TRAVELERS CLAIMS HARTFOR PROP	968763200000	HUZ4581B/A7591503004	10/17/14	11/06/14	\$4,193.48	20	\$83,870
COOLBAUGH TOWNSHIP PPL - TOBYHANNA PA	842563200000	26491-26001	10/15/14	10/17/14	\$3,669.00	2	\$7,338
MATHAUS TRAGER PPL - COGAN STATION PA	631353200000	9122014	09/12/14	09/19/14	\$3,426.26	7	\$23,984
ELIZABETH VAUTRIN PPL ANALOMINK PA	990491200000	79471-33009	03/04/14	03/24/14	\$3,061.87	20	\$61,237
TAMMY TAYLOR BROGUE PA	278083200000	TAYLOR11-21-14	11/21/14	12/05/14	\$2,750.00	14	\$38,500
JAMES BRUBAKER PPL PORT TREVORTON PA	004271200000	22014	02/14/14	02/26/14	\$2,282.49	12	\$27,390
ROBERT W KERNEN PPL HATFIELD PA	998402200000	26420-21021A	03/07/14	03/18/14	\$2,123.00	11	\$23,353
RENEE SWEENEY PPL - HUGHESVILLE PA	069773200000	1117	11/17/14	12/08/14	\$2,002.15	21	\$42,045
					<u>\$705,056</u>		<u>\$83,431,315</u>

Weighted Average Lag (A x B) / A

118.33 days

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

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

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

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

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

Q.2. If the schedule provided in item 1 is based upon budgeted data for a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.

A.2. The information requested is set forth in Section D of Exhibit Historic 1.

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

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

	<u>2015</u>	<u>2014</u>	<u>Difference</u>	
<u>OPERATING REVENUES</u>				
400				
Electric Revenue:				
Residential	\$ 1,241,755	\$ 1,275,023	\$ (33,268)	
Commercial	364,063	367,688	(3,625)	
Industrial	63,910	52,320	11,590	
Public Authorities	21,971	20,629	1,342	
Railroads	895	533	362	
Sales for Resale	3,753	3,963	(210)	
Total Sales Revenue	1,696,347	1,720,156	(23,809)	
Other Electric Revenue:				
Forfeited Discounts	12,410	12,680	(270)	
Miscellaneous Service Revenue	1,444	884	560	
Rent from Electric Property	42,715	41,311	1,404	
Unbilled Revenues - Net	1,292	(3,153)	4,445	
Other Electric Revenue	368,984	348,551	20,433	
Total Other Electric Revenue	426,844	400,273	26,571	
Total Operating Revenue	2,123,192	2,120,429	2,763	
<u>OPERATING EXPENSE</u>				
401 - 402				
Operation and Maintenance Expense				
Power Production Expenses:				
Power Purchases	563,902	650,326	(86,424)	
Ancillary Expenses	1,482	2,707	(1,225)	
Other	1,016	9,908	(8,892)	
Transmission Expenses	116,440	121,863	(5,423)	
Regional Market Expenses	68	222	(154)	
Distribution Expenses	170,114	176,101	(5,987)	
Customer Accounts Expenses	78,078	78,943	(865)	
Customer Service & Informational Expenses	103,546	91,320	12,226	
Sales Expenses	1,799	2,343	(544)	
Administrative and General Expenses	179,201	155,954	23,247	
Total Operation & Maint. Expense	1,215,646	1,289,687	(74,041)	
403 - 405				
Depreciation Expense and Amortization of Electric Plant Acquisition Adjustments	209,216	185,115	24,101	
407	Regulatory Debits (Credits), net	15,943	6,936	9,007
408.1	Taxes Other Than Income Taxes	115,405	114,502	903
411.6/411.7	(Gains)/Losses From Disposition of Utility Plant	0	21	(21)
	Total Operating Expenses Prior to Federal & State Income Taxes	1,556,210	1,596,261	(40,051)
	Operating Income Prior to Federal & State Income Taxes	\$ 566,982	\$ 524,168	\$ 42,814

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

	<u>2015</u>	<u>2014</u>	<u>Difference</u>
<u>FEDERAL AND STATE INCOME TAXES</u>			
409.1 Federal Income Taxes	\$ 78,198	\$ 51,987	\$ 26,211
State Income Taxes	15,298	22,835	(7,537)
410.1 & 411.1			
Deferred Federal Income Taxes - Net	57,419	71,111	(13,692)
Deferred State Income Taxes - Net	23,229	14,966	8,263
Investment Tax Credit Adjustments			
Deferrals	0		0
411.4 Amortization - Credit	(409)	(1,435)	1,026
	173,735	159,464	14,271
Total Federal & State Income Taxes			
Operating Income After Federal & State Income Taxes	393,247	364,704	28,543
<u>OTHER INCOME AND DEDUCTIONS</u>			
Other Income			
415 Merchandising Income	0	61	(61)
416,417 Merchandising Expense	0	(52)	52
418.0 Non-Utility Operating Income (Loss)	0	(48)	48
418.1 Equity in Earnings of Subsidiary Companies	0	155	(155)
419.0 Interest & Dividend Income	55	525	(470)
419.1 Allowance for Other Funds Used During Construction	7,885	9,540	(1,655)
421.1 Gain on Disposition of Property	0	1,105	(1,105)
421 Other Misc. Non-Operating Income	0	453	(453)
Total Other Income	7,941	11,739	(3,798)
Other Income Deductions			
421.2 Loss on Disposition of Property	0	6	(6)
426 Miscellaneous	6,549	3,363	3,186
Total Other Income Deductions	6,549	3,369	3,180
Taxes Applicable to Other Income Deductions			
408.2 Taxes Other Than Income Taxes	0	0	0
409.2 Federal Income Tax	438	8,203	(7,765)
State Income Tax	139	(7,742)	7,881
410.2 & 411.2			
Deferred Federal Income Taxes - Net	0	(5,059)	5,059
Deferred State Income Taxes - Net	0	87	(87)
Total Taxes Applicable to Other Income Deduction	577	(4,511)	5,088
Income Before Interest Charges	\$ 394,061	\$ 377,585	\$ 16,476

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

	<u>2015</u>	<u>2014</u>	<u>Difference</u>
<u>INTEREST CHARGES</u>			
427 Interest on Long-term Debt	\$ 128,893	\$ 114,228	\$ 14,665
428 Amortization of Debt Discount & Expense	1,903	2,442	(539)
428.1 Amortization of Loss on Reacquired Debt	7,143	7,191	(48)
429 Amortization of Premium on Debt-Credit	0	0	0
430 Interest on Debt to Associated Companies	0	0	0
431 Other Interest Expense	1,733	2,985	(1,252)
432 Allowance for Borrowed Funds Used During Construction	<u>(4,062)</u>	<u>(4,702)</u>	<u>640</u>
Net Interest Charges	135,610	122,144	13,466
Net Income	<u>\$ 258,451</u>	<u>\$ 255,441</u>	<u>\$ 3,010</u>

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

	<u>2016</u>	<u>2015</u>	<u>Difference</u>
<u>OPERATING REVENUES</u>			
400			
Electric Revenue:			
Residential	\$ 1,242,131	\$ 1,241,755	\$ 376
Commercial	366,226	364,063	2,163
Industrial	64,666	63,910	757
Public Authorities	22,258	21,971	287
Railroads	942	895	46
Sales for Resale	3,719	3,753	(34)
Total Sales Revenue	1,699,942	1,696,347	3,595
Other Electric Revenue:			
Forfeited Discounts	12,736	12,410	326
Miscellaneous Service Revenue	1,444	1,444	0
Rent from Electric Property	43,045	42,715	330
Unbilled Revenues - Net	627	1,292	(664)
Other Electric Revenue	391,145	368,984	22,161
Total Other Electric Revenue	448,997	426,844	22,153
Total Operating Revenue	2,148,940	2,123,192	25,748
<u>OPERATING EXPENSE</u>			
401 - 402			
Operation and Maintenance Expense			
Power Production Expenses:			
Power Purchases	528,337	563,902	(35,565)
Ancillary Expenses	1,489	1,482	6
Other	795	1,016	(221)
Transmission Expenses	125,499	116,440	9,059
Regional Market Expenses	68	68	0
Distribution Expenses	178,068	170,114	7,954
Customer Accounts Expenses	78,572	78,078	494
Customer Service & Informational Expenses	105,118	103,546	1,572
Sales Expenses	1,719	1,799	(79)
Administrative and General Expenses	190,668	179,201	11,467
Total Operation & Maint. Expense	1,210,333	1,215,646	(5,313)
403 - 405			
Depreciation Expense and Amortization of Electric Plant Acquisition Adjustments	239,283	209,216	30,067
407			
Regulatory Debits (Credits), net	14,891	15,943	(1,052)
408.1			
Taxes Other Than Income Taxes	121,427	115,405	6,022
411.6/411.7			
(Gains)/Losses From Disposition of Utility Plant	0	0	0
Total Operating Expenses Prior to Federal & State Income Taxes	1,585,934	1,556,210	29,724
Operating Income Prior to Federal & State Income Taxes	\$ 563,006	\$ 566,982	\$ (3,976)

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

	<u>2016</u>	<u>2015</u>	<u>Difference</u>
<u>FEDERAL AND STATE INCOME TAXES</u>			
409.1 Federal Income Taxes	\$ 42,593	\$ 78,198	\$ (35,605)
State Income Taxes	11,216	15,298	(4,082)
410.1 & 411.1			
Deferred Federal Income Taxes - Net	87,881	57,419	30,462
Deferred State Income Taxes - Net	23,916	23,229	687
Investment Tax Credit Adjustments			
Deferrals	0		0
411.4 Amortization - Credit	(110)	(409)	299
Total Federal & State Income Taxes	<u>165,496</u>	<u>173,735</u>	<u>(8,239)</u>
Operating Income After Federal & State Income Taxes	397,510	393,247	4,263
<u>OTHER INCOME AND DEDUCTIONS</u>			
Other Income			
415 Merchandising Income	0	0	0
416,417 Merchandising Expense	0	0	0
418.0 Non-Utility Operating Income (Loss)	0	0	0
418.1 Equity in Earnings of Subsidiary Companies	0	0	0
419.0 Interest & Dividend Income	39	55	(16)
419.1 Allowance for Other Funds Used During Construction	12,325	7,885	4,439
421.1 Gain on Disposition of Property	0	0	0
421 Other Misc. Non-Operating Income	0	0	0
Total Other Income	<u>12,364</u>	<u>7,941</u>	<u>4,423</u>
Other Income Deductions			
421.2 Loss on Disposition of Property	0	0	0
426 Miscellaneous	4,691	6,549	(1,858)
Total Other Income Deductions	<u>4,691</u>	<u>6,549</u>	<u>(1,858)</u>
Taxes Applicable to Other Income Deductions			
408.2 Taxes Other Than Income Taxes	0	0	0
409.2 Federal Income Tax	2,417	438	1,979
State Income Tax	766	139	627
410.2 & 411.2			
Deferred Federal Income Taxes - Net	0	0	0
Deferred State Income Taxes - Net	0	0	0
Total Taxes Applicable to Other Income Deduction	<u>3,184</u>	<u>577</u>	<u>2,606</u>
Income Before Interest Charges	\$ 401,998	\$ 394,061	\$ 7,937

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

	<u>2016</u>	<u>2015</u>	<u>Difference</u>
<u>INTEREST CHARGES</u>			
427 Interest on Long-term Debt	\$ 149,697	\$ 128,893	\$ 20,804
428 Amortization of Debt Discount & Expense	2,036	1,903	133
428.1 Amortization of Loss on Reacquired Debt	6,871	7,143	(272)
429 Amortization of Premium on Debt-Credit	0	0	0
430 Interest on Debt to Associated Companies	0	0	0
431 Other Interest Expense	3,062	1,733	1,330
432 Allowance for Borrowed Funds Used During Construction	<u>(6,349)</u>	<u>(4,062)</u>	<u>(2,287)</u>
Net Interest Charges	155,317	135,610	19,708
 Net Income	 <u>\$ 246,681</u>	 <u>\$ 258,451</u>	 <u>\$ (11,770)</u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2014 and 2015

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

Account 400 - Operating Revenues - \$2,763

Residential Sales - (\$33,268) - Decrease is related to lower forecasted sales due to normal weather expected in the in the FTY compared to a colder than normal winter in HTY.

Commercial Sales - (\$3,625) - Decrease is related to lower forecasted sales due to normal weather expected in the future test year compared to a colder than normal winter in the HTY and an increase in shopping customers.

Industrial Sales - \$11,590 - Increase for FTY is related to a refund for Transmission that occurred in the HTY, but will not reoccur in the FTY.

Public Authorities - \$1,342 - Increase is due to higher projected revenue for high pressure sodium street lighting.

Unbilled Revenue - Net - \$4,445 - Increase is due to unbilled revenue in 2014 being lower as a result of a colder than normal December 2013 compared to a milder December 2014.

Other Electric Revenue - \$20,433 - Increase primarily due to the Transmission Owner Revenue increases in 2015 based on the FERC formula rates, partially offset by changes in revenue over/under adjustments for the various cost recovery clauses and riders.

Accounts 401 & 402 - Operating and Maintenance Expenses - (\$74,041)

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 is based primarily 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>2015</u>		<u>2014</u>		<u>Difference</u>
Power Purchases	\$ 640,998	\$	741,733	\$	(100,735)
Wages & Employee Benefits	117,422		115,453		1,968
Other Operating Costs	457,226		432,500		24,725
	<u>\$ 1,215,646</u>	\$	<u>1,289,687</u>	\$	<u>(74,041)</u>

Explanations of major changes in category of expense are:

Power Purchases - (\$100,735) - Decrease is primarily due to lower energy and capacity costs from acquisition contracts for POLR customers not using alternate suppliers.

Wages & Employee Benefits - \$1,968 - Increase is primarily due to tax and benefit credit adjustments in 2014.

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2014 and 2015

Other Operating Costs - \$24,725 - Other Operating Costs are further segregated into the following categories of expense:

	<u>2015</u>	<u>2014</u>	<u>Difference</u>
Employee Expenses	\$ 1,283	\$ 2,170	\$ (888)
Vehicles & Equipment Use	7,526	8,509	(983)
Materials & Supplies	7,292	6,691	602
Printing & Office Supplies	701	534	167
Tree Trimming	54,517	52,220	2,296
Work by Outsiders	50,087	50,742	(654)
Services	6,136	2,712	3,423
Postage	6,800	7,104	(304)
Telephone & Leased Wires	2,919	3,342	(423)
Rents	9,846	9,911	(65)
Advertising	180	556	(376)
Uncollectible Accounts	57,092	53,223	3,869
Distribution from clearing	30,827	34,264	(3,437)
Miscellaneous	61,694	70,444	(8,751)
PPL Electric Other Operating Costs	296,899	302,423	(5,524)
Affiliate Support	160,327	130,077	30,249
Total Other Operating Costs	\$ 457,226	\$ 432,500	\$ 24,725

Tree Trimming \$2,296 - Increase primarily due to additional work scope related to Transmission vegetation work for maintaining system reliability.

Services \$3,423 - Increase is primarily due to safety training and consulting.

Uncollectible Accounts \$3,869 - Increase is primarily due to the budgeted projection of customer past due account write-offs and increases in new enrollment levels related to the On-Track program of the USR Rider.

Distribution from clearing (\$3,437) - Decrease is primarily due to increased capital work in 2015.

Miscellaneous (\$8,751) - Decrease is primarily due to O&M management challenge in 2015.

Affiliate Support \$30,249 - See Filing Requirement II-D-8

Account 407 - Regulatory Debits (Credits), net - \$9,007 - Difference is due primarily to amortization of Hurricane Sandy expenses which will be recovered through Storm Damage Expense Rider.

Account 409.1 - Federal Income Taxes - \$26,211 - Increase is due primarily to the following items:

Higher pre-tax book income	\$ 7,560
Change in book/tax timing differences	9,604
Increase in Federal Alternative Minimum Tax (AMT)	7,315
2013 provision to return adjustments recorded in 2014	6,592
Offset by the following items:	
Increase in NOL Utilization	(3,233)
2014 tax reserves	(1,627)
	\$ 26,211

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2014 and 2015

Account 409.1 - State Income Taxes - (\$7,537) - Decrease is due primarily to the following items:

Change in state only book/tax timing differences primarily related to bonus depreciation	\$ (9,577)
Increase in NOL Utilization	(2,508)
Offset by the following items:	
Higher pre-tax book income	2,397
Change in book/tax timing differences	1,561
Other miscellaneous adjustments	590
	<u>\$ (7,537)</u>

Account 410.1 & 411.1 - Deferred Income Taxes - Federal - Net - (\$13,692) - Decrease is due primarily to the following items:

2013 provision to return adjustments recorded in 2014	\$ (7,118)
Change in book/tax timing differences	(3,690)
Increase in Federal Alternative Minimum Tax (AMT)	(7,315)
Offset by the following items:	
Decrease in NOL Carryforwards	3,233
2014 tax reserves	1,198
	<u>\$ (13,692)</u>

Account 410.1 & 411.1 - Deferred Income Taxes - State - Net - \$8,263 - Increase is due primarily to the following items:

Change in book/tax timing differences	\$ 5,406
2014 tax reserves	1,032
Decrease in NOL Carryforwards	2,508
Offset by the following items:	
2013 provision to return adjustments recorded in 2014	(683)
	<u>\$ 8,263</u>

Account 419.1 Allowance for Borrowed Funds used During Construction - (\$1,655) -

Decrease primarily due to large Transmission projects being constructed in 2014 and being placed in service in 2015.

Account 421.1 - Gain on Disposition of Property - (\$1,105) - Decrease is due to gain on sale of Gallery land in 2014.

Account 426 - Miscellaneous - \$3,186 - Increase primarily due to other preliminary survey and investigation charges for Transmission projects which are not recoverable through FERC Formula Rate.

Account 427 - Interest on Long-term Debt - \$14,665 - Increase is primarily due to a proposed debt issuance in 2015.

Account 431 - Other Interest Expense - (\$1,252) - Decrease is primarily due to interest on customer deposits in 2014.

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2015 and 2016

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

Account 400 - Operating Revenues - \$25,748

Commercial Sales - \$2,163 - Increase is primarily due to projected customer growth.

Other Electric Revenue - \$22,161 - Increase primarily due to the Transmission Owner Revenue increases in 2016 based on the FERC formula rates, increase in projected revenue associated with the Smart Meter Technology Procurement & Installation Plan, partially offset by changes in revenue over/under adjustments for the various cost recovery clauses and riders.

Accounts 401 & 402 - Operating and Maintenance Expenses - (\$5,313)

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 is based primarily 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>2016</u>		<u>2015</u>		<u>Difference</u>
Power Purchases	\$ -	\$	-	\$	-
Wages & Employee Benefits	115,984		117,422		(1,437)
Other Operating Costs	481,927		457,226		24,701
	<u>\$ 597,912</u>	\$	<u>574,648</u>	\$	<u>23,264</u>

Explanations of major changes in category of expense are:

Power Purchases - (\$28,577) - Decrease is primarily due to lower energy and capacity costs from acquisition contracts for POLR customers not using alternate suppliers.

Wages & Employee Benefits - (\$1,437) - Decrease is due to reduction in headcount for Customer Services.

Other Operating Costs - \$24,701 - Other Operating Costs are further segregated into the following categories of expense:

	<u>2016</u>		<u>2015</u>		<u>Difference</u>
Employee Expenses	\$ 1,267	\$	1,283	\$	(17)
Vehicles & Equipment Use	7,510		7,526		(16)
Materials & Supplies	7,046		7,292		(247)
Printing & Office Supplies	686		701		(14)
Tree Trimming	47,310		54,517		(7,207)
Work by Outsiders	61,010		50,087		10,923
Services	6,006		6,136		(130)
Postage	6,466		6,800		(334)
Telephone & Leased Wires	2,947		2,919		27
Rents	9,746		9,846		(100)
Advertising	186		180		6
Uncollectible Accounts	61,510		57,092		4,418
Distribution from clearing	31,156		30,827		330
Miscellaneous	72,732		61,694		11,037
	<u>\$ 315,575</u>	\$	<u>296,899</u>	\$	<u>18,676</u>
PPL Electric Other Operating Costs	\$ 315,575	\$	296,899	\$	18,676

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2015 and 2016

Affiliate Support	166,352	160,327	6,026
Total Other Operating Costs	\$ 481,927	\$ 457,226	\$ 24,701

Tree Trimming (\$7,207) - Decrease primarily related to Transmission and 2015 being the last year of reclaiming the 69kV system, which is significantly more expensive than standard maintenance.

Work By Outsiders \$10,923 - Increase is primarily due to increase in scope for Transmission maintenance work.

Uncollectible Accounts \$4,418 - Increase is primarily due to the budgeted projection of customer past due account write-offs and increases in new enrollment levels related to the On-Track program of the USR Rider.

Miscellaneous \$11,037 - Increase is primarily due to O&M management challenge in 2015 and increase costs related to Smart Meters which are expected to be recovered through a Rider.

Affiliate Support \$6,026 - See Filing Requirement II-D-8

Account 407 - Regulatory Debits (Credits), net - (\$1,052) - Decrease primarily due to amortization of 2005 Ice Storm being fully amortized as of August 2015.

Account 408.1 - Taxes Other Than Income Taxes - \$6,022 - Increase is primarily due to \$7 million of increased gross receipts tax in 2016 primarily resulting from a higher revenue base offset by \$1M of lower capital stock tax resulting from the expiration of the tax in 2016.

Account 409.1 - Federal Income Taxes - (\$35,605) - Decrease is due primarily to the following items:

Lower pre-tax book income	\$ (8,944)
Change in book/tax timing differences	(9,329)
Increase in NOL Utilization	(24,950)
Offset by the following items:	
Increase in Federal Alternative Minimum Tax (AMT)	7,618
	\$ (35,605)

Account 409.1 - State Income Taxes - (\$4,082) - Decrease is due primarily to the following items:

Lower pre-tax book income	\$ (2,836)
Change in book/tax timing differences	(2,995)
Offset by the following items:	
Decrease in NOL Utilization	1,749
	\$ (4,082)

Account 410.1 & 411.1 - Deferred Income Taxes - Federal - Net - \$30,462 - Increase is due primarily to the following items:

Change in book/tax timing differences	\$ 13,130
Decrease in NOL Carryforwards	24,950
Offset by the following items:	
Increase in Federal Alternative Minimum Tax (AMT)	(7,618)
	\$ 30,462

PPL ELECTRIC UTILITIES CORPORATION
Operating Statements
For the 12 Months Ended December 31, 2015 and 2016

Account 419.1 Allowance for Borrowed Funds used During Construction - \$4,439 -

Increase primarily due to large Transmission projects being constructed in 2016 and being placed in service in outer years.

Account 426 - Miscellaneous - (\$1,858) - Decrease primarily due to less preliminary survey and investigation costs for Transmission projects which are not recoverable through FERC Formula Rate.

Account 427 - Interest on Long-term Debt - \$20,804 - Increase is primarily due to a proposed debt issuance in 2016.

Account 431 - Other Interest Expense - \$1,330 - Increase is primarily due to short term debt issuance.

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

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

- 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, 2012, 2013 and 2014.

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, 2011	\$ 17,985	\$ 798	\$ 2,267	\$ 21,050
Provision	30,600	40	1,520	32,160
Amounts Written Off	<u>(29,707) (a)</u>	<u>(74)</u>	<u>(1,145)</u>	<u>(30,926)</u>
Balance December 31, 2012	18,878	764	2,642	22,284
Provision	31,220	(70)	1,420	32,570
Amounts Written Off	<u>(30,821) (a)</u>	<u>(106)</u>	<u>(838)</u>	<u>(31,765)</u>
Balance December 31, 2013	19,277	588	3,224	23,089
Provision	32,272	(170)	1,420	33,522
Amounts Written Off	<u>(33,471) (a)</u>	<u>(33)</u>	<u>(1,243)</u>	<u>(34,747)</u>
Balance December 31, 2014	<u>\$ 18,078</u>	<u>\$ 385</u>	<u>\$ 3,401</u>	<u>\$ 21,864</u>

(a) Amounts written off are net of POR discounts. In 2012, 2013 and 2014 the POR discounts were \$9,575, \$10,960 and \$12,920, respectively.

- Q.6. Supply detailed calculations to support the total claim for rate case expense, including supporting data for outside service rendered. Provide the items comprising the estimated rate case expense claim for the current rate case.
- A.6. Schedule D-6 of Exhibits Future 1 and Fully Projected 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	2015	2014	Increase (Decrease)
1	Environmental remediation expense	\$ 2,100	\$ 1,268	\$ 832
2	Environmental insurance reimbursements and settlements	-	(9)	9
3	Miscellaneous	622	56	566
4	TOTAL	<u>\$ 2,722</u>	<u>\$ 1,315</u>	<u>\$ 1,407</u>

Line No.	Expense	2016	2015	Increase (Decrease)
5	Environmental remediation expense	\$ 2,300	\$ 2,100	\$ 200
6	Environmental insurance reimbursements and settlements	-	-	-
7	Miscellaneous	606	622	(16)
8	TOTAL	<u>\$ 2,906</u>	<u>\$ 2,722</u>	<u>\$ 184</u>

PPL ELECTRIC UTILITIES CORPORATION

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

Line No.	Service	2015	2014	Increase (Decrease)
1	Records Management	\$ 7	\$ 11	\$ (4)
2	Consulting	48	78	(30)
3	Corp. Communications department of PPL Services	-	-	-
4	TOTAL	<u>\$ 55</u>	<u>\$ 89</u>	<u>\$ (34)</u>
Line No.	Service	2016	2015	Increase (Decrease)
5	Records Management	\$ 7	\$ 7	\$ 0
6	Consulting	49	48	0
7	Corp. Communications department of PPL Services	-	-	-
8	TOTAL	<u>\$ 56</u>	<u>\$ 55</u>	<u>\$ 0</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, 2014.

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>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
1	PUC Annual Assessment	\$ 5,523	\$ 5,264	\$ 259
2	TOTAL	\$ 5,523	\$ 5,264	\$ 259

<u>Line No.</u>	<u>Expense</u>	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
3	PUC Annual Assessment	\$ 5,523	\$ 5,523	\$ -
4	TOTAL	\$ 5,523	\$ 5,523	\$ -

PPL ELECTRIC UTILITIES CORPORATION

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

Line No.	Description/Purpose	2015	2014	Increase (Decrease)
1	Goodwill or institutional advertising	\$ -	\$ -	\$ -
2	Customer assistance programs	164	48	116
3	Customer Education	-	459	(459)
4	Employment vacancy search	-	-	-
5	Miscellaneous	36	49	(13)
6	TOTAL	<u>\$ 200</u>	<u>\$ 556</u>	<u>\$ (356)</u>

Types of Advertising

7	Television	\$ -	\$ -	\$ -
8	Radio	-	58	(58)
9	Internet/Electronic	66	394	(329)
10	Outdoor	-	-	-
12	Printed Media	134	104	31
13	TOTAL	<u>\$ 200</u>	<u>\$ 556</u>	<u>\$ (356)</u>

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

PPL ELECTRIC UTILITIES CORPORATION

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

<u>Line No.</u>	<u>Description/Purpose</u>	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
1	Goodwill or institutional advertising	\$ -	\$ -	\$ -
2	Customer assistance programs	170	164	6
3	Customer Education	-	-	-
4	Employment vacancy search	-	-	-
5	Miscellaneous	36	36	-
6	TOTAL	<u><u>\$ 206</u></u>	<u><u>\$ 200</u></u>	<u><u>\$ 6</u></u>

Types of Advertising

7	Television	\$ -	\$ -	\$ -
8	Radio	-	-	-
9	Internet/Electronic	68	66	2
10	Outdoor	-	-	-
12	Printed Media	138	134	4
13	TOTAL	<u><u>\$ 206</u></u>	<u><u>\$ 200</u></u>	<u><u>\$ 6</u></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	2015	2014	Increase (Decrease)
1	Research support to EPRI, an independent, nonprofit, R&D service organization	\$ 202	\$ 202	\$ -
2	Research support to NEETRAC, National Electric Energy, Testing, Research and Applications Center, a non-profit member supported electric energy research, development and testing center	148	148	0
3	Internal coordination and participation in Transmission R&D activities for PPL Electric	0	66	(66)
4	Internal coordination and participation in Distribution R&D activities for PPL Electric	0	187	(187)
5	TOTAL	<u>\$ 350</u>	<u>\$ 603</u>	<u>\$ (253)</u>

Line No.	Project	2016	2015	Increase (Decrease)
6	Research support to EPRI, an independent, nonprofit, R&D service organization	\$ 202	\$ 202	\$ -
7	Research support to NEETRAC, National Electric Energy, Testing, Research and Applications Center, a non-profit member supported electric energy research, development and testing center	148	148	0
8	Internal coordination and participation in Transmission R&D activities for PPL Electric	0	0	0
9	Internal coordination and participation in Distribution R&D activities for PPL Electric	0	0	0
10	TOTAL	<u>\$ 350</u>	<u>\$ 350</u>	<u>\$ -</u>

PPL ELECTRIC UTILITIES CORPORATION

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

Line No.	Recipient	2015	2014	Increase (Decrease)
1	Operation Help	\$ 508	\$ 618	\$ (110)
2	Neighborhood Partnership and educational scholarship contributions	1,080	625	455
3	Other Charitables	1,224	1,468	(243)
4	TOTAL	\$ 2,812	\$ 2,711	\$ 101

Line No.	Recipient	2016	2015	Increase (Decrease)
1	Operation Help	\$ 500	\$ 508	\$ (8)
2	Neighborhood Partnership and educational scholarship contributions	1,063	1,080	(16)
3	Other Charitables	1,206	1,224	(18)
4	TOTAL	\$ 2,770	\$ 2,812	\$ (42)

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

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

- Q.8. Provide an analysis by function of charges by affiliates, for the test year and the 12-month period immediately prior to the test year, for services rendered included in the operating expenses of the filing company. Explain the nature of the service and the basis on which charges or allocations are made, including a copy of applicable contract. Also, explain major variances between the charges for the test year and the corresponding charges for the prior 12-month period.
- A.8. PPL Services Corporation ("PPL Services"), formed on July 1, 2000 as the result of PPL Corporation realignment, provides various administrative and general services for PPL Electric and the other affiliates of PPL Corporation. Providing and charging for these services previously was governed by 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") and now is governed by an updated agreement dated November 1, 2014 by and between PPL Corporation, a Pennsylvania Corporation ("PPL Corporation") and PPL Electric Utilities Corporation, a Pennsylvania corporation ("PPL Electric"). Attachment II-D-8a Parts 1 and 2 are copies of these agreements. Attachment II-D-8a Part 3 is an updated list of Subsidiaries and Affiliates of PPL Corporation as of March, 2015 and Attachment II-D-8a Part 4 is a pro forma list of Subsidiaries and Affiliates of PPL Corporation after the spin-off of PPL Corporation's supply business (discussed below).

Services are provided in two basic forms - Direct Support and Indirect and Other Support. Direct Support is defined as a distinct product or service that can be readily identified as being incurred for a specific affiliate, or group of affiliates, accounted for, and monitored as direct support. Any allocation of Direct Support to a specific affiliate is based on product/service unit pricing, or specific and identifiable cost accumulation and transfer. Indirect Support represents general and administrative support and depreciation/amortization charges that generally 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.

On October 1, 2014, in preparation for spinning off PPL Corporation's supply business in 2015 and realigning certain support group functions closely tied to PPL Electric, PPL EU Services Corporation ("EU Services") was formed. EU Services, which became effective January 1, 2015, provides various administrative and general services primarily for the benefit of PPL Electric. EU Services was created to help PPL Electric more readily identify and control

support costs. Similar to PPL Services, EU Services provides direct and indirect support; however the volume of indirect support is much lower. Indirect costs allocated to PPL Electric and other PPL Corporation affiliates are limited to costs received by EU Services from PPL Services, EU Services to EU Services support costs, rents, fixed asset costs and miscellaneous costs that cannot be directly attributed to a specific service or product. Allocation of indirect support is based on the multi-factor allocation guideline recommended by the PUC.

PPL Solutions was formed as a subsidiary of PPL Corporation in 1998 to provide services to the competitive retail energy market. PPL Solutions provides order to cash services for customers of energy suppliers and has since expanded to provide services to the regulated energy market. Services include customer enrollment and account maintenance, customer billing, Electronic Data Interchange (EDI), remittance processing, customer collections, and customer care.

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

PPL Services:

- Auditing – provides assessments, consultative services, and investigations. Direct support costs are based on time and materials charged to specific audits.
- Financial Department – provides corporate accounting, tax, financing, financial planning, receipts and disbursements and pension plan services as well as risk management oversight and credit and insurance services. Direct support costs are based on actual costs incurred, unit rate costs for services provided, headcount ratios or insurable value.
- Human Resource and Services – provides strategic corporate human resource functions, including succession planning, talent development, recruiting, executive compensation, performance management, strategic workforce planning, employee and labor relations, compensation and benefit administration, diversity initiatives, corporate security, emergency management, and HR systems. Direct support costs are based on actual costs incurred or number of employees ratio.
- Information Services Department – provides Information Technology, computer hardware and software, and telecommunications support. Direct Support fees are assessed based on the cost of the service provided.

- Office of General Counsel – provides legal services. 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. Direct charges to clients are based on actual costs accumulated for specific services rendered.
- Supply Chain - provides material management services – acquisition and handling. PPL Services' Supply Chain function primarily supports PPL Corporation affiliates other than PPL Electric. During 2015 all Supply Chain functions remaining after the PPL Corporation Supply business lines leave PPL Corporation will transition into EU Services. They will then serve as a supply chain function for the remaining PPL Corporation affiliates, including PPL Electric. Direct charges are based on actual costs incurred, purchase order ratio, or contract volume ratio.

PPL Solutions:

- 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. Direct charges to clients are based on contractual rates for specific services rendered.

EU Services:

- Finance & Regulatory Affairs - supports the organization by performing financial budgeting, planning and analysis functions; performing regulatory accounting and reporting; performing regulatory functions in support of rate design and management and maintaining regulatory relationships; and, load analysis to help support revenue and metering activities. Support is provided solely for the benefit of PPL Electric's Distribution and Transmission business units. Support for other affiliates would be performed on an exception basis. Direct charges are based on actual costs incurred or a payroll ratio.

- Communications - supports direct employee communications regarding new projects/events/initiatives. Additionally, they provide regional community affairs support to help obtain public support of company activities. Support is provided solely for the benefit of PPL Electric's Distribution and Transmission business units. Support for other affiliates would be performed on an exception basis. Direct charges are based on actual costs incurred or a revenue ratio.
- Facilities Management - maintains all PPL Corporation physical facilities, including buildings, office equipment and general property. The majority of physical facilities are owned by PPL Electric. Facilities Department was moved from PPL Services to EU Services effective January 1, 2015. Direct charges are made to the various affiliates / business units based upon square footage utilized.
- Human Resources - supports hiring, ensures the safety and health of employees and consults on employee concerns. Support is provided solely for the benefit of PPL Electric's Distribution and Transmission business units. Support for other affiliates would be performed on an exception basis. Direct charges are based on actual costs incurred or an employee headcount ratio.
- Technical Development & Improvement - provides training and technical services such as e-learning development and maintenance, in addition to safety support. Support is provided for the benefit of PPL Electric's Distribution and Transmission business units. At times, support may be provided to PPL Services. Direct charges are based on actual costs incurred or an employee headcount ratio.
- Supply Chain - performs logistics and procurement services including warehouse management, material procurement and contract management activities. EU Services' Supply Chain function primarily supports PPL Electric. Direct charges are based on actual costs incurred, purchase order ratio, or contract volume ratio.

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

Services Agreement

This Agreement is made as of Nov. 1, 2014, by and between PPL Corporation, a Pennsylvania corporation ("PPL Corporation"), and PPL Electric Utilities Corporation, a Pennsylvania corporation ("PPL Electric"). This Services Agreement supersedes and replaces the Services Agreement between the predecessors to PPL Electric and PPL Corporation dated April 27, 1995.

WHEREAS, PPL Corporation is an energy and utility holding company and, 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

WHEREAS, PPL Electric is a subsidiary of PPL Corporation and is engaged in providing electric distribution, transmission and default supply service to customers in portions of central eastern Pennsylvania subject to regulation by the Pennsylvania Public Utility Commission ("PaPUC") and the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, PPL Corporation and PPL Electric each possess knowledge and skill in various aspects of business operations; and

WHEREAS, the provision of certain services between PPL Corporation and PPL Electric will enable the parties to obtain these services effectively and efficiently; and

WHEREAS, PPL Corporation desires to procure services from PPL Electric on a non-exclusive basis, and PPL Electric is willing to provide these services; and

WHEREAS, PPL Electric desires to procure services from PPL Corporation on a non-exclusive basis, and PPL Corporation is willing to provide these services;

NOW, THEREFORE, in consideration of the agreements set forth herein and intending to be legally bound hereby, PPL Corporation and PPL Electric agree as follows:

A. Services

1. PPL Corporation agrees to provide, on an as-available basis, such services as may from time to time be requested by PPL Electric. These services may include management, supervisory, construction, engineering, accounting, legal, financial or similar services, as necessary and appropriate to the safe, efficient and/or cost effective operation of PPL Electric's business. A non-exclusive list of services that may be provided to PPL Electric includes, but is not limited to:

- Management services.
- Supervisory services.
- Construction services.
- Engineering services.
- Restoration of utility services.
- Information Technology services.

- External Affairs services.
- Human Resources services.
- Environmental Management services.
- Financial services.
- Auditing services.
- Risk Management services.
- Insurance services.
- Legal services.
- Call Center services.
- Billing services.
- Purchasing services.
- Supply Chain services.
- Real Estate services.
- Facilities Management services.
- Electronic data interchange ("EDI") services.
- Administrative services.
- Corporate Secretarial services.
- Other services that may be necessary for the safe, efficient and/or cost-effective operation of PPL Electric's business.

2. PPL Electric agrees to provide, on an as-available basis, such services as may from time to time be requested by PPL Corporation. These services may include management, supervisory, construction, engineering, accounting, legal, financial or similar services, as necessary and appropriate to the safe, efficient and/or

cost effective operation of PPL Corporation's business, including, but not limited to, the non-exclusive list of services set forth in Paragraph A(1) above.

3. PPL Corporation and PPL Electric may obtain services of this nature from time to time on an as-needed basis. Neither PPL Corporation nor PPL Electric is under any obligation to procure a set amount of services pursuant to this Agreement.

B. Pricing

The price for services provided pursuant to Section A of this Agreement will be determined as set forth below; provided however that if a particular transaction is subject to regulation by the FERC or another federal regulatory agency, and the rules of these agencies require a pricing mechanism that is different than provided herein, the Parties will follow the rules required by the federal agency, as applicable.

1. Direct Assignment

Pricing under this Agreement will be based on a direct assignment to the affiliate receiving the service to the extent reasonably possible.

2. Allocation

If pricing cannot be determined based on a direct assignment, it will be based on an allocation between the parties based on a reasonable approximation of the costs attributable to each party.

Except as provided below, costs will be allocated using a three-factor methodology. The three factors are: (1) invested capital, (2) operation and maintenance expense, and (3) number of employees. The first factor will be

calculated based upon each subsidiary's proportion of invested capital relative to its affiliates. The second factor will be based on each subsidiary's proportion of operation and maintenance expenses relative to its affiliates. The third factor will be based on each subsidiary's number of employees relative to its affiliates.

Each of the three factors will be weighted equally in importance. Therefore, the sum of the three factors will be divided by three to obtain the average multi-factor allocation percentage for each subsidiary. To reduce immaterial allocations, subsidiaries with a multi-factor average allocation rate of less than 1 percent will not receive an allocation.

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

After the Support Groups determine which PPL subsidiaries benefit from their services (or a percentage of them if applicable), the allocation rate for each Support Group will be calculated. If all of a particular Support Group's costs benefit the same set of PPL Corporation subsidiaries equally, the appropriate

allocation method for that Support Group will be obtained by using the average multi-factor allocation percentage for each subsidiary as discussed above. If, however, a portion of the costs only benefit certain subsidiaries, while the balance of the costs benefit another set of subsidiaries, then a Support Group blended multi-factor allocation factor will be calculated for that Support Group and used for allocating all the costs of that Support Group.

C. General

1. Subsidiary Participation

"PPL Corporation" as used in this Agreement includes all subsidiary and affiliated companies of PPL Corporation other than PPL Electric and LG&E and KU Energy, LLC ("LKE") and its subsidiaries. A current list of PPL Corporation's subsidiaries is provided as Appendix A to this Agreement. PPL Electric will file an update of this list annually with the PaPUC. New PPL Corporation subsidiaries that are added before each annual update will be subject to this Agreement in the meantime. As set forth above, LKE and its subsidiaries, including Kentucky Utilities Company ("KU"), Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP"), Louisville Gas and Electric Company ("LG&E") and KU Services Company are not parties to this Agreement. In the event that PPL Electric seeks to enter into a services contract with LKE and/or its subsidiaries, PPL Electric will file a separate affiliate agreement to cover those services.

2. Term

The term of this Agreement shall commence on the date first set forth above or the date on which the PaPUC 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. Billing

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

4. 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.

PPL CORPORATION

By: _____

PPL ELECTRIC UTILITIES CORPORATION

By: _____

Appendix A

Subsidiaries and Affiliates of PPL Corporation

Airborne Pollution Control Inc.
Aztec Insurance Limited
BDW Corp.
B-G Mechanical Contractors, Inc.
B-G Mechanical Service, Inc.
Brunner Island Services, LLC
Burns Mechanical, Inc.
Cell Site Connection Services Limited
Central Networks Trustees Limited
CEP Commerce, LLC
CEP Lending, Inc.
CEP Reserves, Inc.
Colstrip Comm Serv, LLC
Conemaugh Fuels, LLC
DCUSA Limited
DHA, LLC
EA Technology Limited
Ebusiness South West Limited
Electralink Limited
Electric Energy, Inc.
Electricity Association Services Limited
Electricity Pensions Limited
Electricity Pensions Trustee Limited
Elmsford Sheet Metal Works, Inc.
Energy Networks Association Limited
FCD LLC
Fred Williams, Inc.
Gemserve Limited
General Control Systems, Inc.
General Mechanical Systems, Inc.
H. T. Lyons Co.
H. T. Lyons, Inc.

Hyder Limited
Hyder Profit Sharing Trustee Limited
Hyder Share Scheme Trustee (2) Limited
Hyder Share Scheme Trustee Limited
Indiana-Kentucky Electric Corporation
Infralec 1992 Pension Trustee Limited
Kelston Properties 2 Limited
Kelston Properties Limited
Kentucky Utilities Company
Keystone Fuels, LLC
Lady Jane Collieries, Inc.
Lexington Utilities Company
LG&E and KU Capital LLC
LG&E and KU Energy LLC
LG&E and KU Foundation, Inc.
LG&E and KU Hydro I LLC
LG&E and KU Services Company
LG&E Energy Inc.
LG&E Energy Marketing Inc.
LG&E Home Services Inc.
LG&E International Inc.
LG&E Power Argentina III LLC
Louisville Gas and Electric Company
Lower Mount Bethel Energy, LLC
McCarl's Inc.
McClure Company
Meter Operator Services Limited
Meter Reading Services Limited
Midwest Electric Power, Inc.
Millennium Builders, Inc.
Montour Services, LLC
MRA Service Company Limited
Ninth Street & Hamilton Corporation
Northmere Limited

Ohio Valley Electric Corporation
Pennsylvania Mines, LLC
PMDC Chile, LLC
PMDC Europe B.V.
PMDC International Holdings, Inc.
PMDC International N.V.
PP&L Capital Trust (Business Trust)
PP&L Capital Trust II (Business Trust)
PPL Bell Bend Holdings, LLC
PPL Bell Bend, LLC
PPL Brunner Island, LLC
PPL Capital Funding, Inc.
PPL Cayman, LLC
PPL Chile Inversiones Energeticas S.A.
PPL Colstrip I, LLC
PPL Colstrip II, LLC
PPL Corporation
PPL Electric Utilities Corporation
PPL Energy Funding Corporation
PPL Energy Services Group, LLC
PPL Energy Services Holdings, LLC
PPL Energy Services Mid-Atlantic, LLC
PPL Energy Services Northeast, Inc.
PPL Energy Supply, LLC
PPL EnergyPlus Retail, LLC
PPL EnergyPlus, LLC
PPL Generation Services, LLC
PPL Generation, LLC
PPL Global, LLC
PPL Great Works, LLC
PPL Holtwood, LLC
PPL Infrastructure Services, LLC
PPL Interstate Energy Company
PPL Investment Corporation

PPL Ironwood Holdings, LLC
PPL Ironwood, LLC
PPL Island Financing LLP
PPL Land Holdings, LLC
PPL Maine, LLC
PPL Martins Creek, LLC
PPL Montana Holdings, LLC
PPL Montana, LLC
PPL Montour, LLC
PPL New Jersey Biogas, LLC
PPL New Jersey Solar, LLC
PPL Nuclear Development, LLC
PPL Power Insurance Ltd.
PPL Prescott, LLC
PPL Receivables Corporation
PPL Renewable Energy, LLC
PPL SavageALERT, Inc.
PPL Services Corporation
PPL Spectrum, Inc.
PPL Strategic Development, LLC
PPL Susquehanna, LLC
PPL Treasure State, LLC
PPL UK Holdings, LLC
PPL UK Investments Limited
PPL UK Resources Limited
PPL WEM Holdings plc
PPL WW Holdings Limited
PPLG El Salvador Holdings, S.A. de C.V.
PPLSolutions, LLC
Realty Company of Pennsylvania
REC Collect Limited
SIUK Finance
SIUK Investments
South Wales Electricity Share Scheme Trustees Limited

South Western Helicopters Limited
Surf Telecoms Limited
The Ombudsman Service Limited
Titan Mechanical Contractors, Inc.
Trystate Mechanical, Inc.
Westech International, Inc.
Western Kentucky Energy Corp.
Western Power Distribution (East Midlands) plc
Western Power Distribution (South Wales) plc
Western Power Distribution (South West) plc
Western Power Distribution (West Midlands) plc
Western Power Distribution Investments Limited
Western Power Distribution LLP
Western Power Generation Limited
Western Power Pension Trustee Limited
WPD 1957 Limited
WPD Finance Limited
WPD Investments Limited
WPD Limited
WPD Limited (Guernsey)
WPD Midlands Holdings Limited
WPD Midlands Networks Contracting Limited
WPD Midlands Networks Services Limited
WPD Property Developments Limited
WPD Property Investments Limited
WPD Property Limited
WPD Share Scheme Trustees Limited
WPD Smart Metering Limited
WW Share Schemes Trustees Limited

SUBSIDIARIES AND AFFILIATES OF PPL CORPORATION
(as of March 19, 2015)

Airborne Pollution Control, Inc.	McCarl's Inc.
Aztec Insurance Limited	McClure Company
B-G Mechanical Contractors, Inc.	Merchants Landing (Amenities) Limited
B-G Mechanical Service, Inc.	Met-South, Inc.
BDW Corp.	Meter Operator Services Limited
Brunner Island Services, LLC	Meter Reading Services Limited
Burns Mechanical, Inc.	Midwest Electric Power, Inc.
Central Networks Trustees Limited	Millennium Builders, Inc.
CEP Commerce, LLC	Montour Services, LLC
CEP Lending, Inc.	MRA Service Company Limited
CEP Reserves, Inc.	Northmere Limited
Colstrip Comm Serv, LLC	Ohio Valley Electric Corporation
Conemaugh Fuels, LLC	Pennsylvania Mines, LLC
DCUSA Limited	PMDC Chile, LLC
DHA, LLC	PMDC International Holdings, Inc.
EA Technology Limited	PP&L Residual Corporation
Ebusiness South West Limited	PPL Bell Bend Holdings, LLC
Electralink Limited	PPL Bell Bend, LLC
Electric Energy, Inc.	PPL Brunner Island, LLC
Electricity Association Services Limited	PPL Capital Funding, Inc.
Electricity Pensions Limited	PPL Cayman, LLC
Electricity Pensions Trustee Limited	PPL Electric Utilities Corporation
Elmsford Sheet Metal Works, Inc.	PPL Energy Funding Corporation
Energy Networks Association Limited	PPL Energy Services Group, LLC
FCD LLC	PPL Energy Services Holdings, LLC
Fred Williams, Inc.	PPL Energy Services Northeast, Inc.
Gemserv Limited	PPL Energy Supply, LLC
General Control Systems, Inc.	PPL EnergyPlus, LLC
H.T. Lyons Co.	PPL EnergyPlus Retail, LLC
H. T. Lyons, Inc.	PPL EU Services Corporation
Hyder Limited	PPL Foundation
Hyder Profit Sharing Trustee Limited	PPL Generation, LLC
Hyder Share Scheme Trustee (2) Limited	PPL Generation Services, LLC
Hyder Share Scheme Trustee Limited	PPL Global, LLC
Indiana-Kentucky Electric Corporation	PPL Holtwood, LLC
Infralec 1992 Pension Trustee Limited	PPL Infrastructure Services, LLC
Joppa & Eastern Railroad Company	PPL Interstate Energy Company
Kelston Properties Limited	PPL Investment Corporation
Kelston Properties 2 Limited	PPL Ironwood, LLC
Kentucky Utilities Company	PPL Ironwood Holdings, LLC
Keystone Fuels, LLC	PPL Island Financing LLP
Lady Jane Collieries, Inc.	PPL Land Holdings, LLC
Lexington Utilities Company	PPL Maine, LLC
LG&E and KU Capital LLC	PPL Martins Creek, LLC
LG&E and KU Energy LLC	PPL Montana Holdings, LLC
LG&E and KU Foundation Inc.	PPL Montana, LLC
LG&E and KU Hydro I LLC	PPL Montour, LLC
LG&E and KU Services Company	PPL New Jersey Biogas, LLC
LG&E Energy Inc.	PPL New Jersey Solar, LLC
LG&E Energy Marketing Inc.	PPL Nuclear Development, LLC
Louisville Gas and Electric Company	PPL Power Insurance Ltd.
Lower Mount Bethel Energy, LLC	PPL Prescott, LLC
Massac Enterprises, LLC	PPL Receivables Corporation

PPL Renewable Energy, LLC
PPL SavageALERT, Inc.
PPL Services Corporation
PPL Spectrum, Inc.
PPL Strategic Development, LLC
PPL Susquehanna, LLC
PPL Treasure State, LLC
PPL Island Limited
PPL Midlands Limited
PPL UK Holdings, LLC
PPL UK Investments Limited
PPL UK Resources Limited
PPL UK Distribution Holdings Limited
PPL WEM Limited
PPL WPD Limited
PPL WPD 3 Limited
PPL Solutions, LLC
Realty Company of Pennsylvania
Smart Energy Code Company Limited
South Wales Electricity Share Scheme
Trustees Limited
South Western Helicopters Limited
Spinnaker Quay Management Company Limited
Surf Telecoms Limited
Talen Energy Corporation
Talen Energy Holdings, Inc.
Talen Energy Merger Sub, Inc.
The Ombudsman Service Limited
Titan Mechanical Contractors, Inc.

Trystate Mechanical, Inc.
Victory Park Management Company Limited
Western Kentucky Energy Corp.
Western Power Distribution (East Midlands) plc
Western Power Distribution (West Midlands) plc
Western Power Distribution (South Wales) plc
Western Power Distribution (South West) plc
Western Power Distribution Investments Limited
Western Power Distribution Limited
Western Power Generation Limited
Western Power Pension Trustee Limited
Willow Farm Management Company Limited
WPD 1957 Limited
WPD 2014 LLP
WPD Investments Limited
WPD Limited
WPD Limited (Guernsey)
WPD Midlands Limited
WPD Midlands Networks Contracting Limited
WPD Midlands Properties Limited
WPD Distribution Networks Holdings Limited
WPD Property Developments Limited
WPD Property Investments Limited
WPD Property Limited
WPD Share Scheme Trustees Limited
WPD Smart Metering Limited
WW Share Schemes Trustees Limited

SUBSIDIARIES AND AFFILIATES OF PPL CORPORATION
(expected post spin in 2015)

Airborne Pollution Control, Inc.	PPL EU Services Corporation
Aztec Insurance Limited	PPL Foundation
Central Networks Trustees Limited	PPL Global, LLC
CEP Commerce, LLC	PPL Infrastructure Services, LLC
CEP Lending, Inc.	PPL Island Financing LLP
CEP Reserves, Inc.	PPL Power Insurance Ltd.
DCUSA Limited	PPL Receivables Corporation
DHA, LLC	PPL Services Corporation
EA Technology Limited	PPL Strategic Development, LLC
Ebusiness South West Limited	PPL Island Limited
Electralink Limited	PPL Midlands Limited
Electric Energy, Inc.	PPL UK Holdings, LLC
Electricity Association Services Limited	PPL UK Investments Limited
Electricity Pensions Limited	PPL UK Resources Limited
Electricity Pensions Trustee Limited	PPL UK Distribution Holdings Limited
Energy Networks Association Limited	PPL WEM Limited
FCD LLC	PPL WPD Limited
Gemserv Limited	PPL WPD 3 Limited
Hyder Limited	PPLSolutions, LLC
Hyder Profit Sharing Trustee Limited	Smart Energy Code Company Limited
Hyder Share Scheme Trustee (2) Limited	South Wales Electricity Share Scheme Trustees Limited
Hyder Share Scheme Trustee Limited	South Western Helicopters Limited
Indiana-Kentucky Electric Corporation	Spinnaker Quay Management Company Limited
Infralec 1992 Pension Trustee Limited	Surf Telecoms Limited
Joppa & Eastern Railroad Company	The Ombudsman Service Limited
Kelston Properties Limited	Victory Park Management Company Limited
Kelston Properties 2 Limited	Western Kentucky Energy Corp.
Kentucky Utilities Company	Western Power Distribution (East Midlands) plc
Lexington Utilities Company	Western Power Distribution (West Midlands) plc
LG&E and KU Capital LLC	Western Power Distribution (South Wales) plc
LG&E and KU Energy LLC	Western Power Distribution (South West) plc
LG&E and KU Foundation Inc.	Western Power Distribution Investments Limited
LG&E and KU Hydro I LLC	Western Power Distribution Limited
LG&E and KU Services Company	Western Power Generation Limited
LG&E Energy Inc.	Western Power Pension Trustee Limited
LG&E Energy Marketing Inc.	Willow Farm Management Company Limited
Louisville Gas and Electric Company	WPD 1957 Limited
Massac Enterprises, LLC	WPD 2014 LLP
Merchants Landing (Amenities) Limited	WPD Investments Limited
Met-South, Inc.	WPD Limited
Meter Operator Services Limited	WPD Limited (Guernsey)
Meter Reading Services Limited	WPD Midlands Limited
Midwest Electric Power, Inc.	WPD Midlands Networks Contracting Limited
MRA Service Company Limited	WPD Midlands Properties Limited
Northmere Limited	WPD Distribution Networks Holdings Limited
Ohio Valley Electric Corporation	WPD Property Developments Limited
PMDC Chile, LLC	WPD Property Investments Limited
PMDC International Holdings, Inc.	WPD Property Limited
PP&L Residual Corporation	WPD Share Scheme Trustees Limited
PPL Capital Funding, Inc.	WPD Smart Metering Limited
PPL Cayman, LLC	WW Share Schemes Trustees Limited
PPL Electric Utilities Corporation	
PPL Energy Funding Corporation	

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: PPL Services Corporation	<u>2015</u>	<u>2014</u>	<u>Difference</u>
<u>Direct Support</u>			
Auditing	\$ 256	\$ 200	\$ 56
Environmental Management	-	361	(361)
Gov't Affairs and Communications	-	2,209	(2,209)
Facilities Management	-	17,639	(17,639)
Financial Department	3,838	3,126	712
Human Resources	2,329	4,667	(2,338)
Information Services Department	22,275	25,933	(3,658)
Office of General Counsel	8,043	6,323	1,720
Risk Management	-	2,724	(2,724)
Supply Chain	444	779	(335)
PPL Solutions	5,772	6,272	(500)
Total Direct Support	<u>42,957</u>	<u>70,233</u>	<u>(27,276)</u>
Total Indirect and Other Support	73,838	59,844	13,994
Total Support	<u>\$ 116,795</u>	<u>\$ 130,077</u>	<u>\$ (13,282)</u>

Explanations of major changes are:

Environmental Management - Direct support costs (\$400) transferred to PPL Electric O&M effective January 1, 2015.

Gov't Affairs & Communications - Partial transfer of Communications to EU Services effective January 1, 2015. (See pg. 3 - \$2,533 in EU Services 2015 budget). Remaining Govt. Affairs & Communications department merged into Office of General Counsel effective January 1, 2015.

Facilities Management - Entire department transferred to EU Services effective January 1, 2015. (See pg. 3 - \$17,259 in EU Services 2015 budget)

Financial Department - Risk Management merged into Financial effective January 1, 2015. Effective second quarter 2015, insurance premiums (\$1,425) for property insurance that were previously Risk Management direct support to PPL Electric have been transferred to PPL Electric O&M. Additionally, 2015 premiums related to captive insurance (\$710) were eliminated. Increase primarily due to 1st Q Risk Management property insurance premiums (\$419) included in Financial in 2015. Remaining increase due to Rating Agency (\$288) and NYSE fees (\$102) reclassified from indirect support to direct support.

Human Resources - Reduction a result of general cost reductions and partial transfer of PPL Electric related services into EU Services effective January 1, 2015 (See pg. 3 - \$1,513 in EU Services 2015 budget).

Information Services Department - Overall decrease in expense is due to savings through contractor rate reductions, application rationalization, and additional cost reductions.

Office of General Counsel - Environmental Management and Government Affairs & Communications merged into Office of General Counsel effective January 1, 2015 with partial cost transfer to PPL Electric or EU Services. Increase in Office of General Counsel direct support primarily due to an increase in outside counsel fees related to the rate case. No Environmental and Government Affairs and Communications direct support from PPL Services to PPL Electric in 2015.

Risk Management - Transferred partially to Financial and partially to PPL Electric O&M effective 2015. In 2014, there was (\$1,662) of direct support to PPL Electric for property insurance and (\$744) direct support related to captive insurance. Property insurance direct support from Financial in 2015 is (\$419). (\$1,425) is transferred to PPL Electric in 2nd Qtr. for remainder of 2015 and (\$1,900) in PPL Electric for all of 2016. Captive insurance premium is eliminated beginning in 2015.

Supply Chain - Most of Supply Chain transferred to EU Services effective January 1, 2015. Only certain bargaining unit employees temporarily remain in PPL Services. (See pg. 3 - \$231 in EU Services 2015 budget).

PPL Solutions - Decrease a result of reductions in call center support.

Total Indirect Support - Increase due to: 1) EU receiving a larger % of PPL Services depreciation and amortization charges as a result of changes in the three factors; 2) EU receiving nine months of a larger % of other indirect costs as a result of the spin-off of the Supply Segment from PPL Corp.; 3) 2014 indirect allocations to all business lines were reduced because wages for time spent on PPL Supply spin transaction and transition were diverted to PPL Strategic Development instead of normal activities.

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

	<u>2016</u>		<u>2015</u>		<u>Difference</u>
Business Line: PPL Services Corporation					
<u>Direct Support</u>					
Auditing	\$ 258	\$	256	\$	2
Financial Department	3,383		3,838		(455)
Human Resources	2,354		2,329		25
Information Services Department	20,542		22,275		(1,733)
Office of General Counsel	6,220		8,043		(1,823)
Supply Chain	448		444		4
PPL Solutions	5,772		5,772		-
Total Direct Support	<hr/> 38,977		42,957		(3,980)
Total Indirect and Other Support	87,031		73,838		13,193
Total Support	<hr/> <u>\$ 126,008</u>	\$	<hr/> <u>116,795</u>	\$	<hr/> <u>9,213</u>

Explanations of major changes are:

Financial Department - Reduction due to (\$419K) of property insurance transferred to EU O&M plus additional cost reductions throughout department.

Information Services Department - Overall decrease in expense is due to savings through contractor rate reductions, application rationalization, and additional cost reductions.

Office of General Counsel - Primarily due to an decrease in outside counsel fees related to the rate case. Additionally, decrease in outside counsel costs (\$700K) for bringing Customer Complaints and Transmission work to Office of General Counsel.

Total Indirect Support - Increase primarily due to EU receiving full year of larger % of PPL Services depreciation and amortization charges after PPL Supply is removed from PPL Corporation.

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

	<u>2015</u>	<u>2014</u> ⁽¹⁾	<u>Difference</u>
Business Line: EU Services Corporation			
<u>Direct Support</u>			
Communications	\$ 2,533	\$ -	\$ 2,533
Facilities Management	17,259	-	17,259
Finance and Regulatory Affairs	12,899	-	12,899
HR	1,513	-	1,513
Tech	31	-	31
Supply Chain	231	-	231
Total Direct Support	<hr/> 34,466	-	34,466
Total Indirect and Other Support ⁽²⁾	9,066	-	9,066
Total Support	<hr/> <u>\$ 43,532</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 43,532</u>

⁽¹⁾ PPL EU Services Corp was formed on October 1, 2014 and became effective on January 1, 2015. All groups except Finance and Regulatory Affairs were transferred from PPL Services to EU Services. Finance and Regulatory Affairs transferred from PPL Electric to EU Services. Finance and Regulatory Affairs costs in 2014 were \$12,412 and previously in PPL Electric.

⁽²⁾ Indirect and Other support for EU Services primarily consists of charges from PPL Services to EU Services and rent paid by EU Services to PPL Electric. Rent paid by EU Services is offset by revenues at PPL Electric, the owners of the buildings.

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

	<u>2016</u>	<u>2015</u>	<u>Difference</u>
Business Line: EU Services Corporation			
<u>Direct Support</u>			
Communications	\$ 2,529	\$ 2,533	\$ (4)
Facilities Management	17,524	17,259	265
Finance and Regulatory Affairs	9,814	12,899	(3,085)
HR	1,455	1,513	(58)
Tech	31	31	-
Supply Chain	143	231	(88)
Total Direct Support	<u>31,496</u>	<u>34,466</u>	<u>(2,970)</u>
Total Indirect and Other Support	8,848	9,066	(218)
Total Support	<u>\$ 40,344</u>	<u>\$ 43,532</u>	<u>\$ (3,188)</u>

Explanations of major changes are:

Finance and Regulatory Affairs - Primarily due to decrease in deferred auction costs for default service provider.

- 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:
- The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with union personnel.
 - The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with nonunion personnel.
 - 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.
 - A summary of the wage rate, salary and employee benefit changes granted or to be granted during the year.
 - The claimed test year payroll expense and employee benefit expense.
 - 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		
	2016	2015	2014
a. <u>Union Personnel</u>	(\$000)	(\$000)	(\$000)
Average Number of Employees	1,197	1,212	1,238
Year-end Number of Employees	1,188	1,214	1,197
Payroll Expenses			
Normal	\$ 79,335	\$ 77,289	\$ 79,124
Overtime	\$ 9,873	\$ 8,950	\$ 20,070
Benefit Expenses	\$ 28,718	\$ 29,241	\$ 24,970
b. <u>Non-Union Personnel</u>			
Average Number of Employees	517	524	547
Year-end Number of Employees	517	521	537
Payroll Expenses			
Normal	\$ 49,286	\$ 48,980	\$ 47,996
Overtime	\$ 846	\$ 821	\$ 1,855
Benefit Expenses	\$ 12,404	\$ 12,640	\$ 11,034

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		
	2016	2015	2014
	(\$000)	(\$000)	(\$000)
d. <u>Wage Rate</u>			
Union			
Rate	2.75%	2.50%	2.50%
Annual Effect	\$ 2,388	\$ 2,103	\$ 2,419
Non-Union			
Rate	2.75%	3.00%	2.50%
Annual Effect	\$ 1,342	\$ 1,450	\$ 1,216

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

e. Claimed for Test Year

Payroll to Expense	\$ 90,104	\$ 90,513	\$ 90,981
Benefit to Expense	\$ 25,881	\$ 26,909	\$ 24,473

f. Percent of Total Payroll + Benefits Applicable to O&M

Payroll	64.7%	66.5%	61.0%
Benefit	62.9%	64.3%	68.0%

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, 2014, PPL Electric had numerous short-term leases for rental of miscellaneous equipment from several vendors. For 2014, these payments amounted to \$237,275.

- 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 2013 and 2014. Attachment II-D-12c provides a list of third-party audits performed for PPL Electric in 2013 and 2014.

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

2012

- Effective January 1, 2012, PPL Electric Utilities Corporation (PPL Electric) prospectively adopted accounting guidance that was issued to clarify existing fair value measurement guidance and to 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 Levels 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 fair value hierarchy classification for assets and liabilities whose fair value is disclosed only in the notes to the financial statements.

The adoption of this standard resulted in additional disclosures but did not have a significant impact on PPL Electric.

- Effective January 1, 2012, PPL Electric prospectively adopted accounting guidance which allows 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 that 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 that the fair value of a reporting unit is less than the carrying amount based on the qualitative assessment.

The adoption of this standard did not have an 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. In May 2012, the FERC issued an order approving PPL Electric's request to recover the deferred tax regulatory asset over a 34-year period beginning June 1, 2012.
- Act 11 of 2012 (Act 11) authorizes the Pennsylvania Public Utility Commission (PUC) to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, the use of a Distribution System Improvement Charge (DSIC). Such alternative ratemaking procedures and mechanisms provide opportunity for accelerated cost-recovery and, therefore, are important to PPL Electric as it begins a period of significant capital investment to maintain and enhance the reliability of its delivery system, including the replacement of aging distribution assets. In August 2012, the PUC issued a Final Implementation Order adopting procedures, guidelines and a model tariff for the implementation of Act 11. Act 11 requires utilities to file a Long Term Infrastructure Improvement Plan (LTIIP) as a prerequisite to filing for recovery through the DSIC. The LTIIP is mandated to be a five- to ten-year plan describing projects eligible for inclusion in the DSIC.
- In September 2012, PPL Electric filed its LTIIP describing projects eligible for inclusion in the DSIC and, in an order entered on May 23, 2013, the PUC approved PPL Electric's proposed DSIC with an initial rate effective July 1, 2013, subject to refund after hearings. The PUC also assigned four technical recovery calculation issues to the Office of Administrative Law Judge for hearing and preparation of a recommended decision. In August 2014, the presiding Administrative Law Judge issued a recommended decision which would not have a significant impact on PPL Electric. Exceptions and reply exceptions have been filed by the parties. This matter remains pending before the PUC.

- During 2012, PPL Electric experienced several PUC-reportable storms, including Hurricane Sandy, resulting in total restoration costs of \$81 million. In particular, in late October 2012, PPL Electric experienced widespread significant damage to its distribution network from Hurricane Sandy resulting in total restoration costs of \$66 million. Although PPL Electric had storm insurance coverage, the costs incurred from Hurricane Sandy exceeded the policy limits. PPL Electric recorded a regulatory asset of \$28 million in December 2012. On December 13, 2012, PPL Electric filed a petition with the PUC for authority to defer, for accounting and financial reporting purposes, the extraordinary distribution system restoration expenses from Hurricane Sandy. On February 14, 2013, the PUC issued an Order approving PPL Electric's Petition.

2013

- Effective January 1, 2013, PPL Electric retrospectively adopted accounting guidance issued to enhance disclosures about 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.

The adoption of this guidance resulted in enhanced disclosures but did not have a significant impact on PPL Electric.

- Effective January 1, 2013, PPL Electric prospectively adopted accounting guidance that allows an entity to elect the option to first make a qualitative evaluation about the likelihood of an impairment of an indefinite-lived intangible asset. If, based on this assessment, the entity determines that it is more likely than not that the fair value of the indefinite-lived intangible asset exceeds the carrying amount, a quantitative impairment test does not need to be performed. If the entity concludes otherwise, a quantitative impairment test must be performed by determining the fair value of the asset and comparing it with the carrying value. The entity would record an impairment charge, if necessary.

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

- Effective January 1, 2013, PPL Electric prospectively adopted accounting guidance issued to improve the reporting of reclassifications out of Accumulated Other Comprehensive Income (AOCI). PPL Electric is required to provide information about the effects on net income of significant amounts reclassified out of AOCI by their respective statement of income line item, if the item is required to be reclassified to net income in its entirety. For items not reclassified to net income in their entirety, PPL Electric is required to reference other disclosures that provide greater detail about these reclassifications.

The adoption of this guidance resulted in enhanced disclosures but did not have a significant impact on PPL Electric.

- In its December 28, 2012 final rate case order, the PUC directed PPL Electric to file a proposed Storm Damage Expense Rider (SDER). In March 2013, PPL Electric filed its proposed SDER with the PUC and, as part of that filing, requested recovery of the 2012 qualifying storm costs related to Hurricane Sandy. PPL Electric proposed that the SDER become effective January 1, 2013 at a zero rate with qualifying storm costs incurred in 2013 and the 2012 Hurricane Sandy costs included in rates effective January 1, 2014. In April 2013, parties filed comments opposing the SDER. PPL Electric and several other parties filed reply comments in May 2013. In November 2013, the PUC suspended the effective date of the rider to February 28, 2014 and requested additional comments and reply comments on PPL Electric's proposal. Comments and reply comments have been filed. On February 10, 2014, PPL Electric agreed to an additional suspension of the effective date of the rider to May 1, 2014. In April 2014, the PUC issued a final order approving the SDER with a January 1, 2015 effective date and initially including actual storm costs compared to collections for December 2013 through November 2014. Also as part of the April 2014 order, PPL Electric was authorized to recover Hurricane Sandy storm damage costs through the SDER over a three-year period beginning January 1, 2015.

2014

- Effective January 1, 2014, PPL Electric retrospectively adopted accounting guidance for the recognition, measurement and disclosure of certain obligations resulting from joint and several liability arrangements when the amount of the obligation is fixed at the reporting date. If the obligation is determined to be in the scope of this guidance, it will be measured as the sum of the amount the reporting entity agreed to pay on the basis of its arrangements among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. This guidance also requires additional disclosures for these obligations.

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

- Effective January 1, 2014, PPL Electric prospectively adopted accounting guidance that requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit, to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position, or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets.

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

- On June 20, 2014, the Office of Consumer Advocate (OCA) filed a petition with the Commonwealth Court of Pennsylvania requesting that the Court reverse and remand the April 2014 order permitting PPL Electric to establish the SDER. On October 31, 2014, PPL Electric filed with the PUC a preliminary calculation of the SDER for the period January 1, 2015 through December 31, 2015 and a tariff supplement pursuant to the April Order. On December 3, 2014, the OCA filed a formal complaint and public statement with the PUC challenging PPL Electric's October 31 filings. In response to the OCA's formal complaint, the PUC suspended the effective date of the SDER until April 20, 2015 and opened an investigation. On January 12, 2015, the OCA filed a petition to withdraw its complaint against PPL Electric's October 31 filings. On January 13, 2015, the Administrative Law Judge issued an initial decision granting the OCA's petition to withdraw. On January 15, 2015, the PUC issued a final order closing the investigation and modifying the effective date of the SDER to February 1, 2015.
- PPL Electric conducted a depreciation study based upon the electric plant as of December 31, 2012. The study was filed with the PUC and changes were made effective January 1, 2014. The impact of the study was to generally lengthen the service lives of many categories of assets.

2015 and Beyond

- In April 2014, the Financial Accounting Standards Board (FASB) issued accounting guidance that changes the criteria for determining what should be classified as a discontinued operation and also changes the related presentation and disclosure requirements. A discontinued operation may include a component of an entity or a group of components of an entity, or a business activity. A disposal of a component of an entity or a group of components of an entity is required to be in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on the entity's operations and financial results when any of the following occurs: (1) The components of an entity or group of components of an entity meets the criteria to be classified as held for sale, (2) The component of an entity or group of components of an entity is disposed of by sale, or (3) The component of an entity or group of components of an entity is disposed of other than by sale (for example, by abandonment or in a distribution to owners in a spinoff).

For public business entities, this guidance should be applied prospectively to all disposals (or as held for sale) of components of an entity that occur within the annual periods beginning on or after December 15, 2014, and interim periods within those years. Early adoption is permitted.

PPL Electric will adopt this new guidance effective January 1, 2015. The adoption of this guidance is not expected to have a significant impact on PPL Electric.

- In May 2014, the FASB issued accounting guidance that establishes a comprehensive new model for the recognition of revenue from contracts with customers. This model is based on the core principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

For public business entities, this guidance can be applied using either a full retrospective or modified retrospective transition method, beginning in annual reporting periods beginning after December 15, 2016 and interim periods within those years. Early adoption is not permitted. PPL Electric will adopt this guidance effective January 1, 2017.

PPL Electric is currently assessing the impact of adopting this guidance, as well as the transition method it will use.

- In August 2014, the FASB issued accounting guidance which will require management to assess, for each interim and annual period, whether there are conditions or events that raise substantial doubt about an entity's ability to continue as a going concern. Substantial doubt about an entity's ability to continue as a going concern exists when relevant conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date the financial statements are issued.

When management identifies conditions or events that raise substantial doubt about an entity's ability to continue as a going concern, management is required to disclose information that enables users of the financial statements to understand the principal conditions or events that raised substantial doubt about the entity's ability to continue as a going concern and management's evaluation of the significance of those conditions or events. If substantial doubt about the entity's ability to continue as a going concern has been alleviated as a result of management's plan, the entity should disclose information that allows the users of the financial statements to understand those plans. If the substantial doubt about the entity's ability to continue as a going concern is not alleviated by management's plans, management's plans to mitigate the conditions or events that gave rise to the substantial doubt about the entity's ability to continue as a going concern should be disclosed, as well as a statement that there is substantial doubt the entity's ability to continue as a going concern within one year after the date the financial statements are issued.

For all entities, this guidance should be applied prospectively within the annual periods ending after December 15, 2016, and for annual periods and interim periods thereafter. Early adoption is permitted.

PPL Electric is assessing in which period they will adopt this new guidance. The adoption of this guidance is not expected to have a significant impact on PPL Electric.

- In November 2014, the FASB issued guidance that clarifies how current accounting guidance should be interpreted when evaluating the economic characteristics and risks of a host contract of a hybrid financial instrument issued in the form of a share. This guidance does not change the current criteria for determining whether separation of an embedded derivative feature from a hybrid financial instrument is required. Entities are still required to evaluate whether the economic risks of the embedded derivative feature are clearly and closely related to those of the host contract, among other relevant criteria.

An entity should consider the substantive terms and features of the entire hybrid financial instrument, including the embedded derivative feature being evaluated for bifurcation, in evaluating the nature of the host contract to determine whether the host contract is more akin to a debt instrument or more akin to an equity instrument. An entity should assess the relative strength of the debt-like and equity-like terms and features when determining how to weight those terms and features.

For public business entities, this guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015 and should be applied using a modified retrospective method for existing hybrid financial instruments issued in the form of a share as of the beginning of the fiscal year the guidance is adopted. Early adoption is permitted. Retrospective application is permitted but not required.

PPL Electric will adopt this guidance on January 1, 2016. PPL Electric is currently assessing this guidance, which is not expected to have a significant impact on PPL Electric.

- In January 2015, the FASB issued accounting guidance that eliminates the concept of extraordinary items, which requires an entity to separately classify, present in the income statement and disclose material events and transactions that are both unusual and occur infrequently. The requirement to report material events or transactions that are unusual or infrequent as a separate component of income from continuing operations has been retained, as has the requirement to separately present the nature and financial effects of each event or transaction in the income statement as a separate component of continuing operations or disclose them within the notes to the financial statements. The scope of these requirements has been expanded to include items that are both unusual and occur infrequently.

For all entities, this guidance is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted provided that an entity applies the guidance from the beginning of the fiscal year of adoption. The guidance may be applied either retrospectively or prospectively.

PPL Electric will adopt this guidance on January 1, 2016. The adoption of this guidance is not expected to have a significant impact on PPL Electric.

- As a result of the anticipated spinoff of PPL Energy Supply, LLC, a centralized services company has been formed, PPL EU Services Corporation (PPL EU Services). Beginning in 2015, it will provide the majority of corporate functions such as financial, supply chain, human resources and information technology services to PPL Electric. Most of PPL EU Services' costs will be charged directly to PPL Electric, with limited amounts charged back to PPL Services Corporation (PPL Services) and its affiliates. Where applicable, the costs of these services are charged to PPL Electric and the respective subsidiaries as direct support costs. General costs that cannot be directly attributed to a specific subsidiary are allocated and charged to the respective subsidiaries as indirect support costs. PPL Services will use a three-factor methodology that includes the subsidiaries' invested capital, operation and maintenance expenses and number of employees to allocate indirect costs.

PPL Services will continue to provide certain limited corporate functions.

Listing of Internal Audits
Performed for PPL Electric Utilities Corporation
(2013 and 2014)

Request for Internal Audit Reports in Support of PPL Electric's 2015 Rate Case Filing

Below is a listing of internal audit reports for PPL Electric Utilities for 2013 and 2014. This listing does not include investigations / independent fact gathering reviews and FERC/NERC-related audits.

2013

The following is a list of completed PPL Electric internal operational audit reports for 2013 (list also includes audits in part relating to assessing support services provided to PPL Electric):

- Review of PPL's Compliance with Copyright Laws and Regulations (549-13)
- PPL Health Services Review of Failed Medical Exam Notification Process (538-005-13)
- PPL Corporation Stakeholder Report (536-13)
- Results of Corporate Audit Services Evaluation of Internal Control Over Financial Reporting (as of December 31, 2012) – [SOX 404 Summary Report] (461-13)
- Quarterly Disclosure Controls and Procedures [for Q4 '12, Q1 '13, Q2 '13, Q3 '13] (545-13, 546-13, 547-13, 548-13)
- Consultative Review of Regulatory Accounting Documentation (519-13)
- Executive Compensation Salary Administration (561-13)
- Board of Directors Business Expenses (569-13)
- Review of Electronic Records Management (535-13)
- PPL Logistics Services Compliance with Department of Transportation Requirements (538-003-13)
- Dodd-Frank Act – Whistleblower Provisions (506-13)
- Officer Business Expense Review (565-13)
- Review of Controls Over PowerTax Provision (526-13)
- PPL Treasury Derivative Review (485-13)
- Review of ADP Co-Sourcing Business Controls (551-13)
- Review of Key Provisions of the 2012 Distribution Rate Case (586-13)
- Review of Nuage Application Migration (558-13)
- Consultative Review of Benefits Outsourcing (578-13)
- Hyperion Financial Management Implementation Project Review (484-13)
- Physical Protection of Confidential Information (598-13)
- Oracle End User Security (579-13)
- PPL Electric Utilities Project Management (563-13)
- Post Implementation Review of Hyperion Financial Management (HFM) Financial Accounting & Reporting Controls (601-13)
- Vendor Discounts Optimization (587-13)
- Miscellaneous Accounts Payable (582-13)
- Review of Corporate Health and Safety's Business Line Safety Self-Assessment Program (495-13)
- ICS Implementation – Consultative (599-13)
- Consultative Support for ISD (559-13)
- Periodic Fraud Monitoring - Winter Relief Assistance Program (572-13)
- PPL Electric Utilities Accounts Receivable Process (564-13)
- 2013 PPL Audit Services Internal Quality Assurance Review (623-13)

- Cyber Security Risk Assessment (597-13)
- Consultative Support for PPL Electric Utilities (562-13)
- Regulatory Accounts Review Results of Procedures for Q2, 2013 (610-13)
- Follow-up Assessment of Cloud Computing (622-13)
- Equal Employment Opportunity - Equal Pay Provisions (628-13)
- PPL Electric Utilities Contract Review IB Abel Inc (613-002-13)

2014

The following is a list of completed PPL Electric internal operational audit reports audits for 2014 (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 - SOX 404 (as of December 31, 2013) – [SOX 404 Summary Report] (570-14)
- Quarterly Disclosure Controls and Procedures [for Q4 '13, Q1 '14, Q2 '14 , Q3 '14] (633-14, 634-14, 635-14, 636-14)
- Review of the Management Emergency Preparedness (MEP) Process (566-14)
- Fair Value Measurement Review (618-14)
- Executive Compensation – Salary Administration 2014 (638-14)
- Review of the Dividend Payment Process (644-14)
- Regulatory Accounts Review - Taxes Recoverable (642-14)
- PPL Electric Utilities Supplier Portal Security Controls (656-14)
- Worker Classification (664-14)
- PPL Electric Utilities (EU) Vegetation Management (650-14)
- Periodic Fraud Monitoring – OnTrack (658-14)
- Payroll Processing and Accounting (660-14)
- HIPAA Compliance (653-14)
- PPL Electric Utilities (PPL EU) Contract Review – Matrix SME (659-001-14)
- Follow-Up Review of PPL EU Project Management (685-14)
- Security Patch Management (697-14)
- Consultative Review of Enterprise Recruiting Solution (648-14)
- Cognos Disclosure Management (CDM) Implementation Controls Review (667-14)
- Susquehanna Roseland Project (687-14)
- Regulatory Accounts Review – Unamortized Loss on Reacquired Debt (678-14)
- Officer and Employee Expense Review (691-14)
- Conflict Minerals (Dodd-Frank) Compliance Review (705-14)
- Consultative Support for Information Technology Service Management (ITSM) – Change Management (581-14)
- Consultative Support to Human Resources (640-14)
- 2014 PPL Audit Services Internal Quality Assurance Review (694-14)
- Consultative Support for ISD (649-14)
- Consultative Support for PPL Electric Utilities (654-14)
- Regulatory Accounts Review – Generation Supply Charge (703-14)
- PPL Electric Utilities (PPL EU) Contract Review – Michels Power (659-002-14)
- Foreign Corrupt Practices Act (FCPA) and UK Bribery Act (UKBA) (692-14)

*Listing of Completed Third-Party Audits
Performed for PPL Electric Utilities Corporation
(2013 and 2014)*

PPL Corporate Audit Services

Request for Third-Party Audit Reports in Support of PPL Electric's 2015 Rate Case Filing

Below is a listing of completed third-party audit reports for PPL Electric Utilities for years 2013 and 2014. 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.

Audit Reports Issued From December 1, 2012 to November 30, 2013

- PA Public Utility Commission – audits of PPL Electric Utilities Transmission Service Charge and Generation Service Charge
- Informatica – compliance audit of select vendor software licenses
- PA Public Utility Commission – audit of PPL Electric Utilities Transmission Service Charge and Smart Meter Rider
- PA Department of Revenue – audit of Gross Receipts Tax for PPL Electric Utilities
- E&Y Audit of the Financial Statements of PPL Electric Utilities Corporation for the year ended December 31, 2012
- E&Y Audit of the Financial Statements included in PPL Electric Utilities Corporation FERC Form 1 filing for the year ended December 31, 2012
- E&Y Audit of the Financial Statements of Operation Help for the year ended December 31, 2012

Audit Reports Issued From December 1, 2013 to November 30, 2014

- PA Public Utility Commission – audits of PPL Electric Utilities Transmission Service Charge, Generation Service Charge, Universal Service Rider and Smart Meter Rider
- U.S. Department of Labor – Occupational Health and Safety Administration - audit of Voluntary Protection Program (VPP) at the General Office, Allentown
- PA Department of Revenue – audit of Gross Receipts Tax for PPL Electric Utilities
- PA Public Utility Commission – reconciliation of Transmission Service Charge for PPL Electric Utilities
- E&Y Audit of the Financial Statements of PPL Electric Utilities Corporation for the year ended December 31, 2013
- E&Y Audit of the Financial Statements included in PPL Electric Utilities Corporation FERC Form 1 filing for the year ended December 31, 2013
- E&Y Audit of the Financial Statements of Operation Help for the year ended December 31, 2013

- 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, 2011	25,390	(12,021)	13,369
December 31, 2012	33,982	(10,022)	23,960
December 31, 2013	23,949	(1,632)	22,317
December 31, 2014	35,889	(4,783)	31,106
December 31, 2015	<u>42,316</u>	<u>(8,373)</u>	<u>33,943</u>
Total for 5-year period ended December 31, 2015	<u>\$ 161,526</u>	<u>\$ (36,831)</u>	<u>\$ 124,695</u>
	Five-year average and Negative Net Salvage claim		<u>\$ 24,939</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-13 of Exhibit Future 1 and Fully Projected Future 1.

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

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

A.15. Attachments II-D-15a and II-D-15b provide a schedule of taxes other than income.

PPL ELECTRIC UTILITIES CORPORATION

Schedule of Taxes Other Than Income
Year Ended December 31, 2015
(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	\$ 8,207	\$ 8,207	\$ 7,821	\$ 7,051	\$ 7,050
b. Unemployment	511	511	487	439	\$ 439
c. Capital Stock	854	854	77	(374)	\$ (335)
d. Public Utility	2,237	2,237	2,173	1,003	\$ 1,003
e. Other Property Taxes	2,929	2,929	2,929	1,441	\$ 1,441
f. Gross Receipts	100,667	47,803	47,971	47,952	55,145
	<u>\$ 115,405</u>	<u>\$ 62,541</u>	<u>\$ 61,458</u>	<u>\$ 57,512</u>	<u>\$ 64,743</u>

PPL ELECTRIC UTILITIES CORPORATION

Schedule of Taxes Other Than Income
Year Ended December 31, 2016
(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	\$ 7,893	\$ 7,893	\$ 7,597	\$ 6,910	\$ 6,910
b. Unemployment	491	491	473	430	\$ 430
c. Capital Stock	-	-	-	-	\$ -
d. Public Utility	2,305	2,305	2,173	1,006	\$ 1,006
e. Other Property Taxes	3,017	3,017	3,017	1,446	\$ 1,446
f. Gross Receipts	107,721	50,565	50,524	50,505	60,386
	<u>\$ 121,427</u>	<u>\$ 64,271</u>	<u>\$ 63,784</u>	<u>\$ 60,297</u>	<u>\$ 70,178</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-13 of Exhibit Future 1 and Exhibit Fully Projected Future 1.

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

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

<u>Year Received</u>	<u>Tax Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	2009	\$ 18,555	\$0	\$ 18,555
2011	2010	62,255,376	0	62,255,376
2012	2011	21,531,051	0	21,531,051

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

Prepaid and Deferred Taxes
Year Ended December 31, 2015
(Thousands of Dollars)

	<u>Current</u>	<u>Non-Current</u>
Accumulated Deferred Income Taxes (Account 190)		
AMT Carryforward	\$ 0	\$ 9,898
Bad Debt Provision	9,910	0
Service Company Costs	3,842	10,464
Contribution in Aid of Construction	0	116,248
Deferred Gain	0	(224)
Environmental Clean Up	0	2,474
NOL Carryforwards	8,529	53,239
Pension and Post-Retirement Benefits	19	161,638
Post Employment Benefits	0	2,594
RAR Adjustments	1,813	(551)
Rate Rider Recovery Mechanisms	31,574	7,418
SFAS 109	0	311
Taxes	9,120	0
Tax Reserves	(1,838)	(3,359)
Vacation Pay	3,562	0
Miscellaneous	692	718
	<hr/>	<hr/>
Total Account 190	<u>\$ 67,223</u>	<u>\$ 360,868</u>
Accumulated Deferred Income Taxes (Accounts 282 and 283)		
Other Property (Account 282)		
Accelerated Cost Recovery System		\$ 676,286
Net/Book Tax Plant (Excluding CIAC) - Transmission		343,397
RAR Adjustments		(6,143)
Repair Allowance & Other Basis Differences		334,915
SFAS 109		186,474
Tax Reserves		(8,778)
Miscellaneous		84
		<hr/>
		1,526,235
Other (Account 283)		
Clearing Account	\$ 624	\$ 0
Loss on Reacquired Debt	0	17,535
Pension and Post Retirement Benefits	0	225,370
Prepays	1,464	0
Rate Rider Recovery Mechanisms	5,044	0
Receivables Factoring	7,806	0
SFAS 109	0	132,250
Storm Deferrals	0	16,360
Tax Reserves	1,336	(932)
TradeMark	0	220
Miscellaneous	0	(91)
	<hr/>	<hr/>
	16,274	390,712
	<hr/>	<hr/>
Total Account 282 and 283	<u>\$ 16,274</u>	<u>\$ 1,916,947</u>

Prepaid and Deferred Taxes
Year Ended December 31, 2016
(Thousands of Dollars)

	<u>Current</u>	<u>Non-Current</u>
Accumulated Deferred Income Taxes (Account 190)		
AMT Carryforward	\$ 0	\$ 25,434
Bad Debt Provision	5,227	0
Service Company Costs	3,842	10,464
Contribution in Aid of Construction	0	118,605
Deferred Gain	0	(224)
Environmental Clean Up	0	2,793
NOL Carryforwards	8,529	10,985
Pension and Post-Retirement Benefits	(67)	161,602
Post Employment Benefits	0	2,326
RAR Adjustments	1,813	(551)
Rate Rider Recovery Mechanisms	31,574	7,418
SFAS 109	0	233
Taxes	9,120	0
Tax Reserves	(1,838)	(3,359)
Vacation Pay	3,238	0
Miscellaneous	(190)	870
	<hr/>	<hr/>
Total Account 190	<u>\$ 61,248</u>	<u>\$ 336,596</u>
Accumulated Deferred Income Taxes (Accounts 282 and 283)		
Other Property (Account 282)		
Accelerated Cost Recovery System		\$ 686,733
Net/Book Tax Plant (Excluding CIAC) - Transmission		412,481
RAR Adjustments		(5,934)
Repair Allowance & Other Basis Differences		341,860
SFAS 109		186,867
SFAS 109		0
Tax Reserves		(8,778)
Miscellaneous		85
		<hr/>
		<u>1,613,314</u>
Other (Account 283)		
Clearing Account	\$ 624	\$ 0
Loss on Reacquired Debt	0	14,684
Pension and Post Retirement Benefits	0	225,370
Prepays	1,464	0
Rate Rider Recovery Mechanisms	5,044	0
Receivables Factoring	7,806	0
SFAS 109	0	132,528
Storm Deferrals	0	14,151
Tax Reserves	1,336	(932)
TradeMark	0	220
Miscellaneous	0	(91)
	<hr/>	<hr/>
	<u>16,274</u>	<u>385,930</u>
	<hr/>	<hr/>
Total Accounts 282 and 283	<u>\$ 16,274</u>	<u>\$ 1,999,244</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. Federal Net Operating Losses by year are as follows:

Year	Originating Loss	Carryover Balance at 12/31/14	Carryover Balance at 12/31/15
2011	98,382,966	67,879,485	25,618,485
2012	107,454,868	107,454,868	107,454,868

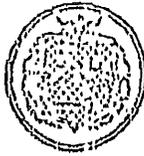
Pennsylvania Net Operating Losses by year are as follows:

Year	Originating Loss	Carryover Balance at 12/31/14	Carryover Balance at 12/31/15
2010	246,201,678	162,395,056	96,766,056
2011	197,913,088	197,913,088	197,913,088
2012	121,902,436	121,902,436	121,902,436

- Q.22. State whether the company eliminates tax savings by the payment of actual interest on construction work in progress not in rate base claim.
If response is affirmative:
- a) Set forth amount of construction claimed in this tax savings reduction, and explain the basis for this amount.
 - b) Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.
 - c) State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.
 - d) Provide details of calculation to determine tax savings reduction, and state whether State taxes are increased to reflect the construction interest elimination.
- A.22. The adjustment necessary to reflect the pro forma interest charges on measures of value for the test years is provided in Schedule D-11 of Exhibits Future 1 and Fully Projected Future 1.

- Q.23. Under section 1552 of the Internal Revenue Code (26 U.S.C.A. § 1552) and 26 CFR 1.1552-1 (1983), if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the Federal government (if this interrogatory is not applicable, so state):
- a) State what option has been chosen by the group.
 - b) Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return for the test year and the most recent 3 years for which data is available.
 - c) Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
 - d) Provide the most recent annual income tax return for the group.
 - e) Provide details of the amount of the net operating losses of any member allocated to the income tax returns of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.
 - f) Provide details of the amount of net negative income taxes, after all tax credits are accounted for, of any member allocated to the income tax return of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.
- A.23. a) PPL Electric Utilities Corporation is 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 2012, 2013 and 2014.
 - 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 2013; 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. 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

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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:

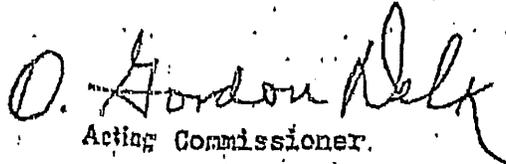
- (1) That the tax allocated to each subsidiary company shall not exceed the amount of tax of such company based upon a separate return computed as if such company had always filed its tax returns on a separate return basis; and
- (2) That any excess of liability over a separate return tax which would 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 2014 FEDERAL INCOME TAX

	Taxable Income / (Loss)	Utilization of Prior Year NOL	Taxable Income / (Loss) after NOL Utilization	Tax 35%	AMT	Less Credits	ITC Recapture	Tax
PPL Electric Utilities Corporation	\$ 137,348,733	\$ (30,503,482)	\$ 106,845,251	\$ 37,395,838	\$ 602,608			\$ 37,998,446
BDW Corp.	(21,800)		(21,800)	(7,630)				(7,630)
Burns Mechanical, Inc.	395,801	(47,737)	348,064	121,822				121,822
CEP Lending, Inc.	239,022		239,022	83,658				83,658
CEP Reserves, Inc.	15,904,455		15,904,455	5,566,559				5,566,559
H.T. Lyons, Inc.	(7,074,204)	(365,557)	(7,439,761)	(2,603,916)				(2,603,916)
Kentucky Utilities Company	(205,024,031)		(205,024,031)	(71,758,411)	667,315			(71,091,096)
Lady Jane Collieries, Inc.	24,846	(2,056)	22,790	7,977				7,977
LG&E & KU Energy LLC	(63,764,034)	(35,150,253)	(98,914,287)	(34,620,000)				(34,620,000)
LG&E and KU Services Company	6,823,539	(117,321)	6,706,218	2,347,176				2,347,176
LG&E Energy Marketing, Inc.	(1,780,791)	(7,077,132)	(8,857,923)	(3,100,273)				(3,100,273)
Louisville Gas & Electric Company	(70,162,060)		(70,162,060)	(24,556,721)	1,405,313			(23,151,408)
McCarl's Inc.	23,344,040		23,344,040	8,170,414				8,170,414
McClure Company	6,309,334		6,309,334	2,208,267				2,208,267
PP&L Residual Corporation	1,502	(854)	648	227				227
PPL Capital Funding, Inc.	1,601,511		1,601,511	560,529				560,529
PPL Corporation	(41,638,880)	(7,541,459)	(49,180,339)	(17,213,119)				(17,213,119)
PPL Energy Funding Corporation	(337,428,438)	(18,685,927)	(356,114,365)	(124,640,028)	1,926,735	4,248,428	35,328,293	(91,633,428)
PPL EnergyPlus Retail, LLC	(1,844,966)	(2,477)	(1,847,443)	(646,605)				(646,605)
PPL Energy Services Northeast, Inc.	7,239,158	(292,891)	6,946,267	2,431,193				2,431,193
PPL Interstate Energy Company	(500,599)		(500,599)	(175,210)				(175,210)
PMDI International Holdings, Inc.	210,390,634		210,390,634	73,636,722	1,596,861			75,233,583
PPL UK Holdings, LLC	123,097,546	(11,478,298)	111,619,248	39,066,737	934,308			40,001,045
PPL Investment Corporation	75,215,822		75,215,822	26,325,538	570,887			26,896,425
PPL Montana Holdings, LLC	521,941,624		521,941,624	182,679,568	3,956,290	359,087	28,246,662	214,523,433
PPL Power Insurance, Ltd.	4,842,631	(1,056,632)	3,785,999	1,325,100		7,905,662		(6,580,562)
PPL Receivables Corporation	66,964,549		66,964,549	23,437,592	508,260			23,945,852
PPL Renewable Energy, LLC	1,481,092	(238,096)	1,242,996	435,049				435,049
PPL Services Corporation	849,028	(2,337,427)	(1,488,399)	(520,940)				(520,940)
PPL Solutions, LLC	2,625,310	(19,039)	2,606,271	912,195				912,195
PPL Spectrum, Inc.	(2,143)	(6,634)	(8,777)	(3,072)				(3,072)
Realty Company of Pennsylvania	3,064,292		3,064,292	1,072,502				1,072,502
Western Kentucky Energy Corp.	5,493,576	(371,032,827)	(365,539,251)	(127,938,738)	968,063			(126,970,675)
Total Consolidated	\$ 485,956,099	\$ (485,956,099)	\$ -	\$ -	\$ 13,136,640	\$ 12,513,177	\$ 63,574,955	\$ 64,198,418

PPL CORPORATION AND SUBSIDIARY COMPANIES
ALLOCATION OF 2013 FEDERAL INCOME TAX

	Taxable Income / (Loss) Before Prior Year Loss <u>Utilization</u>	Utilization of Prior Year Carryforwards	Taxable Income / (Loss) after NOL <u>Utilization</u>	Tax 35%	AMT	Less Credits	Tax
PPL Electric Utilities Corporation	\$ (96,766,677)	\$ (4,512,669)	\$ (101,279,346)	\$ (35,447,771)	\$ 104,039		\$ (35,343,732)
BDW Corp.	(22,679)		(22,679)	(7,938)			(7,938)
Burns Mechanical, Inc.	(1,345,016)	(35,990)	(1,381,006)	(483,352)			(483,352)
CEP Lending, Inc.	123,030		123,030	43,061			43,061
CEP Reserves, Inc.	42,096,553		42,096,553	14,733,794	337,664		15,071,458
H.T. Lyons, Inc.	(875,831)	(31,920)	(907,751)	(317,713)			(317,713)
Kentucky Utilities Company	175,809,758	(1,080,200)	174,729,558	61,155,345	2,797,363	40	63,952,668
Lady Jane Collieries, Inc.	(50,185)		(50,185)	(17,565)			(17,565)
LG&E & KU Energy LLC	(26,150,243)	(34,474,270)	(60,624,513)	(21,218,580)			(21,218,580)
LG&E and KU Services Company	(15,764,060)		(15,764,060)	(5,517,421)			(5,517,421)
LG&E Energy Marketing, Inc.	(1,979,417)	(6,931,664)	(8,911,081)	(3,118,878)			(3,118,878)
LG&E Home Services, Inc.	199		199	70			70
LG&E International Inc.	0	(528,968)	(528,968)	(185,139)			(185,139)
LG&E Power Argentina III Inc.	7,618	(521,837)	(514,219)	(179,977)			(179,977)
Louisville Gas & Electric Company	179,842,032	(1,820,473)	178,021,559	62,307,546	2,052,723	547	64,359,722
McCarl's Inc.	8,635,602	(33,750)	8,601,852	3,010,648			3,010,648
McClure Company	3,572,409	(77,302)	3,495,107	1,223,287			1,223,287
PP&L Residual Corporation	5,833		5,833	2,042			2,042
PPL Capital Funding, Inc.	1,018,767		1,018,767	356,568			356,568
PPL Corporation	(88,692,838)	(250,000)	(88,942,838)	(31,129,993)	142,299		(30,987,694)
PPL Energy Funding Corporation	(61,401,047)	(5,665,529)	(67,066,576)	(23,473,302)	812,471	6,108,752	(28,769,583)
PPL EnergyPlus Retail, LLC	(927,787)		(927,787)	(324,725)			(324,725)
PPL Energy Services Northeast, Inc.	4,415,822	(35,703)	4,380,119	1,533,042			1,533,042
PPL Interstate Energy Company	619,188		619,188	216,716			216,716
PMDC International Holdings, Inc.	19,124,621		19,124,621	6,693,617			6,693,617
PPL UK Holdings, LLC	51,965,761		51,965,761	18,188,016	558,196		18,746,212
PPL Investment Corporation	89,994,646		89,994,646	31,498,126	1,005,486		32,503,612
PPL Montana Holdings, LLC	56,065,158		56,065,158	19,622,805	628,073	4,077,605	16,173,273
PPL Power Insurance, Ltd.	1,777,059		1,777,059	621,971			621,971
PPL Receivables Corporation	68,501,453		68,501,453	23,975,509	765,348		24,740,857
PPL Renewable Energy, LLC	5,073,097		5,073,097	1,775,584		607,833	1,167,751
PPL Services Corporation	782,498	(728,189)	54,309	19,008			19,008
PPL Solutions, LLC	2,653,054		2,653,054	928,569			928,569
PPL Spectrum, Inc.	(2,680)		(2,680)	(938)			(938)
Realty Company of Pennsylvania	1,991,362		1,991,362	696,977			696,977
Western Kentucky Energy Corp.	12,404,117	(375,772,713)	(363,368,596)	(127,179,009)	1,590,528		(125,588,481)
Total Consolidated	\$ 432,501,177	\$ (432,501,177)	\$ -	\$ -	\$ 10,794,190	\$ 10,794,777	\$ (587)

PPL CORPORATION AND SUBSIDIARY COMPANIES
ALLOCATION OF 2012 FEDERAL INCOME TAX

	Taxable <u>Income</u>	Convert to NOL <u>Carryforward</u>	Adjusted <u>Taxable Income</u>	Tax <u>35%</u>	Less <u>Credits</u>	<u>Tax</u>
PPL Electric Utilities Corporation	\$ (240,928,874)	\$ 107,454,868	\$ (133,474,006)	\$ (46,715,902)		\$ (46,715,902)
BDW Corp.	(186,056)	82,982	(103,074)	(36,076)		(36,076)
Burns Mechanical, Inc.	(3,454,857)	1,540,877	(1,913,980)	(669,893)		(669,893)
CEP Lending, Inc.	1,875,870		1,875,870	656,555		656,555
CEP Reserves, Inc.	56,468,688		56,468,688	19,764,041		19,764,041
H.T. Lyons, Inc.	(2,983,066)	1,330,456	(1,652,610)	(578,414)		(578,414)
Lady Jane Collieries, Inc.	(20,700)	9,232	(11,468)	(4,014)		(4,014)
Kentucky Utilities Company	(146,496,902)		(146,496,902)	(51,273,916)		(51,273,916)
LG&E Energy Marketing, Inc.	(2,146,404)		(2,146,404)	(751,241)		(751,241)
Louisville Gas & Electric Company	(22,412,393)		(22,412,393)	(7,844,338)		(7,844,338)
LG&E and KU Services Company	(41,906,523)		(41,906,523)	(14,667,283)		(14,667,283)
LG&E and KU Energy LLC	(55,355,876)	121,084,341	65,728,465	23,004,963	565	23,004,398
LG&E Home Service, Inc.	(685)		(685)	(240)		(240)
LG&E International, Inc.	2,894		2,894	1,013		1,013
LG&E Power Argentina III Inc.	13,188		13,188	4,616		4,616
Western Kentucky Energy Corp.	(3,168,934)		(3,168,934)	(1,109,127)		(1,109,127)
McCarl's Inc.	10,211,290		10,211,290	3,573,952		3,573,952
McClure Company	2,798,307		2,798,307	979,407		979,407
PP&L Residual Corporation	(1,720)	767	(953)	(334)		(334)
PPL Capital Funding, Inc.	82,085		82,085	28,730		28,730
PPL Corporation	(75,405,310)	33,630,999	(41,774,311)	(14,621,008)		(14,621,008)
PPL Energy Funding Corporation	(78,961,763)	35,349,726	(43,612,037)	(15,264,213)		(15,264,213)
PPL EnergyPlus Retail, LLC	(2,737,243)	1,220,819	(1,516,424)	(530,748)		(530,748)
PPL Energy Services Northeast, Inc.	4,830,617		4,830,617	1,690,716		1,690,716
PMDC International Holdings, Inc.	24,007,253		24,007,253	8,402,539		8,402,539
PPL UK Holdings, LLC	(21,593,705)		(21,593,705)	(7,557,797)		(7,557,797)
PPL Interstate Energy Company	(101,268)	45,166	(56,102)	(19,636)		(19,636)
PPL Investment Corporation	98,164,528		98,164,528	34,357,585		34,357,585
PPL Montana Holdings, LLC	149,895,179		149,895,179	52,463,313		52,463,313
PPL Power Insurance, Ltd.	(3,009,789)	1,342,375	(1,667,414)	(583,595)		(583,595)
PPL Renewable Energy, LLC	(4,398,297)	1,961,654	(2,436,643)	(852,825)		(852,825)
PPL Receivables Corporation	63,363,423		63,363,423	22,177,198		22,177,198
PPL Services Corporation	(23,925,032)	10,670,636	(13,254,396)	(4,639,039)		(4,639,039)
PPL Spectrum, Inc.	(355,725)	158,654	(197,071)	(68,975)		(68,975)
PPL Solutions, LLC	(337,779)	18,106	(319,673)	(111,886)		(111,886)
Realty Company of Pennsylvania	2,273,921		2,273,921	795,872		795,872
Total Consolidated	\$ (315,901,658)	\$ 315,901,658	\$ -	\$ -	\$ 565	\$ (565)

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

U.S. Corporation Income Tax Return

OMB No. 1545-0047

2013

For calendar year 2013 or tax year beginning _____, ending _____
Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

A Check if: <input checked="" type="checkbox"/> 1a Consolidated return (attach Form 951) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PFD) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached	TYPE OR PRINT	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, or province, county and ZIP code or foreign postal code Allentown, PA 18101	D Total assets (see instructions) \$ 40,103,674,751.
		E Check if: <input type="checkbox"/> (1) Initial return <input type="checkbox"/> (2) Final return <input type="checkbox"/> (3) Name change <input type="checkbox"/> (4) Address change	

Income		Deductions (See instructions for limitations on deductions.)		Tax, Refundable Credits, and Payments	
1a	Gross receipts or sales	1a	8,191,075,399.		
b	Returns and allowances	1b			
c	Balance. Subtract line 1b from line 1a	1c	8,191,075,399.		
2	Cost of goods sold (attach Form 1125-A)	2	523,900,849.		
3	Gross profit. Subtract line 2 from line 1c	3	7,667,174,550.		
4	Dividends (Schedule C, line 10)	4	139,943,173.		
5	Interest	5	41,800,439.		
6	Gross rents	6	23,038,390.		
7	Gross royalties	7	1,039,078.		
8	Capital gain net income (attach Schedule D (Form 1120))	8	6,058,703.		
9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	-6,574,934.		
10	Other income (see instructions - attach statement) See Statement 9.	10	2,788,071,768.		
11	Total income. Add lines 3 through 10.	11	10,660,551,167.		
12	Compensation of officers (see instructions - attach Form 1125-E)	12	39,135,912.		
13	Salaries and wages (less employment credits)	13	416,892,665.		
14	Repairs and maintenance	14	839,588,739.		
15	Bad debts	15	48,141,248.		
16	Rents	16	56,838,538.		
17	Taxes and licenses	17	239,703,031.		
18	Interest	18	516,969,472.		
19	Charitable contributions See Statement 17.	19	42,539,436.		
20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	1,432,362,404.		
21	Depletion	21	155,901.		
22	Advertising	22	2,780,648.		
23	Pension, profit-sharing, etc., plans	23	134,925,963.		
24	Employee benefit programs	24	65,455,385.		
25	Domestic production activities deduction (attach Form 8003)	25			
26	Other deductions (attach statement) See Statement 26.	26	6,410,709,635.		
27	Total deductions. Add lines 12 through 26.	27	10,246,198,977.		
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	414,352,190.		
29a	Net operating loss deduction (see instructions)	29a	414,292,579.		Stmt 34
b	Special deductions (Schedule C, line 20)	29b	59,611.		
c	Add lines 29a and 29b.	29c	414,352,190.		
30	Taxable income. Subtract line 29c from line 28 (see instructions).	30			
31	Total tax (Schedule J, Part I, line 11)	31			
32	Total payments and refundable credits (Schedule J, Part II, line 21)	32	5,001,670.		
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33			
34	Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34			
35	Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	5,001,670.		
36	Enter amount from line 35 you want: Credited to 2014 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	36	5,001,670.		

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]* 9/11/2014 Assistant Treasurer

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

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

PPL Corporation and Subsidiaries
Form 1120 (2013)

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Page 2

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	85,158.	70	59,611.
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		See instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8. See instructions for limitation			59,611.
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12	139,317,209.		
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)	540,806.		
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	139,943,173.		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			59,611.

Form 1120 (2013)

PPL Corporation and Subsidiaries
Form 1120 (2013)

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Page 3

Schedule J Tax Computation and Payment (see instructions)

Part I-Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))		
2	Income tax. Check if a qualified personal service corporation (see instructions)		2
3	Alternative minimum tax (attach Form 4626)		3 10,794,190.
4	Add lines 2 and 3		4 10,794,190.
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834 (see instructions)	5b	
c	General business credit (attach Form 3800)	5c	10,794,190.
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	10,794,190.
7	Subtract line 6 from line 4	7	
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method - completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method - income forecast method (attach Form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions - attach statement)	9f	
10	Total. Add lines 9a through 9f	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	

Part II-Payments and Refundable Credits

12	2012 overpayment credited to 2013	12	5,001,083.
13	2013 estimated tax payments	13	
14	2013 refund applied for on Form 4466	14	()
15	Combine lines 12, 13, and 14	15	5,001,083.
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16, and 17	18	5,001,083.
19	Refundable credits from:		
a	Form 2439	19a	
b	Form 4136	19b	587.
c	Form 8827, line 8c	19c	
d	Other (attach statement - see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	587.
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	5,001,670.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. <u>551112</u>		
b	Business activity <u>Holding Company</u>		
c	Product or service _____		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Form 1120 (2013)

23-2758192

PPL Corporation and Subsidiaries
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Schedule K Other Information *continued* (see instructions)

5 At the end of the tax year, did the corporation:	Yes	No
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.	X	
If "Yes," complete (i) through (iv) below. <u>See Statement 78</u>		

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

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

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
PPL WW Holdings, Ltd.	98-0358902	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.)	X
If "Yes," file Form 5462, 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?	X
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	<input type="checkbox"/>
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	\$ 2,937
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	<input type="checkbox"/>
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1602-21(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.)	\$ 1,388,610,095
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?	X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year \$ _____	
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?	X
If "Yes," complete and attach Schedule UTP.	
15a Did the corporation make any payments in 2013 that would require it to file Form(s) 1099?	X
b If "Yes," did or will the corporation file required Forms 1099?	X
16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?	X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?	X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?	X

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Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash	Stmt '96	730,424,337.		548,701,764.
2a	Trade notes and accounts receivable	5,221,701,239.	Stmt 100	5,481,881,833.	
b	Less allowance for bad debts	(63,791,124.)	5,157,910,115.	(68,990,593.)	5,412,891,240.
3	Inventories		641,923,215.		671,626,818.
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)	Stmt 107	2,305,678,235.		1,915,387,588.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)	Stmt 121	5,500,633,625.		6,520,589,857.
10a	Buildings and other depreciable assets	26,657,968,524.		28,433,284,913.	
b	Less accumulated depreciation	(8,742,835,952.)	17,915,132,572.	(10,011,201,715.)	18,422,083,198.
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		674,569.		674,569.
13a	Intangible assets (amortizable only)	1,934,926,258.		717,573,113.	
b	Less accumulated amortization	(153,210,461.)	1,781,715,797.	(148,046,936.)	569,526,177.
14	Other assets (attach statement)	Stmt 135	4,728,567,889.		6,042,193,540.
15	Total assets		38,762,660,354.		40,103,674,751.
Liabilities and Shareholders' Equity					
16	Accounts payable	Stmt 149	5,495,544,573.		5,601,676,381.
17	Mortgages, notes, bonds payable in less than 1 year	Stmt 154	1,303,607,754.		913,855,481.
18	Other current liabilities (attach statement)	Stmt 158	2,250,599,412.		1,862,897,420.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more	Stmt 187	12,168,222,552.		13,143,497,741.
21	Other liabilities (attach statement)	Stmt 189	6,984,805,616.		6,031,859,417.
22	Capital stock: a Preferred stock	18,125,970.		-26.	
b	Common stock	6,165,635.	24,291,605.	6,655,510.	6,655,484.
23	Additional paid-in capital	Stmt 203	7,032,867,843.		8,426,174,858.
24	Retained earnings - Appropriated (attach statement)				
25	Retained earnings - Unappropriated		5,566,325,073.		5,770,717,455.
26	Adjustments to shareholders' equity (attach statement)	Stmt 217	-2,063,604,074.		-1,653,659,486.
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity		38,762,660,354.		40,103,674,751.

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	1,130,233,680.	7	Income recorded on books this year not included on this return (Itemize): Tax-exempt interest \$	2,937.
2	Federal income tax per books	35,065,463.			
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (Itemize): See Statement 239	419,006,696.		See Statement 255	1,139,941,599.
5	Expenses recorded on books this year not deducted on this return (Itemize):		8	Deductions on this return not charged against book income this year (Itemize):	
a	Depreciation	869,500,899.	a	Depreciation	1,432,275,500.
b	Charitable contributions		b	Charitable contributions	18,208,598.
c	Travel and entertainment	3,304,609.		See Statement 263	807,716,026.
	See Statement 247	1,355,385,503.	9	Add lines 7 and 8	3,398,144,660.
6	Add lines 1 through 5	3,812,496,850.	10	Income (page 1, line 28) - line 6 less line 9	414,352,190.

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

1	Balance at beginning of year	5,566,325,073.	5	Distributions: a Cash	899,671,999.
2	Net income (loss) per books	1,130,233,680.	b	Stock	
3	Other increases (Itemize):		c	Property	
			6	Other decreases (Itemize):	26,169,299.
			7	Add lines 5 and 6	925,841,298.
4	Add lines 1, 2, and 3	6,696,558,753.	8	Balance at end of year (line 4 less line 7)	5,770,717,455.

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Consolidated Schedules 1120 Page 1	Combined	PPL Corporation and Subsidiaries Eliminations	Adjustments	PPL Corporation and Subsidiaries
1a Gross receipts or sales	8,768,023,172.	-576,947,773.		8,191,075,399.
1b Returns and allowances				
1c Balance	8,768,023,172.	-576,947,773.		8,191,075,399.
2 Cost of goods sold	523,900,849.			523,900,849.
3 Gross profit	8,244,122,323.	-576,947,773.		7,667,174,550.
4 Dividends	1,366,327,432.	-1,226,384,259.		139,943,173.
5 Interest	362,872,458.	-321,072,019.		41,800,439.
6 Gross rents	23,139,116.	-100,726.		23,038,390.
7 Gross royalties	1,039,078.			1,039,078.
8 Capital gain net income	11,725,342.	-4,033,949.	-1,632,690.	6,058,703.
9 Net gain or (loss) from Form 4797	-8,111,695.	-95,929.	1,632,690.	-6,574,934.
10 Other income	2,770,018,042.	18,053,726.		2,788,071,768.
11 Total income	12,771,132,096.	-2,110,580,929.		10,660,551,167.
12 Compensation of officers	39,135,912.			39,135,912.
13 Salaries and wages	416,892,665.			416,892,665.
14 Repairs and maintenance	839,588,739.			839,588,739.
15 Bad debts	48,141,248.			48,141,248.
16 Rents	56,556,853.	281,685.		56,838,538.
17 Taxes and licenses	239,703,031.			239,703,031.
18 Interest	838,041,491.	-321,072,019.		516,969,472.
19 Charitable contributions	24,330,638.		18,208,598.	42,539,436.
20 Depreciation	1,432,362,404.			1,432,362,404.
21 Depletion	155,901.			155,901.
22 Advertising	2,927,458.	-146,810.		2,780,648.
23 Pension, profit-sharing etc., plans	134,925,963.			134,925,963.
24 Employee benefit programs	65,455,385.			65,455,385.
25 Domestic production activities deduction				
26 Other deductions	6,967,266,376.	-556,556,741.		6,410,709,635.
27 Total deductions	11,105,484,264.	-877,493,885.	18,208,598.	10,246,198,977.
28 Taxable income before NOL & Spec. Deductions	1,665,647,832.	-1,233,087,044.	-18,208,598.	414,352,190.
29 NOL, Spec. deductions	1,640,736,449.	-1,226,384,259.		414,352,190.
30 Taxable income	24,911,383.	-6,702,785.	-18,208,598.	

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Consolidated Schedules 1120 Page 1	PPL Corporation 23-2758192	PPL Electric Utilities Corporation 23-0959590	B-G Mechanical Contractors, Inc. 04-2535814	B-G Mechanical Service, Inc. 04-2982190	EDW Corp. 51-0116798	Burns Mechanical, Inc. 23-2968098	CEP Lending, Inc. 20-1467156	Fred Williams, Inc 04-1974770
1a Gross receipts or sales	91,260.	1,846,429,002.				40,873,448.		
1b Returns and allowances								
1c Balance	91,260.	1,846,429,002.				40,873,448.		
2 Cost of goods sold						37,911,621.		
3 Gross profit	91,260.	1,846,429,002.				2,961,827.		
4 Dividends	961,921,705.	19,204.						
5 Interest		1,028,414.					162,294.	
6 Gross rents		22,636,138.						
7 Gross royalties								
8 Capital gain net income								
9 Net gain or (loss) from Form 4797		-1,149,268.				-2,193.		
10 Other income	-19,513,107.	1,392,392.				149,637.		
11 Total income	942,499,858.	1,870,355,882.				3,109,271.	162,294.	
12 Compensation of officers		1,430,239.				753,098.		
13 Salaries and wages	14,897.	55,834,850.				2,434,920.	1,200.	
14 Repairs and maintenance		225,861,392.				62,416.		
15 Bad debts	15.	48,070,468.				89,402.		
16 Rents		-7,187,749.				227,952.	6,994.	
17 Taxes and licenses	37,528.	111,176,876.			22,664.	275,000.	110.	
18 Interest	29,558,568.	91,794,827.						
19 Charitable contributions	13,000,000.	2,307,427.				24,275.		
20 Depreciation		428,445,927.						
21 Depletion								
22 Advertising		1,042,819.				4,850.		
23 Pension, profit-sharing etc., plans		21,038,110.						
24 Employee benefit programs		5,478,525.				512,386.		
25 Domestic production activities deduction								
26 Other deductions	22,773,294.	981,809,992.			15.	69,988.	30,960.	
27 Total deductions	65,384,302.	1,967,103,703.			22,679.	4,454,287.	39,264.	
28 Taxable income before NOL & Spec. Deductions	877,115,556.	-96,747,821.	NONE	NONE	-22,679.	-1,345,016.	123,030.	NONE
29 NOL, Spec. deductions	961,921,705.	18,856.			NONE	NONE		
30 Taxable income	-84,806,149.	-96,766,677.	NONE	NONE	-22,679.	-1,345,016.	123,030.	NONE

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Consolidated Schedules 1120 Page 1	General Control Systems, Inc.	General Mechanical Systems, Inc.	H. T. Lyons Co.	H. T. Lyons, Inc.	Lady Jane Collieries, Inc.	McCarl's, Inc.	McClure Company	Millenium Builders Inc.
	14-1795181	14-1642654	23-2677983	23-1900734	24-0856538	25-0955049	23-1420865	04-3458589
1a Gross receipts or sales				84,665,339.		162,071,935.	97,720,456.	
1b Returns and allowances								
1c Balance				84,665,339.		162,071,935.	97,720,456.	
2 Cost of goods sold				75,723,474.		143,655,152.	81,616,371.	
3 Gross profit				8,941,865.		18,416,783.	16,104,085.	
4 Dividends								
5 Interest				333.		1.		
6 Gross rents								
7 Gross royalties								
8 Capital gain net income								
9 Net gain or (loss) from Form 4797				4,369.		-5,516.	2,623.	
10 Other income				159,026.		100,764.	229,251.	
11 Total income				9,105,593.		18,512,032.	16,335,959.	
12 Compensation of officers				1,132,029.		1,271,695.	1,184,227.	
13 Salaries and wages				2,521,619.		3,164,760.	4,749,029.	
14 Repairs and maintenance				42,155.		123,971.	176,199.	
15 Bad debts								
16 Rents				348,392.		160,793.	383,028.	
17 Taxes and licenses				559,743.	589.	1,388,301.	1,621,325.	
18 Interest						35.		
19 Charitable contributions				33,795.		13,200.	74,861.	
20 Depreciation				381,005.		321,846.	73,255.	
21 Depletion								
22 Advertising				12,332.		51,119.	119,771.	
23 Pension, profit-sharing etc., plans				469,994.			693,232.	
24 Employee benefit programs				814,889.		388,308.	766,151.	
25 Domestic production activities deduction								
26 Other deductions				3,665,471.	49,596.	2,992,402.	2,922,472.	
27 Total deductions				9,981,424.	50,185.	9,876,430.	12,763,550.	
28 Taxable income before NOL & Spec. Deductions	NONE	NONE	NONE	-875,831.	-50,185.	8,635,602.	3,572,409.	NONE
29 NOL, Spec. deductions				NONE	NONE			
30 Taxable income	NONE	NONE	NONE	-875,831.	-50,185.	8,635,602.	3,572,409.	NONE

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Consolidated Schedules	PPL Residual Corporation	PMDC International Holdings, Inc.	PPL Capital Funding, Inc.	PPL Energy Funding Corporation	PPL Energy Services Northeast Inc.	PPL Interstate Energy Company	PPL Investment Corporation	PPL Montana Holdings, LLC
1120 Page 1	23-3091207	51-0368426	23-2926644	23-1677278	04-3125706	74-1720208	88-0491205	54-1929267
1a Gross receipts or sales				2,919,721,022.	211,370,812.	7,724,517.		332,471,230.
1b Returns and allowances								
1c Balance				2,919,721,022.	211,370,812.	7,724,517.		332,471,230.
2 Cost of goods sold					184,994,231.			
3 Gross profit				2,919,721,022.	26,376,581.	7,724,517.		332,471,230.
4 Dividends		59,173,778.		261,330,884.				
5 Interest	7,395.	13,213,038.	173,387,921.	644,546.	456.		90,056,700.	662,426.
6 Gross rents				31,377.				
7 Gross royalties				993,631.				
8 Capital gain net income				6,286,442.	4,190.			62.
9 Net gain or (loss) from Form 4797				4,267,398.	46,872.			-2,447,098.
10 Other income		-49,132,648.	11,097,091.	2,265,216,182.	9,097.		1,065.	-4,979,434.
11 Total income	7,395.	23,254,168.	184,485,012.	5,458,491,482.	26,437,196.	7,724,517.	90,057,765.	325,707,186.
12 Compensation of officers				10,515,262.	4,101,106.			424,663.
13 Salaries and wages				182,977,198.	6,999,819.	2,129,191.	1,200.	13,297,577.
14 Repairs and maintenance				312,919,672.	267,908.	416,468.		34,244,923.
15 Bad debts				-643,933.	271,660.			
16 Rents				9,670,667.	1,452,807.	8,979.	7,208.	36,925,223.
17 Taxes and licenses	1,562.	125.	125.	38,208,266.	1,453,497.	902,572.	110.	28,976,177.
18 Interest		591,435.	171,317,917.	481,449,954.	4,285.	121,311.		-3,892,605.
19 Charitable contributions				4,376,238.	27,926.	50,000.		
20 Depreciation				296,662,662.	564,231.	467,725.		45,608,521.
21 Depletion				149,084.				
22 Advertising					51,107.			27,179.
23 Pension, profit-sharing etc., plans				25,854,046.	275,550.			6,000,000.
24 Employee benefit programs				6,250,924.	66,291.			1,208,639.
25 Domestic production activities deduction								
26 Other deductions		163,917.	12,148,203.	3,887,615,953.	6,485,187.	3,009,083.	54,601.	106,821,731.
27 Total deductions	1,562.	755,477.	183,466,245.	5,256,005,993.	22,021,374.	7,105,329.	63,119.	269,642,028.
28 Taxable income before NOL & Spec. Deductions	5,833.	22,498,691.	1,018,767.	202,485,489.	4,415,822.	619,188.	89,994,646.	56,065,158.
29 NOL, Spec. deductions	NONE	3,374,070.		261,070,440.	NONE	NONE		
30 Taxable income	5,833.	19,124,621.	1,018,767.	-58,584,951.	4,415,822.	619,188.	89,994,646.	56,065,158.

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Consolidated Schedules 1120 Page 1	PPL Power Insurance Ltd.	PPL Receivables Corporation	PPL SavageALERT, Inc.	PPL Spectrum, Inc.	Realty Company of Pennsylvania	Titan Mechanical Contractors, Inc.	- Trystate Mechanical, Inc.	PPL UK Holdings, LLC
	98-0389197	20-0897190	04-3546904	23-2816389	23-1612742	06-1409341	13-2853805	71-0874986
1a Gross receipts or sales	7,510,526.				2,648,687.			
1b Returns and allowances								
1c Balance	7,510,526.				2,648,687.			
2 Cost of goods sold								
3 Gross profit	7,510,526.				2,648,687.			
4 Dividends								83,797,863.
5 Interest	240,015.							36,930,751.
6 Gross rents					62,983.			
7 Gross royalties					45,447.			
8 Capital gain net income					35,774.			
9 Net gain or (loss) from Form 4797								
10 Other income	15,863.	65,802,607.						-380,320.
11 Total income	7,766,404.	65,802,607.			2,792,891.			120,348,294.
12 Compensation of officers								
13 Salaries and wages		1,200.			171,945.			
14 Repairs and maintenance								
15 Bad debts								
16 Rents		6,995.						
17 Taxes and licenses		110.		500.	620,455.			250.
18 Interest								58,448,157.
19 Charitable contributions								
20 Depreciation					33,364.			
21 Depletion					6,817.			
22 Advertising								
23 Pension, profit-sharing etc., plans								
24 Employee benefit programs								
25 Domestic production activities deduction								
26 Other deductions	5,989,345.	-2,707,151.		2,180.	-31,052.			9,934,126.
27 Total deductions	5,989,345.	-2,698,846.		2,680.	801,529.			68,382,533.
28 Taxable income before NOL & Spec. Deductions	1,777,059.	68,501,453.	NONE	-2,680.	1,991,362.	NONE	NONE	51,965,761.
29 NOL, Spec. deductions	NONE			NONE				NONE
30 Taxable income	1,777,059.	68,501,453.	NONE	-2,680.	1,991,362.	NONE	NONE	51,965,761.

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Consolidated Schedules 1120 Page 1	Westech International, Inc	Elmsford Sheet Metal Works, Inc.	PPL Services Corporation	Kentucky Utilities Company	LG&E and KU Services Company	LG&E Energy Marketing Inc.	LG&E Home Services Inc.	LG&E International Inc.
	13-3714912	13-1705778	23-3041441	61-0247570	61-1373438	73-1226067	61-1296971	61-1254508
1a Gross receipts or sales				1,600,988,831.	-			
1b Returns and allowances								
1c Balance				1,600,988,831.				
2 Cost of goods sold								
3 Gross profit				1,600,988,831.				
4 Dividends				27,698.				
5 Interest			32,283.	47,553.	652,842.			
6 Gross rents			11,355.					
7 Gross royalties								
8 Capital gain net income				360.				
9 Net gain or (loss) from Form 4797			-2,981,567.	-2,964,083.				
10 Other income			44,206.	26,361,862.		99.	NONE	
11 Total income			-2,893,723.	1,624,462,221.	652,842.	99.	NONE	
12 Compensation of officers			18,147,026.		-202,326.			
13 Salaries and wages			105,701,307.	20,713,467.	622,386.			
14 Repairs and maintenance			5,625,167.	126,512,596.				
15 Bad debts				610,137.				
16 Rents			8,806,792.	2,691,486.	-62,303.			
17 Taxes and licenses			-763,938.	32,407,822.	1,463,159.	-255,556.	-199.	
18 Interest			-23,262.	-4,394,812.		2,228,505.		
19 Charitable contributions			364,902.	1,008,224.				
20 Depreciation			21,885,228.	395,629,297.	862,103.	509.		
21 Depletion								
22 Advertising				763,262.				
23 Pension, profit-sharing etc., plans			14,386,246.	21,033,789.	4,756,964.			
24 Employee benefit programs			31,043,118.	10,688,045.	9,727,993.			
25 Domestic production activities deduction				11,071,662.				
26 Other deductions			-208,848,807.	829,898,099.	-751,074.	6,058.	NONE	
27 Total deductions			-3,676,221.	1,448,633,074.	16,416,902.	1,979,516.	-199.	
28 Taxable income before NOL & Spec. Deductions	NONE	NONE	782,498.	175,829,147.	-15,764,060.	-1,979,417.	199.	NONE
29 NOL, Spec. deductions			NONE	19,389.	NONE	6,931,664.	NONE	528,968.
30 Taxable income	NONE	NONE	782,498.	175,809,758.	-15,764,060.	-8,911,081.	199.	-528,968.

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Consolidated Schedules 1120 Page 1	Louisville Gas & Electric Company	Western Kentucky Energy Corp.	LG&E Power Argentina III LLC	CBP Reserves, Inc.	LG&E Energy, Inc.	Lexington Utilities Company	LG&E and KU Hydro I, LLC	LG&E and KU Energy LLC
	61-0264150	31-1512073	61-1343558	88-0415158	20-4478153	90-0043525	20-4454689	20-0523163
1a Gross receipts or sales	1,408,686,913.							
1b Returns and allowances								
1c Balance	1,408,686,913.							
2 Cost of goods sold								
3 Gross profit	1,408,686,913.							
4 Dividends	56,300.							
5 Interest	60,829.	1,708.		42,134,977.				3,245,230.
6 Gross rents	207,263.	190,000.						
7 Gross royalties								
8 Capital gain net income	282.							
9 Net gain or (loss) from Form 4797	-2,248,502.							-96,575.
10 Other income	16,418,362.	3,157,740.		504.				8,204.
11 Total income	1,423,181,447.	3,349,448.		42,135,481.				3,156,859.
12 Compensation of officers								
13 Salaries and wages	14,700,809.			1,200.				-136,195.
14 Repairs and maintenance	132,526,219.							453,296.
15 Bad debts	1,150,689.	-1,407,190.						
16 Rents	2,546,929.	8,057.		7,208.				195,309.
17 Taxes and licenses	36,206,181.	-9,006,758.	-7,618.	110.				-6,045,423.
18 Interest	-27,887,384.	919,174.						37,287,737.
19 Charitable contributions	2,594,654.							455,336.
20 Depreciation	236,784,119.	20,881.						-3,691,593.
21 Depletion								
22 Advertising	855,019.							
23 Pension, profit-sharing etc., plans	26,381,837.							13,486,194.
24 Employee benefit programs	9,860,781.							-11,459,858.
25 Domestic production activities deduction	7,623,284.							-18,694,946.
26 Other deductions	799,956,868.	411,167.		30,410.				17,457,245.
27 Total deductions	1,243,300,005.	-9,054,669.	-7,618.	38,928.				29,307,102.
28 Taxable income before NOL & Spec. Deductions	179,881,442.	12,404,117.	7,618.	42,096,553.	NONE	NONE	NONE	-26,150,243.
29 NOL, Spec. deductions	39,410.	375,772,713.	521,837.					30,537,397.
30 Taxable income	179,842,032.	-363,368,596.	-514,219.	42,096,553.	NONE	NONE	NONE	-56,687,640.

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Consolidated Schedules 1120 Page 1	PPL EnergyPlus Retail, LLC 45-2625806	PPL Renewable Energy, LLC 84-1637748	PPL Solutions, LLC 23-3079427
1a Gross receipts or sales		17,886,622.	27,162,572.
1b Returns and allowances			
1c Balance		17,886,622.	27,162,572.
2 Cost of goods sold			
3 Gross profit		17,886,622.	27,162,572.
4 Dividends			
5 Interest	2.		362,744.
6 Gross rents			
7 Gross royalties			
8 Capital gain net		5,398,232.	
9 Net gain or (loss) income from Form 4797		19,899.	-558,054.
10 Other income	449,777,526.	3,977,560.	104,513.
11 Total income	449,777,528.	27,282,313.	27,071,775.
12 Compensation of officers			378,893.
13 Salaries and wages	654,012.	2,098.	334,176.
14 Repairs and maintenance	22,550.	333,807.	
15 Bad debts			
16 Rents			352,086.
17 Taxes and licenses	750.	147,465.	311,151.
18 Interest	315,969.	163,561.	38,119.
19 Charitable contributions			
20 Depreciation		6,571,385.	1,741,939.
21 Depletion			
22 Advertising			
23 Pension, profit-sharing etc., plans			550,001.
24 Employee benefit programs			109,193.
25 Domestic production activities deduction			
26 Other deductions	449,712,034.	14,990,900.	20,603,163.
27 Total deductions	450,705,315.	22,209,216.	24,418,721.
28 Taxable income before NOL & Spec. Deductions	-927,787.	5,073,097.	2,653,054.
29 NOL, Spec. deductions	NONE	NONE	
30 Taxable income	-927,787.	5,073,097.	2,653,054.

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- Q.24. Provide detailed computations by vintage year showing State and Federal deferred income taxes resulting from the use of accelerated tax depreciation associated with post-1969 public utility property, ADR rates, and accelerated tax depreciation associated with post-1980 public utility property under the Accelerated Cost Recovery System (ACRS).
- a) Reconcile and explain any differences in the base used to calculate State and Federal deferred income taxes.
 - b) State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
 - c) Reconcile differences between the deferred tax balance, as shown as a reduction to rate base, and the deferred tax balance as shown on the balance sheet.
- A.24. PPL Electric does not provide for deferred income taxes related to accelerated depreciation of assets acquired prior to January 1, 1981. However, through December 31, 1980, the Company did provide for deferred taxes related to the difference in tax depreciation resulting from using class lives under the ADR system of depreciation versus tax depreciation from the use of guideline lives in effect prior to the ADR system of depreciation. In accordance with the Commission's order adopted January 31, 1981, at Docket No. R-80031114, the Company terminated provisions for deferred taxes. The Company fully amortized the December 31, 1980 balance of deferred income taxes through December 31, 2005. The Company is deferring federal income taxes associated with the use of accelerated tax depreciation under the Accelerated Cost Recovery System (ACRS) of the Economic Recovery Tax Act of 1981 in compliance with the Commission's order adopted December 18, 1981, at Docket No. R-811636. See Attachments II-D-24a and II-D-24b for detailed computations by vintage year for future years 2015 and 2016, respectively.
- a) PPL Electric does not provide for any state deferred income taxes associated with the use of accelerated tax depreciation on distribution property and distribution related general property.
 - 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) See Attachments II-D-24c and II-D-24d for the reconciliation of the deferred tax balance per the balance sheet as shown on Schedule B-1 of Exhibit Future 1 and Exhibit Fully Projected Future 1 to the balance as shown as a reduction to rate base in Schedule C-1 of Exhibit Future 1 and Exhibit Fully Projected Future 1.

PPL Electric Utilities
Deferred Income Tax Calculation Due to Excess of Tax
Depreciation Over Depreciation Using Tax Basis and Book Rates
for Year Ended December 31, 2015
(\$000's)

<u>Description</u>	ACRS & MACRS Tax Depreciation	Depreciation Using Tax Basis & Book Rates	Excess Depreciation	(a) Rate	Deferred Federal Income Taxes
<u>Vintage 1981:</u>					
Distribution	\$ -	\$ 704	\$ (704)	41.90%	\$ (295)
General	0	21	(21)	42.86%	(9)
Subtotal-1981 Vintage	<u>0</u>	<u>725</u>	<u>(725)</u>		<u>(304)</u>
<u>Vintage 1982:</u>					
Distribution	47	820	(773)	41.53%	(321)
General	0	130	(130)	40.77%	(53)
Subtotal-1982 Vintage	<u>47</u>	<u>950</u>	<u>(903)</u>		<u>(374)</u>
<u>Vintage 1983:</u>					
Distribution	45	720	(675)	40.89%	(276)
General	0	134	(134)	40.30%	(54)
Subtotal-1983 Vintage	<u>45</u>	<u>854</u>	<u>(809)</u>		<u>(330)</u>
<u>Vintage 1984:</u>					
Distribution	44	912	(868)	39.98%	(347)
General	0	12	(12)	41.67%	(5)
Subtotal-1984 Vintage	<u>44</u>	<u>924</u>	<u>(880)</u>		<u>(352)</u>
<u>Vintage 1985:</u>					
Distribution	106	1,160	(1,054)	38.90%	(410)
General	0	120	(120)	38.33%	(46)
Subtotal-1985 Vintage	<u>106</u>	<u>1,280</u>	<u>(1,174)</u>		<u>(456)</u>
<u>Vintage 1986:</u>					
Distribution	66	1,301	(1,235)	37.65%	(465)
General	0	35	(35)	37.14%	(13)
Subtotal-1986 Vintage	<u>66</u>	<u>1,336</u>	<u>(1,270)</u>		<u>(478)</u>
<u>Vintage 1987:</u>					
Distribution	96	1,730	(1,634)	36.54%	(597)
General	99	132	(33)	36.36%	(12)
Subtotal-1987 Vintage	<u>195</u>	<u>1,862</u>	<u>(1,667)</u>		<u>(609)</u>
<u>Vintage 1988:</u>					
Distribution	84	2,137	(2,053)	34.63%	(711)
General	68	61	7	35.00%	2
Subtotal-1988 Vintage	<u>152</u>	<u>2,198</u>	<u>(2,046)</u>		<u>(709)</u>
<u>Vintage 1989:</u>					
Distribution	80	2,037	(1,957)	35.00%	(679)
General	45	39	6	35.00%	2
Subtotal-1989 Vintage	<u>125</u>	<u>2,076</u>	<u>(1,951)</u>		<u>(677)</u>
<u>Vintage 1990:</u>					
Distribution	131	2,427	(2,296)	34.80%	(799)
General	116	113	3	35.00%	1
Subtotal-1990 Vintage	<u>247</u>	<u>2,540</u>	<u>(2,293)</u>		<u>(798)</u>
<u>Vintage 1991:</u>					
Distribution	112	2,411	(2,299)	34.88%	(802)
General	39	35	4	35.00%	1
Subtotal-1991 Vintage	<u>151</u>	<u>2,446</u>	<u>(2,295)</u>		<u>(801)</u>
<u>Vintage 1992:</u>					
Distribution	125	2,471	(2,346)	34.95%	(820)
General	684	570	114	35.09%	40
Subtotal-1992 Vintage	<u>809</u>	<u>3,041</u>	<u>(2,232)</u>		<u>(780)</u>
<u>Vintage 1993:</u>					
Distribution	241	2,261	(2,020)	35.00%	(707)
General	533	438	95	35.00%	33
Subtotal-1993 Vintage	<u>774</u>	<u>2,699</u>	<u>(1,925)</u>		<u>(674)</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, 2015
(\$000's)

<u>Description</u>	ACRS & MACRS Tax <u>Depreciation</u>	Depreciation Using Tax Basis & <u>Book Rates</u>	Excess <u>Depreciation</u>	(a) <u>Rate</u>	Deferred Federal Income <u>Taxes</u>
<u>Vintage 1994:</u>					
Distribution	245	2,431	(2,186)	35.00%	(765)
General	93	94	(1)	35.00%	0
Subtotal-1994 Vintage	<u>338</u>	<u>2,525</u>	<u>(2,187)</u>		<u>(765)</u>
<u>Vintage 1995:</u>					
Distribution	2,532	2,131	401	35.00%	141
General	609	612	(3)	35.00%	(1)
Subtotal-1995 Vintage	<u>3,141</u>	<u>2,743</u>	<u>398</u>		<u>140</u>
<u>Vintage 1996:</u>					
Distribution	4,637	1,993	2,644	35.00%	925
General	38	54	(16)	35.00%	(6)
Subtotal-1996 Vintage	<u>4,675</u>	<u>2,047</u>	<u>2,628</u>		<u>919</u>
<u>Vintage 1997:</u>					
Distribution	4,664	1,997	2,667	35.00%	933
General	179	263	(84)	35.00%	(29)
Subtotal-1997 Vintage	<u>4,843</u>	<u>2,260</u>	<u>2,583</u>		<u>904</u>
<u>Vintage 1998:</u>					
Distribution	3,888	1,675	2,213	35.00%	775
General	90	356	(266)	35.00%	(93)
Subtotal-1998 Vintage	<u>3,978</u>	<u>2,031</u>	<u>1,947</u>		<u>682</u>
<u>Vintage 1999:</u>					
Distribution	3,649	1,500	2,149	35.00%	752
General	44	220	(176)	35.00%	(62)
Subtotal-1999 Vintage	<u>3,693</u>	<u>1,720</u>	<u>1,973</u>		<u>690</u>
<u>Vintage 2000:</u>					
Distribution	4,046	1,700	2,346	35.00%	821
General	343	1,008	(665)	35.00%	(233)
Subtotal-2000 Vintage	<u>4,389</u>	<u>2,708</u>	<u>1,681</u>		<u>588</u>
<u>Vintage 2001:</u>					
Distribution	3,053	1,416	1,637	35.00%	573
General	184	784	(600)	35.00%	(210)
Subtotal-2001 Vintage	<u>3,237</u>	<u>2,200</u>	<u>1,037</u>		<u>363</u>
<u>Vintage 2002:</u>					
Distribution	(3,478)	(2,780)	(698)	35.00%	(244)
General	312	396	(84)	35.00%	(29)
Subtotal-2002 Vintage	<u>(3,166)</u>	<u>(2,384)</u>	<u>(782)</u>		<u>(273)</u>
<u>Vintage 2003:</u>					
Distribution	4,499	2,984	1,515	35.00%	530
General	852	879	(27)	35.00%	(9)
Subtotal-2003 Vintage	<u>5,351</u>	<u>3,863</u>	<u>1,488</u>		<u>521</u>
<u>Vintage 2004:</u>					
Distribution	1,900	2,125	(225)	35.00%	(79)
General	88	163	(75)	35.00%	(26)
Subtotal-2004 Vintage	<u>1,988</u>	<u>2,288</u>	<u>(300)</u>		<u>(105)</u>
<u>Vintage 2005:</u>					
Distribution	1,221	1,499	(278)	35.00%	(97)
General	102	313	(211)	35.00%	(74)
Subtotal-2005 Vintage	<u>1,323</u>	<u>1,812</u>	<u>(489)</u>		<u>(171)</u>
<u>Vintage 2006:</u>					
Distribution	4,810	2,034	2,776	35.00%	972
General	199	396	(197)	35.00%	(69)
Subtotal-2006 Vintage	<u>5,009</u>	<u>2,430</u>	<u>2,579</u>		<u>903</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, 2015
(\$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 2007:</u>					
Distribution	5,369	2,234	3,135	35.00%	1,097
General	621	2,538	(1,917)	35.00%	(671)
Subtotal-2007 Vintage	<u>5,990</u>	<u>4,772</u>	<u>1,218</u>		<u>426</u>
<u>Vintage 2008:</u>					
Distribution	3,075	2,072	1,003	35.00%	351
General	924	1,951	(1,027)	35.00%	(359)
Subtotal-2008 Vintage	<u>3,999</u>	<u>4,023</u>	<u>(24)</u>		<u>(8)</u>
<u>Vintage 2009:</u>					
Distribution	3,617	2,445	1,172	35.00%	410
General	492	2,055	(1,563)	35.00%	(547)
Subtotal-2009 Vintage	<u>4,109</u>	<u>4,500</u>	<u>(391)</u>		<u>(137)</u>
<u>Vintage 2010:</u>					
Distribution	2,409	2,838	(429)	35.00%	(150)
General	1,083	2,690	(1,607)	35.00%	(562)
Subtotal-2010 Vintage	<u>3,492</u>	<u>5,528</u>	<u>(2,036)</u>		<u>(712)</u>
<u>Vintage 2011:</u>					
Distribution	(2,034)	2,401	(4,435)	35.00%	(1,549)
General	583	5,208	(4,625)	35.00%	(1,619)
Subtotal-2011 Vintage	<u>(1,451)</u>	<u>7,609</u>	<u>(9,060)</u>		<u>(3,168)</u>
<u>Vintage 2012:</u>					
Distribution	1,134	1,827	(693)	35.00%	(243)
General	9,041	10,431	(1,390)	35.00%	(486)
Subtotal-2012 Vintage	<u>10,175</u>	<u>12,258</u>	<u>(2,083)</u>		<u>(729)</u>
<u>Vintage 2013:</u>					
Distribution	8,362	4,151	4,211	35.00%	1,474
General	6,558	4,572	1,986	35.00%	695
Subtotal-2013 Vintage	<u>14,920</u>	<u>8,723</u>	<u>6,197</u>		<u>2,169</u>
<u>Vintage 2014:</u>					
Distribution	6,422	3,058	3,364	35.00%	1,161
General	13,135	6,660	6,475	35.00%	2,266
Subtotal-2014 Vintage	<u>19,557</u>	<u>9,718</u>	<u>9,839</u>		<u>3,427</u>
<u>Vintage 2015:</u>					
Distribution	14,969	2,431	12,538	35.00%	4,388
General	14,977	5,975	9,002	35.00%	3,151
Subtotal-2015 Vintage	<u>29,946</u>	<u>8,406</u>	<u>21,540</u>		<u>7,539</u>
<u>Summary:</u>					
Distribution	\$ 80,166	\$ 65,253	\$ 14,913		\$ 4,947
General	52,131	49,458	2,673		914
Grand Total	<u>\$ 132,297</u>	<u>\$ 114,711</u>	<u>\$ 17,586</u>		<u>\$ 5,861</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, 2016
(\$000's)

Description	ACRS & MACRS Tax Depreciation	Depreciation Using Tax Basis & Book Rates	Excess Depreciation	(a) Rate	Deferred Federal Income Taxes
<u>Vintage 1981:</u>					
Distribution	\$ -	\$ 761	\$ (761)	41.66%	\$ (317)
General	0	23	(23)	43.48%	(10)
Subtotal-1981 Vintage	<u>0</u>	<u>784</u>	<u>(784)</u>		<u>(327)</u>
<u>Vintage 1982:</u>					
Distribution	0	887	(887)	41.04%	(364)
General	0	141	(141)	40.43%	(57)
Subtotal-1982 Vintage	<u>0</u>	<u>1,028</u>	<u>(1,028)</u>		<u>(421)</u>
<u>Vintage 1983:</u>					
Distribution	23	777	(754)	40.45%	(305)
General	0	146	(146)	39.73%	(58)
Subtotal-1983 Vintage	<u>23</u>	<u>923</u>	<u>(900)</u>		<u>(363)</u>
<u>Vintage 1984:</u>					
Distribution	44	985	(941)	39.74%	(374)
General	0	13	(13)	38.46%	(5)
Subtotal-1984 Vintage	<u>44</u>	<u>998</u>	<u>(954)</u>		<u>(379)</u>
<u>Vintage 1985:</u>					
Distribution	106	1,254	(1,148)	38.76%	(445)
General	0	129	(129)	37.98%	(49)
Subtotal-1985 Vintage	<u>106</u>	<u>1,383</u>	<u>(1,277)</u>		<u>(494)</u>
<u>Vintage 1986:</u>					
Distribution	66	1,402	(1,336)	37.50%	(501)
General	0	14	(14)	35.71%	(5)
Subtotal-1986 Vintage	<u>66</u>	<u>1,416</u>	<u>(1,350)</u>		<u>(506)</u>
<u>Vintage 1987:</u>					
Distribution	96	1,865	(1,769)	36.46%	(645)
General	97	135	(38)	36.84%	(14)
Subtotal-1987 Vintage	<u>193</u>	<u>2,000</u>	<u>(1,807)</u>		<u>(659)</u>
<u>Vintage 1988:</u>					
Distribution	83	2,302	(2,219)	34.66%	(769)
General	68	66	2	35.00%	1
Subtotal-1988 Vintage	<u>151</u>	<u>2,368</u>	<u>(2,217)</u>		<u>(768)</u>
<u>Vintage 1989:</u>					
Distribution	80	2,197	(2,117)	35.00%	(735)
General	45	42	3	35.00%	1
Subtotal-1989 Vintage	<u>125</u>	<u>2,239</u>	<u>(2,114)</u>		<u>(734)</u>
<u>Vintage 1990:</u>					
Distribution	130	2,618	(2,488)	34.81%	(866)
General	114	121	(7)	35.00%	(2)
Subtotal-1990 Vintage	<u>244</u>	<u>2,739</u>	<u>(2,495)</u>		<u>(868)</u>
<u>Vintage 1991:</u>					
Distribution	112	2,598	(2,486)	34.88%	(867)
General	38	37	1	35.00%	0
Subtotal-1991 Vintage	<u>150</u>	<u>2,635</u>	<u>(2,485)</u>		<u>(867)</u>
<u>Vintage 1992:</u>					
Distribution	125	2,667	(2,542)	34.97%	(889)
General	684	619	65	35.38%	23
Subtotal-1992 Vintage	<u>809</u>	<u>3,286</u>	<u>(2,477)</u>		<u>(866)</u>
<u>Vintage 1993:</u>					
Distribution	241	2,441	(2,200)	35.00%	(770)
General	523	473	50	35.00%	17
Subtotal-1993 Vintage	<u>764</u>	<u>2,914</u>	<u>(2,150)</u>		<u>(753)</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, 2016
(\$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 1994:</u>					
Distribution	245	2,625	(2,380)	35.00%	(833)
General	90	99	(9)	35.00%	(3)
Subtotal-1994 Vintage	<u>335</u>	<u>2,724</u>	<u>(2,389)</u>		<u>(836)</u>
<u>Vintage 1995:</u>					
Distribution	205	2,302	(2,097)	35.00%	(734)
General	594	660	(66)	35.00%	(23)
Subtotal-1995 Vintage	<u>799</u>	<u>2,962</u>	<u>(2,163)</u>		<u>(757)</u>
<u>Vintage 1996:</u>					
Distribution	2,356	2,152	204	35.00%	71
General	38	47	(9)	35.00%	(3)
Subtotal-1996 Vintage	<u>2,394</u>	<u>2,199</u>	<u>195</u>		<u>68</u>
<u>Vintage 1997:</u>					
Distribution	4,614	2,155	2,459	35.00%	861
General	161	233	(72)	35.00%	(25)
Subtotal-1997 Vintage	<u>4,775</u>	<u>2,388</u>	<u>2,387</u>		<u>836</u>
<u>Vintage 1998:</u>					
Distribution	3,843	1,807	2,036	35.00%	713
General	86	334	(248)	35.00%	(87)
Subtotal-1998 Vintage	<u>3,929</u>	<u>2,141</u>	<u>1,788</u>		<u>626</u>
<u>Vintage 1999:</u>					
Distribution	3,605	1,618	1,987	35.00%	695
General	44	125	(81)	35.00%	(29)
Subtotal-1999 Vintage	<u>3,649</u>	<u>1,743</u>	<u>1,906</u>		<u>666</u>
<u>Vintage 2000:</u>					
Distribution	4,002	1,834	2,168	35.00%	759
General	326	432	(106)	35.00%	(37)
Subtotal-2000 Vintage	<u>4,328</u>	<u>2,266</u>	<u>2,062</u>		<u>722</u>
<u>Vintage 2001:</u>					
Distribution	3,032	1,531	1,501	35.00%	526
General	183	368	(185)	35.00%	(65)
Subtotal-2001 Vintage	<u>3,215</u>	<u>1,899</u>	<u>1,316</u>		<u>461</u>
<u>Vintage 2002:</u>					
Distribution	(3,044)	(3,104)	60	35.00%	21
General	260	381	(121)	35.00%	(42)
Subtotal-2002 Vintage	<u>(2,784)</u>	<u>(2,723)</u>	<u>(61)</u>		<u>(21)</u>
<u>Vintage 2003:</u>					
Distribution	4,450	3,132	1,318	35.00%	461
General	792	917	(125)	35.00%	(44)
Subtotal-2003 Vintage	<u>5,242</u>	<u>4,049</u>	<u>1,193</u>		<u>417</u>
<u>Vintage 2004:</u>					
Distribution	1,856	2,361	(505)	35.00%	(177)
General	88	155	(67)	35.00%	(24)
Subtotal-2004 Vintage	<u>1,944</u>	<u>2,516</u>	<u>(572)</u>		<u>(201)</u>
<u>Vintage 2005:</u>					
Distribution	1,099	1,737	(638)	35.00%	(223)
General	100	277	(177)	35.00%	(62)
Subtotal-2005 Vintage	<u>1,199</u>	<u>2,014</u>	<u>(815)</u>		<u>(285)</u>
<u>Vintage 2006:</u>					
Distribution	4,751	2,200	2,551	35.00%	893
General	167	357	(190)	35.00%	(66)
Subtotal-2006 Vintage	<u>4,918</u>	<u>2,557</u>	<u>2,361</u>		<u>827</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, 2016
(\$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 2007:</u>					
Distribution	5,291	2,413	2,878	35.00%	1,007
General	600	2,385	(1,785)	35.00%	(625)
Subtotal-2007 Vintage	<u>5,891</u>	<u>4,798</u>	<u>1,093</u>		<u>382</u>
<u>Vintage 2008:</u>					
Distribution	2,882	2,238	644	35.00%	225
General	675	1,992	(1,317)	35.00%	(461)
Subtotal-2008 Vintage	<u>3,557</u>	<u>4,230</u>	<u>(673)</u>		<u>(236)</u>
<u>Vintage 2009:</u>					
Distribution	3,196	2,640	556	35.00%	195
General	431	2,066	(1,635)	35.00%	(572)
Subtotal-2009 Vintage	<u>3,627</u>	<u>4,706</u>	<u>(1,079)</u>		<u>(377)</u>
<u>Vintage 2010:</u>					
Distribution	2,217	3,063	(846)	35.00%	(296)
General	859	2,344	(1,485)	35.00%	(520)
Subtotal-2010 Vintage	<u>3,076</u>	<u>5,407</u>	<u>(2,331)</u>		<u>(816)</u>
<u>Vintage 2011:</u>					
Distribution	(1,875)	2,584	(4,459)	35.00%	(1,556)
General	461	2,614	(2,153)	35.00%	(753)
Subtotal-2011 Vintage	<u>(1,414)</u>	<u>5,198</u>	<u>(6,612)</u>		<u>(2,309)</u>
<u>Vintage 2012:</u>					
Distribution	932	1,964	(1,032)	35.00%	(362)
General	2,582	10,030	(7,448)	35.00%	(2,607)
Subtotal-2012 Vintage	<u>3,514</u>	<u>11,994</u>	<u>(8,480)</u>		<u>(2,969)</u>
<u>Vintage 2013:</u>					
Distribution	7,469	4,480	2,989	35.00%	1,046
General	3,737	4,522	(785)	35.00%	(275)
Subtotal-2013 Vintage	<u>11,206</u>	<u>9,002</u>	<u>2,204</u>		<u>771</u>
<u>Vintage 2014:</u>					
Distribution	5,818	3,299	2,519	35.00%	857
General	11,771	6,398	5,373	35.00%	1,881
Subtotal-2014 Vintage	<u>17,589</u>	<u>9,697</u>	<u>7,892</u>		<u>2,738</u>
<u>Vintage 2015:</u>					
Distribution	19,955	5,263	14,692	35.00%	5,142
General	29,838	11,443	18,395	35.00%	6,438
Subtotal-2015 Vintage	<u>49,793</u>	<u>16,706</u>	<u>33,087</u>		<u>11,580</u>
<u>Vintage 2016:</u>					
Distribution	11,481	2,992	8,489	35.00%	2,971
General	16,802	5,234	11,568	35.00%	4,049
Subtotal-2016 Vintage	<u>28,283</u>	<u>8,226</u>	<u>20,057</u>		<u>7,020</u>
<u>Summary:</u>					
Distribution	\$ 89,486	\$ 76,040	\$ 13,446		\$ 4,415
General	72,254	55,372	16,882		5,887
Grand Total	<u>\$ 161,740</u>	<u>\$ 131,412</u>	<u>\$ 30,328</u>		<u>\$ 10,302</u>

PPL Electric Utilities
Reconciliation of Deferred Tax Balances
on Balance Sheet to amount taken as a Reduction to Rate Base
for Year Ended December 31, 2015
(\$000's)

Plant Deferred Tax Balances per Schedule B-1	
Account 190 - Contributions in Aid of Construction	\$ (116,248)
Account 282 - Accelerated Cost Recovery System	676,286
Account 282 - Other 263A & Repair Allowance	334,915
Account 282 - Net Book/Net Tax Plant (Excluding CIAC) - Transmission	343,397
Total Plant Deferred Tax Balances	<u>1,238,350</u>
Net Operating Loss Balances per Schedule B-1 Applied to Plant Deferred Taxes	
Account 190 - Net Operating Losses	(52,056)
Alternative Minimum Tax Credit Carryforwards per Schedule B-1 Applied to Plant Deferred Taxes	
Account 190 - Other	(3,019)
Total Accumulated Deferred Taxes per Schedule C-6	<u><u>1,183,275</u></u>
PPUC Jurisdictional Deferred Taxes per Schedule C-1	\$ 867,117

PPL Electric Utilities
Reconciliation of Deferred Tax Balances
on Balance Sheet to amount taken as a Reduction to Rate Base
for Year Ended December 31, 2016
(\$000's)

Plant Deferred Tax Balances per Schedule B-1	
Account 190 - Contributions in Aid of Construction	\$ (118,605)
Account 282 - Accelerated Cost Recovery System	686,733
Account 282 - Other 263A & Repair Allowance	341,860
Account 282 - Net Book/Net Tax Plant (Excluding CIAC) - Transmission	412,481
Total Plant Deferred Tax Balances	<u>1,322,469</u>
Net Operating Loss Balances per Schedule B-1 Applied to Plant Deferred Taxes	
Account 190 - Net Operating Losses	(8,184)
Alternative Minimum Tax Credit Carryforwards per Schedule B-1 Applied to Plant Deferred Taxes	
Account 190 - Other	(8,456)
Monthly Pro rata adjustment in accordance with IRS regulation 1.167(l)-(h)(6)ii	(65,909)
Total Accumulated Deferred Taxes per Schedule C-6	<u><u>1,239,920</u></u>
PPUC Jurisdictional Deferred Taxes per Schedule C-1	\$ 892,143

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

PPL ELECTRIC UTILITIES CORPORATION

Electric Operations
Schedule of Deferred Investment Tax Credit (ITC)
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Vintage Year</u>	<u>Rate</u>	<u>Accumulated ITC @ 12/31/2014</u>	<u>Amortization for Year Ended 12/31/2015</u>	<u>Accumulated ITC @ 12/31/2015</u>
<u>Transmission Property:</u>				
1982	10%	57	4	53
1983	10%	3	0	3
1984	10%	66	4	62
1985	10%	65	4	61
1986	10%	59	4	55
1987	10%	53	3	50
1988	10%	11	1	10
1989	10%	0	0	0
1990	10%	0	0	0
sub total		<u>314</u>	<u>20</u>	<u>294</u>
<u>Distribution Property:</u>				
1987	10%	112	56	56
1988	10%	65	22	43
1989	10%	19	5	14
1990	10%	37	7	30
sub total		<u>532</u>	<u>389</u>	<u>143</u>
Total		<u>\$ 846</u>	<u>\$ 409</u>	<u>\$ 437</u>

PPL ELECTRIC UTILITIES CORPORATION
Electric Operations
Schedule of Deferred Investment Tax Credit (ITC)
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Vintage</u> <u>Year</u>	<u>Rate</u>	<u>Accumulated ITC</u> <u>@ 12/31/2015</u>	<u>Amortization for</u> <u>Year Ended</u> <u>12/31/2016</u>	<u>Accumulated ITC</u> <u>@ 12/31/2016</u>
<u>Transmission Property:</u>				
1982	10%	53	4	49
1983	10%	3	0	3
1984	10%	62	4	58
1985	10%	61	4	57
1986	10%	55	4	51
1987	10%	50	3	47
1988	10%	10	1	9
1989	10%	0	0	0
1990	10%	0	0	0
sub total		<u>294</u>	<u>20</u>	<u>274</u>
<u>Distribution Property:</u>				
1988	10%	43	22	21
1989	10%	14	5	9
1990	10%	30	7	23
sub total		<u>143</u>	<u>90</u>	<u>53</u>
Total		<u>\$ 437</u>	<u>\$ 110</u>	<u>\$ 327</u>

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

Q.27. If the utility's operations include non-jurisdictional activities, provide a schedule which demonstrates the manner in which rate base and operating income date have been adjusted to develop the jurisdictional test year claim.

A.27. The Commission's Order, at Docket No. R-8003114, provided that future retail rate filings by PPL Electric should be on a PUC jurisdictional basis only. This filing has been prepared in compliance with that order. Total system rate base and components of operating income have been assigned and/or allocated between the FERC and PUC jurisdictions and the proposed revenue increase has been determined on a PUC jurisdictional basis only. See Exhibits JDT 2 and JDT 3.

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

PPL ELECTRIC UTILITIES CORPORATION
Budget 2015
(Thousands of Dollars)

	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Year 2015
Operating Revenues													
Electric Revenue	\$207,652	\$189,437	\$181,905	\$161,127	\$159,445	\$169,502	\$182,962	\$178,274	\$159,685	\$161,702	\$173,186	\$197,931	\$2,122,809
Gas Operations													
Wholesale Energy Marketing													
Intercompany Sales	37	38	37	38	36	30	26	25	26	17	32	41	383
Total Operating Revenues	207,689	189,476	181,942	161,164	159,480	169,533	182,988	178,299	159,711	161,718	173,218	197,973	2,123,191
Operating Expenses													
Electric Fuel													
Cost of Natural Gas & Propane													
Energy Purchases - External	73,608	64,947	58,691	46,916	45,698	47,756	54,436	52,071	42,700	42,988	48,807	62,378	640,998
Energy Purchases - Internal													
Total Fuel & Energy Purchases	73,608	64,947	58,691	46,916	45,698	47,756	54,436	52,071	42,700	42,988	48,807	62,378	640,998
Other Operating Expenses - Direct	30,129	28,927	32,042	30,876	32,756	34,358	34,953	36,379	37,581	35,085	32,082	29,072	394,240
Other Operating Expenses - Intercompany	14,318	15,059	15,722	16,158	15,869	14,295	15,795	15,298	13,709	16,088	14,796	13,300	180,408
Total O&M Expense	44,448	43,985	47,764	47,034	48,625	48,652	50,748	51,677	51,290	51,174	46,878	42,372	574,648
Amort. of Transition Costs/Def Credits	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,353	1,241	1,241	1,241	1,241	15,943
Depreciation	15,276	16,396	16,528	16,744	17,204	17,677	17,891	18,028	18,118	18,269	18,444	18,643	209,216
Taxes Other Than Income	11,527	10,396	9,896	8,588	8,462	9,198	10,107	9,687	8,415	8,573	9,513	11,043	115,405
Total Operating Expenses	146,234	137,100	134,255	120,657	121,364	124,659	134,557	132,817	121,764	122,244	124,883	135,676	1,556,210
Income from Operations	61,455	52,376	47,686	40,507	38,116	44,874	48,432	45,483	37,947	39,474	48,335	62,297	566,982
Other Income and (Deductions)	(438)	(173)	(464)	(201)	228	212	500	(210)	471	430	473	565	1,391
Interest Expense													
Long Term Debt	9,950	9,950	9,950	9,950	9,950	9,950	9,950	11,877	11,877	11,877	11,877	11,739	128,893
Preferred Securities													
Short Term Debt & Other	828	754	872	943	1,045	1,137	1,071	859	817	827	802	824	10,779
Intercompany Interest													
AFUDC & Capitalized Interest	(229)	(250)	(302)	(318)	(334)	(310)	(403)	(382)	(383)	(372)	(374)	(407)	(4,062)
Total Interest Expense	10,549	10,454	10,520	10,575	10,660	10,777	10,618	12,353	12,310	12,332	12,305	12,156	135,610
Income Before Income Taxes	50,469	41,749	36,702	29,732	27,684	34,309	38,313	32,919	26,108	27,572	36,503	50,705	432,763
Income Taxes													
Federal Income Tax	3,074	11,233	9,648	7,028	6,881	8,920	10,061	7,370	6,605	3,598	6,848	(2,629)	78,636
State Income Tax	(179)	2,408	1,905	1,075	1,028	1,675	2,036	1,183	941	(13)	1,017	2,362	15,437
Deferred Income Taxes	17,241	3,436	3,395	3,437	3,342	3,364	3,002	4,868	3,012	7,068	7,043	21,030	80,239
Total Income Taxes	20,136	17,076	14,948	11,540	11,250	13,959	15,099	13,421	10,558	10,652	14,908	20,763	174,312
Income Before Extraordinary Item	30,333	24,672	21,754	18,192	16,433	20,350	23,214	19,498	15,549	16,920	21,595	29,942	258,451
Extraordinary Item, net of income taxes													
Net Income	30,333	24,672	21,754	18,192	16,433	20,350	23,214	19,498	15,549	16,920	21,595	29,942	258,451
Noncontrolling Interest													
Minority Interest													
Preferred Stock Dividend Requirements													
Net Income Attributable to Noncontrolling Int													
Earnings Available for Common	\$30,333	\$24,672	\$21,754	\$18,192	\$16,433	\$20,350	\$23,214	\$19,498	\$15,549	\$16,920	\$21,595	\$29,942	\$258,451

PPL ELECTRIC UTILITIES CORPORATION
Budget 2016
(Thousands of Dollars)

	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Year 2016
Operating Revenues													
Electric Revenue	\$204,149	\$190,865	\$180,833	\$161,615	\$160,135	\$173,895	\$186,788	\$182,366	\$164,186	\$166,222	\$176,871	\$200,649	\$2,148,573
Gas Operations													
Wholesale Energy Marketing													
Intercompany Sales	37	36	35	36	34	29	25	24	25	16	31	40	367
Total Operating Revenues	204,186	190,900	180,868	161,651	160,169	173,923	186,813	182,390	164,211	166,237	176,902	200,688	2,148,940
Operating Expenses													
Electric Fuel													
Cost of Natural Gas & Propane													
Energy Purchases - External	66,633	60,925	53,771	43,503	42,533	47,004	53,337	51,099	42,173	42,445	48,026	60,972	612,421
Energy Purchases - Internal													
Total Fuel & Energy Purchases	66,633	60,925	53,771	43,503	42,533	47,004	53,337	51,099	42,173	42,445	48,026	60,972	612,421
Other Operating Expenses - Direct	29,228	30,429	36,005	33,538	33,602	39,255	35,253	34,242	38,754	34,535	31,494	34,548	410,883
Other Operating Expenses - Intercompany	15,631	17,523	15,453	15,894	15,844	14,089	15,950	15,854	14,341	17,011	15,703	13,737	187,029
Total O&M Expense	44,859	47,952	51,458	49,432	49,446	53,344	51,202	50,096	53,095	51,546	47,197	48,284	597,912
Amort. of Transition Costs/Def Credits	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241	14,891
Depreciation	18,887	19,073	19,227	19,365	19,661	19,949	20,119	20,308	20,468	20,623	20,752	20,852	239,283
Taxes Other Than Income	11,982	11,077	10,384	9,085	8,984	9,717	10,602	10,183	8,922	9,067	9,975	11,448	121,427
Total Operating Expenses	143,602	140,268	136,081	122,625	121,866	131,256	136,501	132,927	125,899	124,922	127,191	142,797	1,585,935
Income from Operations	60,584	50,633	44,787	39,026	38,303	42,668	50,312	49,463	38,312	41,315	49,711	57,891	563,006
Other Income and (Deductions)	259	355	496	559	606	644	787	665	626	682	746	1,246	7,672
Interest Expense													
Long Term Debt	11,464	11,464	11,464	11,464	11,464	13,197	13,197	13,197	13,197	13,197	13,197	13,197	149,697
Preferred Securities													
Short Term Debt & Other	847	874	1,168	1,414	1,523	1,211	876	821	797	821	797	821	11,970
Intercompany Interest													
AFUDC & Capitalized Interest	(346)	(390)	(445)	(471)	(499)	(537)	(610)	(523)	(527)	(567)	(588)	(846)	(6,349)
Total Interest Expense	11,965	11,948	12,187	12,407	12,488	13,870	13,463	13,495	13,467	13,450	13,406	13,172	155,317
Income Before Income Taxes	48,878	39,040	33,096	27,178	26,421	29,441	37,636	36,634	25,471	28,547	37,051	45,965	415,361
Income Taxes													
Federal Income Tax	4,363	10,077	8,169	5,832	6,001	5,600	9,248	9,459	5,973	3,946	7,111	(30,769)	45,010
State Income Tax	118	1,930	1,325	584	637	510	1,667	1,734	628	(14)	989	1,876	11,982
Deferred Income Taxes	15,135	4,082	4,095	4,196	4,219	5,960	4,035	3,901	3,824	7,255	7,165	47,820	111,687
Total Income Taxes	19,616	16,089	13,589	10,612	10,857	12,070	14,949	15,093	10,425	11,187	15,266	18,927	168,680
Income Before Extraordinary Item	29,262	22,951	19,507	16,566	15,564	17,372	22,687	21,540	15,046	17,360	21,785	27,039	246,681
Extraordinary Item, net of income taxes													
Net Income	29,262	22,951	19,507	16,566	15,564	17,372	22,687	21,540	15,046	17,360	21,785	27,039	246,681
Noncontrolling Interest													
Minority Interest													
Preferred Stock Dividend Requirements													
Net Income Attributable to Noncontrolling Interest													
Earnings Available for Common	\$29,262	\$22,951	\$19,507	\$16,566	\$15,564	\$17,372	\$22,687	\$21,540	\$15,046	\$17,360	\$21,785	\$27,039	\$246,681

- 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 2017. Attachment II-E-2b provides the Company's capital budget for 2017 and 2018.

PPL ELECTRIC UTILITIES CORPORATION

Projected Operating Budget ⁽¹⁾
For the Years Ended December 31,
(Thousands of Dollars)

	<u>2017</u>
Operating Revenues	
Electric Operations	\$ 2,457,314
Wholesale & Energy Trading	0
Intercompany Sales	<u>369</u>
Total Electric Operating Revenue	<u>2,457,683</u>
Operating Expenses	
Energy Purchases - External	624,252
Energy Purchases - Internal	0
O&M Expense	594,447
Regulatory Debits/Credits	14,891
Depreciation	265,276
Taxes Other Than Income	119,539
Income Taxes-Federal	180,279
Income Taxes-State	59,390
Deferred Income Taxes	<u>99,982</u>
Total Operating Expenses	<u>1,958,056</u>
Operating Income	<u><u>\$ 499,627</u></u>

⁽¹⁾ A forecast beyond 2017 is unavailable

PPL ELECTRIC UTILITIES CORPORATION

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

<u>Budget Category</u>	<u>2017</u>	<u>2018</u>
Provide Electric Service	\$ 76,956	\$ 77,769
Revenue Cycle Service	8,990	5,297
Upgrade System Facilities	229,370	278,714
Asset Optimization Strategy	399,022	313,723
Maintain System Reliability	68,313	64,919
Improve System Reliability	174,603	172,607
Respond To Customer	11,213	11,233
Other ⁽¹⁾	13,057	13,388
Buildings and Improvements	17,428	17,425
Technology	60,928	55,242
Smart Grid	26,209	25,806
Smart Meter	93,011	89,970
Substation Connectivity	13,109	32,027
Total	<u>\$ 1,192,209</u>	<u>\$ 1,158,120</u>

⁽¹⁾ Includes office furniture, Independent Power Producers and sustenance

PPL ELECTRIC UTILITIES CORPORATION

Exhibit Regs. § 53.53

Part III—Rate of Return

Docket No. R-2015-2469275

This book contains responses to each of the pertinent items contained in § 53.53, Part III (Rate of Return Statement) of the Commission's Regulations.

- 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 and B-8 of Exhibits Future 1 and Fully Projected Future 1 for the 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 2013 and 2014.

PPL ELECTRIC UTILITIES CORPORATION

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

Line No.		2013			2014		
		Amount	Excluding Short-Term Debt	Including Short-Term Debt	Amount	Excluding Short-Term Debt	Including Short-Term Debt
1	Long-Term Debt (a)	\$ 2,267,446	49.0%	48.8%	\$ 2,564,346	48.5%	48.5%
2	Preferred & Preference Stock	0	0.0%	0.0%	0	0.0%	0.0%
3	Common Equity	<u>2,361,253</u>	<u>51.0%</u>	<u>50.8%</u>	<u>2,723,094</u>	<u>51.5%</u>	<u>51.5%</u>
4	Total Permanent Capital	<u>4,628,699</u>	<u>100.0%</u>	<u>99.6%</u>	<u>5,287,440</u>	<u>100.0%</u>	<u>100.0%</u>
5	Short-Term Debt	20,000		0.4%	0		0.0%
6	Total Capitalization	<u>\$ 4,648,699</u>		<u>100.0%</u>	<u>\$ 5,287,440</u>		<u>100.0%</u>

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

- 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 Exhibits Future 1 and Fully Projected 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, III-B-3b and III-B-3c.

- c) The applicable interest rate (effective July 2014) 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 +1.125%

Base Rate borrowings: 0.125% + 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, 2014

	<u>Total</u> <u>Commitment by</u> <u>Bank</u>	<u>Average Daily</u> <u>Balance</u>
Royal Bank of Scotland plc	\$ 18,500,000	\$ 0
Bank of America, N.A.	18,500,000	0
Wells Fargo Bank N.A.	18,500,000	0
Morgan Stanley Bank, N.A.	18,500,000	0
JP Morgan Chase Bank, N.A.	18,500,000	0
Citibank, N.A.	18,500,000	0
BNP Paribas	15,000,000	0
UBS Loan Finance LLC	15,000,000	0
The Bank of Nova Scotia	15,000,000	0
Credit Suisse, AG	15,000,000	0
Royal Bank of Canada	15,000,000	0
Goldman Sachs Bank USA	15,000,000	0
Barclays Bank PLC	15,000,000	0
The Bank of Tokyo-Mitsubishi UFJ	15,000,000	0
Mizuho Corporate Bank, Ltd.	15,000,000	0
SunTrust Bank	15,000,000	0
CIBC Inc.	15,000,000	0
U.S. Bank N.A.	8,000,000	0
The Bank of New York Mellon	8,000,000	0
PNC Bank, N.A.	8,000,000	0
	<u>\$ 300,000,000</u>	<u>\$ 0</u>

PPL ELECTRIC UTILITIES CORPORATION

Line of Credit and Average Daily Note Balances by Bank
At December 31, 2015

	<u>Total</u> <u>Commitment by</u> <u>Bank</u>	<u>Average Daily</u> <u>Balance</u>
Royal Bank of Scotland plc	\$ 18,500,000	\$ 0
Bank of America, N.A.	18,500,000	0
Wells Fargo Bank N.A.	18,500,000	0
Morgan Stanley Bank, N.A.	18,500,000	0
JP Morgan Chase Bank, N.A.	18,500,000	0
Citibank, N.A.	18,500,000	0
BNP Paribas	15,000,000	0
UBS Loan Finance LLC	15,000,000	0
The Bank of Nova Scotia	15,000,000	0
Credit Suisse, AG	15,000,000	0
Royal Bank of Canada	15,000,000	0
Goldman Sachs Bank USA	15,000,000	0
Barclays Bank PLC	15,000,000	0
The Bank of Tokyo-Mitsubishi UFJ	15,000,000	0
Mizuho Corporate Bank, Ltd.	15,000,000	0
SunTrust Bank	15,000,000	0
CIBC Inc.	15,000,000	0
U.S. Bank N.A.	8,000,000	0
The Bank of New York Mellon	8,000,000	0
PNC Bank, N.A.	8,000,000	0
	<u>\$ 300,000,000</u>	<u>\$ 0</u>

PPL ELECTRIC UTILITIES CORPORATION

Line of Credit and Average Daily Note Balances by Bank
At December 31, 2016

	<u>Total</u>	
	<u>Commitment by</u>	<u>Average Daily</u>
	<u>Bank</u>	<u>Balance</u>
Royal Bank of Scotland plc	\$ 18,500,000	\$ 0
Bank of America, N.A.	18,500,000	0
Wells Fargo Bank N.A.	18,500,000	0
Morgan Stanley Bank, N.A.	18,500,000	0
JP Morgan Chase Bank, N.A.	18,500,000	0
Citibank, N.A.	18,500,000	0
BNP Paribas	15,000,000	0
UBS Loan Finance LLC	15,000,000	0
The Bank of Nova Scotia	15,000,000	0
Credit Suisse, AG	15,000,000	0
Royal Bank of Canada	15,000,000	0
Goldman Sachs Bank USA	15,000,000	0
Barclays Bank PLC	15,000,000	0
The Bank of Tokyo-Mitsubishi UFJ	15,000,000	0
Mizuho Corporate Bank, Ltd.	15,000,000	0
SunTrust Bank	15,000,000	0
CIBC Inc.	15,000,000	0
U.S. Bank N.A.	8,000,000	0
The Bank of New York Mellon	8,000,000	0
PNC Bank, N.A.	8,000,000	0
	<u>\$ 300,000,000</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 historic, future and fully projected future test years are shown on Attachments III-B-4a, III-B-4b and III-B-4c, 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, 2014**

	<u>Month-end Outstanding</u>	<u>Weighted Average Rate</u>
January	\$ 0	0.00%
February	0	0.00%
March	60,000,000	0.32%
April	90,000,000	0.28%
May	109,673,000	0.26%
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, 2015**

	<u>Month-end Outstanding</u>	<u>Weighted Average Rate</u>
January	\$ 0	1.725%
February	0	1.725%
March	61,419,000	1.725%
April	132,589,000	1.725%
May	168,094,000	1.725%
June	295,413,000	1.725%
July	41,870,000	1.725%
August	0	1.725%
September	0	1.725%
October	0	1.725%
November	0	1.725%
December	0	1.725%

PPL ELECTRIC UTILITIES CORPORATION

**Monthly Short Term Debt Outstanding
During Year Ended December 31, 2016**

	<u>Month-end Outstanding</u>	<u>Weighted Average Rate</u>
January	\$ 35,207,000	2.625%
February	67,902,000	2.625%
March	260,877,000	2.625%
April	314,048,000	2.625%
May	339,261,000	2.625%
June	50,218,000	2.625%
July	0	2.625%
August	0	2.625%
September	0	2.625%
October	0	2.625%
November	0	2.625%
December	0	2.625%

- 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 (2)	Unamortized Loss as of December 31, 2014	Unamortized Loss as of December 31, 2015	Unamortized Loss as of December 31, 2016
1986						
1	15-5/8% Series due 2010 (3)	\$ 100,000,000	\$ 14,022,896	\$ 159,063	-	-
1988						
2	13-1/8% Series due 2013 (3)	125,000,000	13,759,884	-	-	-
1989						
3	13-1/2% Series due 1994 (3)	125,000,000	5,503,632	250,785	188,132	125,307
4	12-3/4% Series due 2014 (3)	125,000,000	13,787,793	743,752	587,196	430,210
1990						
5	12% Series due 2015 (3)	125,000,000	13,037,869	131,925	-	-
1992						
6	10-7/8% Series due 2016 (3)	125,000,000	10,585,931	882,118	761,934	641,420
1993						
7	7-7/8% - 8-1/8% PC Series C due 2000-2010 (3)	20,000,000	940,413	75,568	64,522	53,445
8	11-1/4% - 11-1/2% PC Series D due 2002-2012 (3)	70,000,000	3,410,648	274,053	233,993	193,824
9	9-1/4% Series due 2004 (3)	80,000,000	459,626	42,092	36,889	31,672
10	9-3/4% Series due 2005 (3)	125,000,000	773,476	70,865	62,106	53,323
11	9% Series due 2016 (3)	125,000,000	8,993,234	894,288	792,188	689,808
1994						
12	5-5/8% PC Series A due 1984-2003 (1), (3)	15,500,000	94,917	11,848	10,869	9,886
3	10-5/8% PC Series E due 2014 (3)	37,750,000	1,930,733	240,302	220,435	200,514
14	10% Series due 2019 (3)	125,000,000	10,533,430	1,093,695	974,389	854,756
15	10-5/8% PC Series F due 2014 (3)	115,500,000	1,119,731	615,834	573,874	531,799
1995						
16	9-3/8% PC Series G due 2015 (3)	55,000,000	2,511,825	366,066	340,979	315,823
17	9-1/4% Series due 2019 (3)	35,000,000	2,962,890	254,049	216,431	178,710
18	9-3/8% Series due 2021 (3)	50,250,000	5,289,859	455,401	385,354	315,115
2000						
19	9-1/4% Series FMB due 2019	27,584,000	71,688	17,452	13,778	10,095
2001						
20	9-3/8% Series due 2021	5,168,000	49,861	16,198	13,707	11,208
2002						
21	8-1/2% Series due 2022	10,911,000	88,945	32,614	28,171	23,715
2003						
23	7-7/8% Series due 2023	46,213,000	520,056	212,834	186,527	160,148
24	6-3/4% Series due 2023	19,497,000	261,154	115,658	102,449	89,204
2004						
25	7.3% Series FMB due 2024	5,805,000	57,103	26,010	23,175	20,331
26	6-1/2% Series FMB due 2005	40,566,000	2,038,247	-	-	-
27	6.25% Senior Secured Bonds due 2009	45,134,000	1,963,529	-	-	-
28	5.875% Senior Secured Bonds due 2007	14,215,000	3,867,452	-	-	-

PPL ELECTRIC UTILITIES CORPORATION
Long-term Debt Reacquisition by Issue

Line No.	Description	Amount	Total Loss on Reacquired Debt (2)	Unamortized Loss as of December 31,2014	Unamortized Loss as of December 31,2015	Unamortized Loss as of December 31,2016
2005						
29	6.4% PC Series J due 2029	115,500,000	4,061,324	2,433,996	2,268,186	2,101,922
30	5.5% PC Series I due 2027	53,250,000	1,527,182	854,746	784,305	713,671
31	6.15% PC Series K due 2029	55,000,000	2,286,021	1,286,777	1,180,732	1,074,397
2009						
32	Variable Rate PC Facilities Note due 2027	9,475,000	66,360	45,790	42,104	38,409
33	4.30% Senior Secured Bonds due 2013	100,000,000	9,667,948	-	-	-
2011						
34	7.125% Senior Secured Bonds due 2013	375,000,000	55,402,703	37,800,998	32,169,421	26,522,415
35	7.125% Senior Secured Bonds due 2013	25,000,000	3,659,964	-	-	-
		<u>\$ 2,527,318,000</u>	<u>\$ 195,308,321</u>	<u>\$ 49,404,777</u>	<u>\$ 42,261,846</u>	<u>\$ 35,391,127</u>

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

(2) 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.

(3) 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. The Company has no preferred stock equity.

Q.1. Provide complete support for claimed common equity rate of return.

A.1. See Statement No. 9 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.

In April 2013, PPL settled forward sale agreements by issuing 8.4 million shares of PPL common stock and cash settling the remaining 1.5 million shares. PPL received net cash proceeds of \$205 million, which was calculated based on an initial forward price of \$27.02 per share, reduced during the period the contracts were outstanding as specified in the forward sale agreements. The details are noted in Attachment III-D-4.

In July 2013, PPL issued 40 million shares of common stock at \$28.73 per share to settle the 2010 Equity Units. In May 2014, PPL issued 31.7 million shares of common stock at \$30.86 per share to settle the 2011 Equity Units.

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 and may continue to issue 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.

In February 2015, PPL Corporation entered into two Equity Distribution Agreements in which the Company may sell, from time to time, up to an aggregate sales price of \$500.0 million of its common stock.

Stock Offering	2010 (a)	2011 (b)	April 2013	2010 Equity Units	2011 Equity Units
Date of prospectus.					
(1) Prospectus	3/25/2009	3/25/2009	3/28/2012	3/25/2009	3/25/2009
(2) Prospectus Supplement	6/22/2010	4/11/2011	4/10/2012	6/21/2010	4/11/2011
b) Date of offering.	6/28/2010	4/15/2011	4/10/2013	7/1/2013	5/1/2014
c) Record date.	N/A	N/A	N/A	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	4/10/2013	7/1/2013	5/1/2014
(2) Number of days offered	5	5	1	1	1
e) Amount and number of shares offered.					
(1a) Amount offered	\$ 2,160,000,000	\$ 2,024,000,000	\$ 218,959,440	\$ 1,150,000,000	\$ 977,500,000
(1b) Amount offered, including over-allotment option	\$ 2,484,000,000	\$ 2,327,600,000	\$ 218,959,440	\$ 1,150,000,000	\$ 977,500,000
(2a) Number of shares offered	90,000,000	80,000,000	8,400,000	40,031,500	31,678,820
(2b) Number of shares offered, including over-allotment option	103,500,000	92,000,000	8,400,000	40,031,500	31,678,820
f) Offering ratio, if rights offering.	N/A	N/A	N/A	N/A	N/A
g) Percent subscribed.	100% (c)	100% (c)	100% (c)	100% (c)	100% (c)
h) Offering price.	\$ 24.00	\$ 25.30	\$ 26.07	\$ 28.73	\$ 30.86
i) Gross proceeds per share.	\$ 24.00	\$ 25.30	\$ 26.07	\$ 28.73	\$ 30.86
j) Expenses per share.	\$ 0.72	\$ 0.76	\$ 0.64	\$ -	\$ -
k) Net proceeds per share (i - j).	\$ 23.28	\$ 24.54	\$ 25.43	\$ 28.73	\$ 30.86
l) Market price per share.					
(1) At record date.	N/A	N/A	N/A	N/A	N/A
(2) At offering date.	\$ 25.43	\$ 27.00	\$ 31.66	\$ 29.90	\$ 34.21
(3) One month after close of offering.	\$ 27.50	\$ 27.93	\$ 31.84	\$ 31.98	\$ 34.78
m) Average market price during offering.					
(1) Price per share.	\$ 24.85	\$ 26.62	\$ 31.66	\$ 29.90	\$ 34.21
(2) Rights per share - average value of rights.	N/A	N/A	N/A	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			
(4) 12/31/2012 diluted EPS			\$ 2.60		
(5) 03/31/2013 diluted EPS			\$ 0.65		
(6) 06/30/2013 diluted EPS				\$ 0.63	
(7) 12/31/2013 diluted EPS					\$ 1.76
(8) 03/31/2014 diluted EPS					\$ 0.49
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			
(4) 12/31/2012 annual dividend			\$ 1.44		
(5) 03/31/2013 quarterly dividend			\$ 0.37		
(6) 06/30/2013 quarterly dividend				\$ 0.37	
(7) 12/31/2013 annual dividend					\$ 1.47
(8) 03/31/2014 quarterly dividend					\$ 0.37

- (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 2013 and 2014 for PPL Corporation.

PPL CORPORATION

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

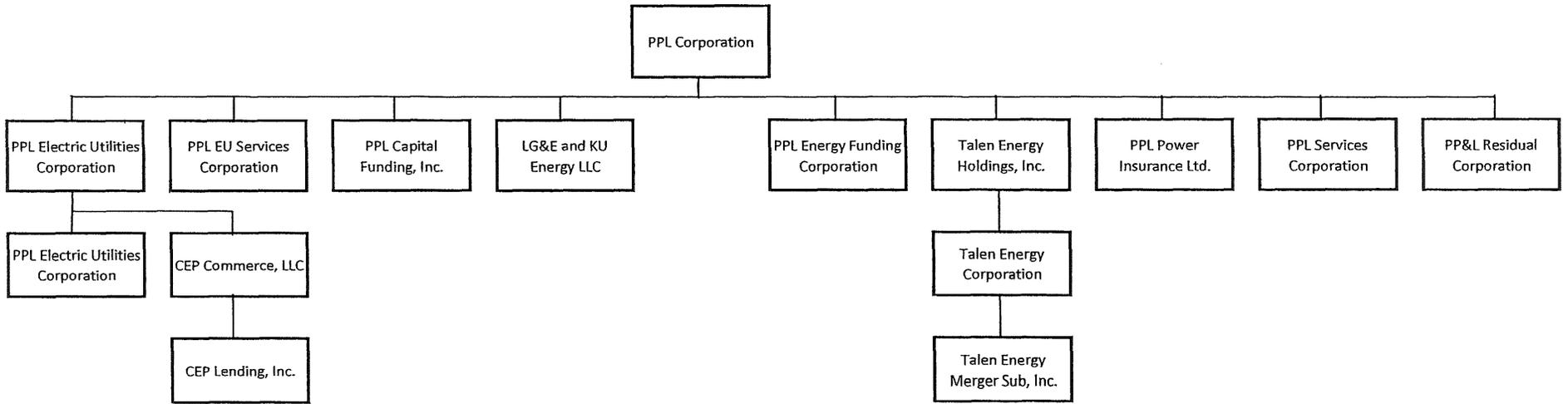
Line No.		2013			2014		
		Amount	Excluding Short-Term Debt	Including Short-Term Debt	Amount	Excluding Short-Term Debt	Including Short-Term Debt
1	Long-Term Debt (a)	\$ 20,900,910	59.8%	58.6%	\$ 20,394,464	56.2%	54.0%
2	Preferred & Preference Stock	0	0.0%	0.0%	0	0.0%	0.0%
3	Common Equity	14,038,740	40.2%	39.4%	15,902,169	43.8%	42.1%
4	Total Permanent Capital	34,939,650	<u>100.0%</u>	98.0%	36,296,633	<u>100.0%</u>	96.1%
5	Short-Term Debt	700,964		2.0%	1,465,803		3.9%
6	Total Capitalization	<u>\$ 35,640,614</u>		<u>100.0%</u>	<u>\$ 37,762,436</u>		<u>100.0%</u>

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

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, 2014 (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, 2014 (Form 10-K) for PPL Corporation and its subsidiaries that are SEC registrants.

Because the attachments are voluminous, hyperlinks to the specific reports are being provided.

[Attachment III-F-1a](#)

Quarterly Reports to the Securities and Exchange Commission (SEC) for the Quarter Ended September 30, 2014 (Form 10-Q) for PPL Corporation and its subsidiaries that are SEC registrants.

[Attachment III-F-1b](#)

Latest Prospectus for PPL Electric

[Attachment III-F-1c](#)

Annual Reports to the SEC for the year ended December 31, 2014 (Form 10-K) for PPL Corporation and its subsidiaries that are SEC registrants.

- 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 through 2017. A forecast beyond 2017 is unavailable.

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

	<u>Year 2015</u>	<u>Year 2016</u>	<u>Year 2017</u>
PPL Electric Consolidated			
Sources & Uses (\$000's)			
Cash from Operations	532,276	657,486	702,330
Total Capital Expenditures	(1,128,337)	(1,158,444)	(1,193,600)
Sale of Assets			
Other Investing Activities			
Free Cash Flow before Dividends	(\$596,062)	(\$500,959)	(\$491,270)
Total Dividends (Paid)/Received	(169,900)	(184,100)	(214,300)
Free Cash Flow after Dividends	(765,962)	(685,059)	(705,570)
Less: Security Maturities			
Total Maturities - Long Term Debt	100,000		
Total Maturities - Preferred Stock			
Repurchase of Common Stock			
Other	4,510	4,235	4,070
Total Financing Requirements	870,472	689,294	709,640
Financing Activity			
Debt Issuances	410,000	385,000	370,000
Issue of Preferred Stock			
Issue of Common Stock			
Intercompany Equity Transfers	275,000	300,000	345,000
Change in Intercompany Debt	(0)	0	0
Use of/(Increase in) Cash on Hand	185,472	4,294	(5,360)
Change in Short-term Debt			
Total Financing Sources	870,472	689,294	709,640
Unrestricted Cash & Equivalents - Beg	214,150	28,678	24,385
Short-term debt - Beginning			
Unrestricted Cash & Equivalents - End	28,678	24,385	29,745
Short-term debt - Ending			

Note: A forecast beyond 2017 is unavailable.

- 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 July 28, 2014, 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” means 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 shareowners’ 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" means 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	2013	2014	2015	2016
a. Times interest earned ratio - pre-tax	4.15	4.20	(b)	(b)
Times interest earned ratio - post-tax	3.01	2.98	(b)	(b)
b. Preferred stock dividend coverage ratio - post-tax basis	2.94	2.92	(b)	(b)
c. Times fixed charges earned ratio - pre-tax basis	4.05	4.11	(b)	(b)
d. Earnings per share - diluted (a)	\$1.76	\$2.61	(b)	(b)
e. Dividend per share (a)	\$1.47	\$1.49	(b)	(b)
f. Average dividend yield			(b)	(b)
(52-week high/low common stock price) (a)	4.74%	4.41%	(b)	(b)
g. Average book value per share (a)	\$18.78	\$20.42	(b)	(b)
h. Average market price per share (a)	\$30.13	\$33.59	(b)	(b)
i. Market price-book value ratio (a)	1.60	1.64	(b)	(b)
j. Earnings-book value ratio				
(per share basis, average book value) (a)	0.094	0.128	(b)	(b)
k. Dividend payout ratio (a)	0.835	0.571	(b)	(b)
l. AFUDC as a % of earnings available for common equity	6.48%	5.58%	(b)	(b)
m. Construction work in progress as a % of net utility plant	11.43%	12.18%	(b)	(b)
n. Effective income tax rate	34.1%	37.8%	(b)	(b)
o. Internal cash generations as a % of total capital requirements	36.4%	41.3%	(b)	(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 upgrades the ratings of PPL US utility subsidiaries and confirms the rating of PPL Corp. and LKE; rating outlook stable.

Global Credit Research - 31 Jan 2014

Approximately \$10.8 Billion of Debt Affected

New York, January 31, 2014 -- Moody's Investors Service today upgraded the ratings of PPL Corporation's US utility operating subsidiaries: the rating of PPL Electric Utilities (PPLEU) was upgraded to Baa1 from Baa2 and the ratings of Louisville Gas & Electric Company (LGE) and Kentucky Utilities (KU) were upgraded to A3 from Baa1. Moody's confirmed the senior unsecured ratings of PPL Corporation (PPL) at Baa3 and of LG&E and KU Energy LLC (LKE) at Baa2. This rating action completes our review of PPL and its regulated operations initiated on November 8, 2013. The outlook for all PPL entities is stable.

The primary driver of today's positive rating action on PPL's US utility operating companies was Moody's more favorable view of the relative credit supportiveness of the US regulatory environment, as detailed in our September 2013 Request for Comment titled "Proposed Refinements to the Regulated Utilities Rating Methodology and our Evolving View of US Utility Regulation."

The review, however, did not result in a corresponding upgrade for the parent holding company PPL because the upgrades of PPL's US regulated utilities, which represent 31% of earnings, did not shift PPL's consolidated credit profile sufficiently. PPL's consolidated financial metrics are also weak for its rating category. LKE did not receive an upgrade because of the high debt level at LKE relative to the consolidated LKE. Moreover, because there is free movement of cash between PPL and LKE, PPL has a constraining effect on LKE's ratings.

RATINGS RATIONALE

The ratings of PPL and its utility subsidiaries are underpinned by regulatory environments that, while they may vary somewhat from jurisdiction to jurisdiction, are generally supportive of utility credit quality and by an energy commodity market that has alleviated some of the pressure on rates generally. Additionally, PPL's rating is reflective of the consolidated credit profile which has been transformed from a heavily merchant commodity driven and regionally focused operation, to a more diversified and mostly rate regulated platform. These positive factors are balanced against financial metrics on a consolidated basis that have been on the lower end of the range for benchmarks established for regulated utilities. As of end of third quarter 2013, PPL's CFO Pre-WC/debt averaged over the past three years is 15.5%, while the benchmark for regulated utilities in the Baa category is between 13% and 22%.

Rating Outlook

The stable outlook for PPL reflects our view that PPL's credit quality has been fortified through the growing share of its regulated business. The stable outlook also incorporates a view that the company's large capital investment will be prudently financed, to include if needed, the issuance of common equity. The unregulated generation assets' cash flow generating capacity is expected to be lower over the next several years but further downsides are moderated by hedging and its declining share to the consolidated cash flow.

What Could Change the Rating -- Up

Potential for upgrade is currently limited by its financial metrics which are weak for its ratings. Upgrade is possible if exposure to unregulated activity continue to decline while cash flow to debt ratio improves 20% or above on a sustained basis.

What Could Change the Rating - Down

While we do not foresee any particular event that would result in a negative rating action, the company's cash flow to debt credit metrics are expected to be weaker going forward due to the declining cash flow coming from its unregulated operations. As a result, the company has a smaller margin of error for a negative rating action.

The principal methodology used in this rating was Regulated Electric and Gas Utilities published in December

2013. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

Issuer: PPL Corporation

Outlook revised to stable from RUR-UP

Confirmed:

LT Issuer Rating: Baa3

Pref. Shelf ratings: (P)Ba2

Issuer: PPL Electric Utilities Corporation

Outlook revised to stable from RUR-UP

Upgraded:

LT Issuer Rating to Baa1 from Baa2

Senior unsecured to Baa1 from Baa2

Senior secured to A2 from A3

First Mortgage Bonds to A2 from A3

Preference Shelf to (P)Baa3 from (P)Ba1

Senior Secured Shelf to (P)A2 from (P)A3

Affirmed:

Commercial paper rating of P-2

Issuer: LG&E and KU Energy LLC

Outlook revised to stable from RUR-UP

Confirmed:

LT Issuer Rating: Baa2

Senior unsecured: Baa2

Senior unsecured Self: (P)Baa2

Issuer: Louisville Gas & Electric Company

Outlook revised to stable from RUR-UP

Upgraded:

LT Issuer Rating to A3 from Baa1

Senior unsecured to A3 from Baa1

Senior secured to A1 from A2

Senior secured Shelf to (P)A1 from (P)A2

Affirmed:

Commercial Paper ratings: P-2

Issuer: Kentucky Utilities Co.

Outlook revised to stable from RUR-UP

Upgraded:

LT Issuer Rating to A3 from Baa1

Senior unsecured to A3 from Baa1

Senior secured to A1 from A2

Senior secured Shelf to (P)A1 from (P)A2

Affirmed:

Commercial Paper rating: P-2

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Research Update:

PPL Corp. And Subsidiaries 'BBB' Issuer Credit Rating On CreditWatch Positive On Spin-Off Plan

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Research Update:

PPL Corp. And Subsidiaries 'BBB' Issuer Credit Rating On CreditWatch Positive On Spin-Off Plan

Overview

PPL Corp. (PPL) announced that it intends to spin off its unregulated power generation subsidiary PPL Energy Supply LLC (PPLES).

We are placing our 'BBB' issuer credit ratings (ICR) on PPL, PPL Electric Utilities Corp. (PPLEU), LG&E and KU Energy LLC (LKE), Kentucky Utilities Co. (KU), and Louisville Gas and Electric Co. (LG&E) on CreditWatch with positive implications. We based the CreditWatch placement on the expected improvement in PPL's business risk profile after the spin-off of PPLES and sufficient credit measures that could result in an upgrade.

Based on the preliminary terms of the transaction, we believe the ICRs on PPL and its U.S. regulated utility subsidiaries could be raised to 'A-', subject to satisfactory regulatory approvals and operating results remaining in line with our expectations.

We are affirming the 'A-2' short-term ratings.

Rating Action

On June 10, 2014, Standard & Poor's Ratings Services placed its 'BBB' issuer credit ratings on PPL Corp. and utility subsidiaries PPL Electric Utilities Corp., Kentucky Utilities Co., and Louisville Gas and Electric Co., as well as intermediate holding company LG&E and KU Energy LLC on CreditWatch with positive implications. At the same time, we affirmed the 'A-2' short-term ratings on the companies.

Rationale

Our CreditWatch placement reflects our expectation that PPL's credit profile will strengthen after the spin-off of the unregulated power generation subsidiary PPL Energy Supply LLC. Following this divestiture, PPL will consist of regulated utilities in the U.S. and U.K. where at least 50% of pro forma EBITDA would be from low-risk distribution and transmission operations. PPL's business risk profile would be "excellent" after the divestiture of the higher risk unregulated generation assets. The "excellent" business risk assessment post divestiture accounts for PPL's focus on regulated utility operations where there is geographical and operating diversity with numerous utilities that serve more than 10 million electricity customers in the U.K., Pennsylvania, Kentucky, and Virginia, and 320,000 natural gas distribution customers in Kentucky. Residential and commercial customers contribute the majority of revenue and sales, providing a measure of stability and predictability to cash flow generation. With operations across two states and

in the U.K., the company benefits significantly from country, geographical, and regulatory diversity, potentially minimizing the effect of economic conditions in one particular region or adverse regulatory decisions. The diversity in markets and regulation strengthens credit quality, but the cross-border regulatory jurisdictions require diligent monitoring of regulatory relationships. The U.K. wires-only distribution utilities have credit-supportive U.K. regulation and no commodity risk because nonaffiliated retail suppliers procure the electricity for retail customers.

Based on our medial volatility financial ratio benchmarks, we expect to assess PPL's financial risk profile as "significant", with projected credit protection measures being mostly near the lower end of the category. Under our baseline forecast, we expect that funds from operations (FFO) to debt will range from 13.5% and 15% over the next three years and cash flow from operations to debt to range between 13.5% and 14.5% over the same period. We forecast debt to EBITDA to range between 4.7x and 5x. The annual dividend payout ratio is forecast to be 55% over the 2015-2017 period. This level should bolster equity capital through retained earnings, helping to support the balance sheet, even as PPL makes capital investments, especially given our expectation that discretionary cash flow will continue to be negative in light of PPL's large capital spending program.

Liquidity

PPL currently has "adequate" liquidity, as our criteria define the term. The company's liquidity sources are likely to cover its uses by more than 1.1x in the next 12 months. We expect PPL to meet cash outflows even with a 10% decline in EBITDA.

There are sizeable debt maturities in the next three years, but we expect the company to refinance them given its satisfactory standing in the credit markets.

Principal liquidity sources:

- FFO of roughly \$2.7 billion in 2014
- Common equity issuance of \$977.5 million related to mandatory convertible securities
- Credit facility availability of about \$6 billion in 2014

Principal liquidity uses:

- Debt maturities of about \$300 million in 2014
- Capital spending of \$3.9 billion in 2014
- Dividends of roughly \$960 million in 2014

Group Influence

Standard & Poor's bases its ICR on PPL on the consolidated group credit profile (GCP) and application of our group ratings methodology. PPL, as the parent company, currently has an ICR equal to the 'bbb' GCP, which we will reassess as part of the CreditWatch resolution. Under our group rating methodology, we consider all of PPL's U.S. regulated utilities and their intermediate holding companies core subsidiaries of the PPL group because we believe the utilities are integral to PPL's long-term strategy. The ICRs for these subsidiaries are therefore most likely to remain equal to the GCP established for PPL.

CreditWatch

The CreditWatch placement will remain until the transaction closing, with periodic updates. Upon the transaction's completion, we could raise the issuer credit ratings and issue ratings on PPL, LKE, LG&E, KU, and PPLEU by up to two notches depending on the credit measures of the consolidated PPL group after the PPLES divestiture. Material changes to the financial measures in our base and cash flow generation capability of the pro forma group could affect the ultimate financial risk profile.

Related Criteria And Research

Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Jan. 2, 2014
Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
General Criteria: Group Rating Methodology, Nov. 19, 2013
General Criteria: Methodology: Industry Risk, Nov. 19, 2013
Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
General Criteria: Methodology: Industry Risk, Nov. 19, 2013
Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
Criteria - Corporates - Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
Use of CreditWatch and Outlooks, Sept. 14, 2009
Criteria - Corporates - Utilities: Notching Of U.S. Investment-Grade Investor-Owned Utility Unsecured Debt Now Better Reflects Anticipated Absolute Recovery, Nov. 10, 2008
2008 Corporate Criteria: Rating Each Issue, April 15, 2008

Criteria - Corporates - General: 2008 Corporate Criteria: Commercial Paper
, April 15, 2008

Ratings List

Ratings Affirmed; On CreditWatch Positive

	To	From
Kentucky Utilities Co. PPL Electric Utilities Corp. Louisville Gas & Electric Co. Corporate Credit Rating	BBB/Watch Pos/A-2	BBB/Stable/A-2

Ratings Affirmed; On CreditWatch Positive; Recovery Rating Unchanged

Kentucky Utilities Co. Senior Secured Recovery rating	A-/Watch Pos 1+	A-
LG&E and KU Energy LLC Senior Unsecured	BBB-/Watch Pos	BBB-
Louisville Gas & Electric Co. Senior Secured Recovery rating	A-/Watch Pos 1+	A-
PPL Capital Funding Inc. Senior Unsecured Junior Subordinated	BBB-/Watch Pos BB+/Watch Pos	BBB- BB+
PPL Electric Utilities Corp. Senior Secured Recovery rating	A-/Watch Pos 1+	A-

Ratings Affirmed

Kentucky Utilities Co. Commercial paper	A-2
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Louisville Gas & Electric Co. Commercial paper	A-2
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PPL Electric Utilities Corp. Commercial paper	A-2
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PPL ELECTRIC UTILITIES CORPORATION

Exhibit Regs. § 53.53

Part IV—Rate Structure and Cost Allocation

Docket No. R-2015-2469275

This book contains responses to each of the pertinent items contained in § 53.53, Part IV (Rate Structure and Cost Allocation) of the Commission's Regulations.

Q. 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. Schedule D-3 of Exhibits Future 1 and Fully Projected 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 SRK 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, 2014 through December 31, 2014. 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, 2016 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 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	14,692,896	\$ 14.09	\$ 207,022,905
Distribution KWH	14,272,078,684	\$ 0.02511	\$ 358,371,896
SMR KWH ¹	14,272,078,684	\$ 0.00028	\$ 3,996,182
DSIC ¹		3.15%	\$ 22,108,200
Total			\$ 591,499,182

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	446,908,920	\$ 0.65753	\$ 293,856,022
Distribution KWH	14,272,078,684	\$ 0.03209	\$ 457,991,005
SMR KWH	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			\$ 751,847,027

2016 vs. 2014 Variance	Units	Rate	
Customer (daily) ²	6,419,255	\$ 0.65753	\$ 4,220,853
Distribution KWH	(795,605,687)	\$ 0.03209	\$ (25,530,986)
Total Rate Revenue			\$ (21,310,134)

Revenue Requirement \$ 730,536,893

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 562,837,585	\$ 544,141,507	\$ 575,899,331
Rate Revenue under Proposed Rates	\$ 717,475,147	\$ 698,779,069	\$ 730,536,893
Revenue Increase	\$ 154,637,562	\$ 154,637,562	\$ 154,637,562
Rate Change Percent	27.47%	28.42%	26.85%

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

²The Company is proposing a per day Customer Charge.

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 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	144,948	\$ 18.06	\$ 2,617,761
Distribution KWH	289,856,905	\$ 0.01432	\$ 4,150,751
SMR KWH ¹	289,856,905	\$ 0.00028	\$ 81,160
DSIC ¹		3.15%	\$ 302,093
Total			<u>\$ 7,151,765</u>

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	4,408,835	\$ 0.65753	\$ 2,898,941
Distribution KWH	289,856,905	\$ 0.02789	\$ 8,084,109
SMR KWH	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			<u>\$ 10,983,050</u>

2016 vs. 2014 Variance	Units	Rate	
Customer (daily) ²	(62,050)	\$ 0.65753	\$ (40,800)
Distribution KWH	(48,194,519)	\$ 0.02789	\$ (1,344,145)
Total Rate Revenue			<u>\$ (1,384,945)</u>

Revenue Requirement \$ 9,598,105

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 6,767,060	\$ 6,354,535	\$ 6,501,895
Rate Revenue under Proposed Rates	\$ 9,863,270	\$ 9,450,745	\$ 9,598,105
Revenue Increase	\$ 3,096,210	\$ 3,096,210	\$ 3,096,210
Rate Change Percent	45.75%	48.72%	47.62%

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

²The Company is proposing a per day Customer Charge.

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 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	1,744,536	\$ 16.00	\$ 27,912,576
Distribution KW	10,033,139	\$ 4.23600	\$ 42,500,378
SMR KWH ¹	8,371,641,963	\$ 0.00005	\$ 418,582
DSIC ¹		3.15%	\$ 2,293,587
Total			\$ 73,125,123

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	53,062,970	\$ 0.789	\$ 41,866,683
Distribution KW	10,033,139	\$ 4.344	\$ 43,583,957
SMR	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			\$ 85,450,641

2016 vs. 2014 Variance	Units	Rate	
Customer (daily) ²	450,045	\$ 0.789	\$ 355,086
Distribution KW	114,763	\$ 4.344	\$ 498,530
Total Rate Revenue			\$ 853,615

Add: G1V Revenue Requirement \$ 944,919

Revenue Requirement \$ 87,249,175

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 70,500,394	\$ 70,781,695	\$ 74,290,826
Rate Revenue under Proposed Rates	\$ 83,458,743	\$ 83,740,044	\$ 87,249,175
Amount Increase	\$ 12,958,349	\$ 12,958,349	\$ 12,958,349
Rate Change Percent	18.38%	18.31%	17.44%

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

²The Company is proposing a per day Customer Charge.

PPL Electric Utilities Corporation
Rate Schedule GS-1
Volunteer Fire Co./Sr. Citizen Centers (G1V)
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	8,736	\$ 14.09	\$ 123,090
Distribution KWH	24,001,252	\$ 0.02511	\$ 602,671
SMR KWH ¹	24,001,252	\$ 0.00028	\$ 6,720
DSIC ¹		3.15%	\$ 22,214
Total			<u>\$ 754,696</u>

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	265,720	\$ 0.65753	\$ 174,719
Distribution KWH	24,001,252	\$ 0.03209	\$ 770,200
SMR KWH	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			<u>\$ 944,919</u>

2016 vs. 2014 Variance	Units	Rate	Rate Revenue
Customer (daily) ²	-	\$ 0.65753	\$ -
Distribution KWH	-	\$ 0.03209	\$ -
Total Rate Revenue			<u>\$ -</u>

Revenue Requirement \$ 944,919

Summary of Distribution Revenues

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Rate Revenue under Present Rates	N/A	N/A	N/A
Rate Revenue under Proposed Rates	N/A	N/A	N/A
Amount Increase	N/A	N/A	N/A
Rate Change Percent	N/A	N/A	N/A

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

²The Company is proposing a per day Customer Charge.

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 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	352,740	\$ 40.00	\$ 14,109,600
Distribution KW	24,386,111	\$ 4.19200	\$ 102,226,577
SMR KWH ¹	8,392,655,275	\$ 0.00005	\$ 419,633
DSIC ¹		3.15%	\$ 4,089,464
Total			<u>\$ 120,845,274</u>

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	10,729,175	\$ 1.973	\$ 21,168,662
Distribution KW	24,386,111	\$ 3.704	\$ 90,326,155
SMR	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			<u>\$ 111,494,817</u>

2016 vs. 2014 Variance	Units	Rate	Rate Revenue
Customer (daily) ²	140,890	\$ 1.973	\$ 277,976
Distribution KW	67,735	\$ 3.704	\$ 250,889
Total Rate Revenue			<u>\$ 528,865</u>

Add: G3V Revenue Requirement \$ 103,563

Revenue Requirement \$ 112,127,246

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 117,101,828	\$ 115,895,956	\$ 122,224,550
Rate Revenue under Proposed Rates	\$ 107,004,523	\$ 105,798,651	\$ 112,127,246
Amount Increase	\$ (10,097,305)	\$ (10,097,305)	\$ (10,097,305)
Rate Change Percent	-8.62%	-8.71%	-8.26%

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

²The Company is proposing a per day Customer Charge.

PPL Electric Utilities Corporation
Rate Schedule GS-3
Volunteer Fire Co./Sr. Citizen Centers (G3V)
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	384	\$ 14.09	\$ 5,411
Distribution KWH	2,987,940	\$ 0.02511	\$ 75,027
SMR KWH ¹	2,987,940	\$ 0.00028	\$ 837
DSIC ¹		3.15%	\$ 2,479
Total			\$ 83,753

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	11,680	\$ 0.65753	\$ 7,680
Distribution KWH	2,987,940	\$ 0.03209	\$ 95,883
SMR KWH	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			\$ 103,563

2016 vs. 2014 Variance	Units	Rate	
Customer (daily) ²		\$ 0.65753	\$ -
Distribution KWH		\$ 0.03209	\$ -
Total Rate Revenue			\$ -

Revenue Requirement \$ 103,563

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	N/A	N/A	N/A
Rate Revenue under Proposed Rates	N/A	N/A	N/A
Amount Increase	N/A	N/A	N/A
Rate Change Percent	N/A	N/A	N/A

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

²The Company is proposing a per day Customer Charge.

PPL Electric Utilities Corporation
Rate Schedule LP-4
Large General Service - 12 KV
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	13,740	\$ 169.80	\$ 2,333,052
Distribution KW	14,367,856	\$ 2.127	\$ 30,560,431
SMR KWH ¹	13,740	\$ 1.57	\$ 21,572
DSIC ¹		3.15%	\$ 1,332,891
Total			<u>\$ 34,247,945</u>

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	417,925	\$ 5.582	\$ 2,332,857
Distribution KW	14,367,856	\$ 2.634	\$ 37,844,934
SMR	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			<u>\$ 40,177,791</u>

2016 vs. 2014 ² Variance	Units	Rate	Rate Revenue
Customer (daily) ²	28,470	\$ 5.582	\$ 158,920
Distribution KW	(33,450)	\$ 2.634	\$ (88,108)
Total Rate Revenue			<u>\$ 70,812</u>

Revenue Requirement \$ 40,248,603

Summary of Distribution Revenues

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Rate Revenue under Present Rates	\$ 32,931,263	\$ 32,455,170	\$ 35,114,792
Rate Revenue under Proposed Rates	\$ 38,065,074	\$ 37,588,982	\$ 40,248,603
Revenue Increase	\$ 5,133,811	\$ 5,133,811	\$ 5,133,811
Rate Change Percent	15.59%	15.82%	14.62%

¹ The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

² The Company is proposing a per day Customer Charge.

PPL Electric Utilities Corporation
Rate Schedule LP-5
Large General Service - 69 KV or Higher
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	1,716	\$ 994.00	\$ 1,705,704
Distribution KW	-	\$ -	\$ -
SMR KWH ¹	1,716	\$ 1.57	\$ 2,694
DSIC ¹		3.15%	\$ 231,488
Total			<u><u>\$ 1,939,886</u></u>

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	52,195	\$ 17.158	\$ 895,562
Distribution KW	-	\$ -	\$ -
SMR	-	\$ -	\$ -
DSIC	-	\$ -	\$ -
Total Rate Revenue			<u><u>\$ 895,562</u></u>

2016 vs. 2014 Variance	Units	Rate	
Customer (daily) ²	(1,825)	\$ 17.158	\$ (31,313)
Distribution KW	-	\$ -	\$ -
Total Rate Revenue			<u><u>\$ (31,313)</u></u>

Revenue Requirement \$ 864,248

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 1,764,127	\$ 1,657,992	\$ 2,408,567
Rate Revenue under Proposed Rates	\$ 219,808	\$ 113,673	\$ 864,248
Revenue Increase	\$ (1,544,319)	\$ (1,544,319)	\$ (1,544,319)
Rate Change Percent	-87.54%	-93.14%	-64.12%

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

²The Company is proposing a per day Customer Charge.

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 2014

Present Rate	Units		Rate		Rate Revenue
Customer (monthly)	12	\$	37,100.00	\$	445,200
Distribution KW	-	\$	-	\$	-
SMR KWH ¹	12	\$	1.57	\$	19
DSIC ¹			3.15%	\$	21,366
Total				\$	<u><u>466,585</u></u>

Proposed Rate	Units		Rate		Rate Revenue
Customer (daily) ²	365	\$	8,306.208	\$	3,031,766
Distribution KW	-	\$	-	\$	-
SMR	-		-	\$	-
DSIC	-		-	\$	-
Total Rate Revenue				\$	<u><u>3,031,766</u></u>

2016 vs. 2014 Variance	Units		Rate		
Customer (daily) ²	-	\$	8,306.208	\$	-
Distribution KW	-	\$	-	\$	-
Total Rate Revenue				\$	<u><u>-</u></u>

Revenue Requirement \$ 3,031,766

Summary of Distribution Revenues

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Rate Revenue under Present Rates	\$ 445,200	\$ 445,200	\$ 480,581
Rate Revenue under Proposed Rates	\$ 2,996,385	\$ 2,996,385	\$ 3,031,766
Revenue Increase	\$ 2,551,185	\$ 2,551,185	\$ 2,551,185
Rate Change Percent	573.04%	573.04%	530.85%

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

²The Company is proposing a per day Customer Charge.

PPL Electric Utilities Corporation
Rate Schedule BL
Borderline Service
Calculation of Effect of Proposed Rate vs. Current Tariff
Based on bill frequency distribution for 12 months ended December 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	516	\$ -	\$ -
Distribution KWH	8,293,053	\$ 0.04065	\$ 337,113
SMR KWH ¹	8,293,053	\$ 0.00005	\$ 415
DSIC ¹		3.15%	\$ 11,692
Total			<u>\$ 349,219</u>

Proposed Rate	Units	Rate	Rate Revenue
Customer (monthly)	516	\$ -	\$ -
Distribution KWH	8,293,053	\$ 0.04606	\$ 381,978
SMR KWH	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			<u>\$ 381,978</u>

2016 vs. 2014 Variance	Units	Rate	
Customer (daily) ²	-	\$ -	\$ -
Distribution KWH	(1,145,247)	\$ 0.04606	\$ (52,750)
Total Rate Revenue			<u>\$ (52,750)</u>

Revenue Requirement \$ 329,228

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 358,482	\$ 290,186	\$ 303,260
Rate Revenue under Proposed Rates	\$ 384,450	\$ 316,154	\$ 329,228
Amount Increase	\$ 25,968	\$ 25,968	\$ 25,968
Rate Change Percent	7.24%	8.95%	8.56%

¹The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

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 2014

Present Rate	Units	Rate	Rate Revenue
Customer (monthly)	21,348	\$ 16.00	\$ 341,568
Distribution KW	332,619	\$ 2.966	\$ 986,547
SMR KWH ¹	50,485,764	\$ 0.00005	\$ 2,524
DSIC ¹		3.15%	\$ 44,381
Total			<u>\$ 1,375,020</u>

Proposed Rate	Units	Rate	Rate Revenue
Customer (daily) ²	649,335	\$ 0.789	\$ 512,325
Distribution KW	332,619	\$ 3.535	\$ 1,175,807
SMR	-	-	\$ -
DSIC	-	-	\$ -
Total Rate Revenue			<u>\$ 1,688,133</u>

2016 vs. 2014 Variance	Units	Rate	
Customer (daily) ²	(66,065)	\$ 0.789	\$ (52,125)
Distribution KW	(26,565)	\$ 3.535	\$ (93,908)
Total Rate Revenue			<u>\$ (146,033)</u>

Revenue Requirement \$ 1,542,099

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 1,331,669	\$ 1,269,908	\$ 1,278,377
Rate Revenue under Proposed Rates	\$ 1,595,391	\$ 1,533,630	\$ 1,542,099
Revenue Increase	\$ 263,722	\$ 263,722	\$ 263,722
Rate Change Percent	19.80%	20.77%	20.63%

¹ The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

² The Company is proposing a per day Customer Charge.

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE SA
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2014

MONTHLY RATE					
PRESENT					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	6650	16,550	13,028,160	\$ 13.401	\$ 2,661,439
	9500	9,720	7,651,584	\$ 13.401	\$ 1,563,093
	6650	0	0	\$ 13.401	\$ -
		26,270	20,679,744		
					CALCULATED ANNUAL REVENUE \$ 4,224,531
					SMR ¹ \$ 946
					DSIC ¹ \$ 132,519
					Total \$ 4,357,996

MONTHLY RATE					
PROPOSED					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	6650	16,550	13,028,160	\$ 13.054	\$ 2,592,425
	9500	9,720	7,651,584	\$ 13.054	\$ 1,522,560
(LED Fixture)	4300	0	0	\$ 13.869	\$ -
		26,270	20,679,744		
					CALCULATED ANNUAL REVENUE \$ 4,114,985
					SMR ¹ \$ -
					DSIC ¹ \$ -
					TOTAL PROPOSED REVENUE (WITH LED) \$ 4,114,985

2016 vs. 2014 VARIANCE					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	6650	-550	-432,960	\$ 13,054	\$ (86,153)
	9500	0	0	\$ 13,054	\$ -
(LED Fixture)	4300	550	101,695	\$ 13,869	\$ 91,535
		0	-331,265		
					CALCULATED ANNUAL REVENUE \$ 5,382
					REVENUE REQUIREMENT \$ 4,120,368

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 4,175,539	\$ 4,109,305	\$ 4,193,131
Rate Revenue under Proposed Rates	\$ 4,102,776	\$ 4,036,542	\$ 4,120,368
Revenue Increase	\$ (72,763)	\$ (72,763)	\$ (72,763)
Rate Change Percent	-1.74%	-1.77%	-1.74%

¹ The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE SM
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2014

MONTHLY RATE					
PRESENT					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	3350	1,210	712,690	\$ 11.289	\$ 163,916
	6650	1,332	1,225,440	\$ 13.705	\$ 219,061
	10500	18	23,148	\$ 17.308	\$ 3,739
	20000	62	126,356	\$ 21.852	\$ 16,258
	34000	3	10,422	\$ 35.096	\$ 1,263
	51000	3	14,403	\$ 44.316	\$ 1,595
METAL POLE	6650	4	3,680	\$ 20.766	\$ 997
	10500	5	6,430	\$ 24.191	\$ 1,451
	20000	11	22,418	\$ 28.857	\$ 3,809
	34000	0	0	\$ 42.319	\$ -
	51000	0	0	\$ 51.892	\$ -
UNDERGROUND					
WOOD POLE	3350	13	7,657	\$ 17.567	\$ 2,740
	6650	254	233,680	\$ 20.353	\$ 62,036
LOW MOUNT	3350	353	207,917	\$ 19.139	\$ 81,073
	6650	286	263,120	\$ 21.874	\$ 75,072
HIGH MOUNT	6650	12	11,040	\$ 24.296	\$ 3,499
	10500	0	0	\$ 27.509	\$ -
	20000	211	430,018	\$ 32.421	\$ 82,090
	34000	9	31,266	\$ 46.941	\$ 5,070
	51000	10	48,010	\$ 56.489	\$ 6,779
MULTIPLE UNIT	6650	5	4,600	\$ 11.650	\$ 699
	10500	0	0	\$ 15.882	\$ -
	20000	3	6,114	\$ 19.581	\$ 705
	34000	0	0	\$ 33.015	\$ -
	51000	0	0	\$ 42.241	\$ -
CUSTOMER OWNED	3350	95	55,955	\$ 7.017	\$ 7,999
	6650	31	28,520	\$ 9.546	\$ 3,551
	10500	0	0	\$ 12.429	\$ -
	20000	7	14,266	\$ 17.342	\$ 1,457
		3,937	3,487,150		
				CALCULATED ANNUAL REVENUE	\$ 744,858
				SMR ¹	\$ 167
				DSIC ¹	\$ 23,474
				Total	\$ 768,500

RATE SCHEDULE SM
PAGE 2 OF 2

MONTHLY RATE					
PROPOSED					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	3350	1,210	712,690	\$ 11.781	\$ 171,060
	6650	1,332	1,225,440	\$ 14.197	\$ 226,925
	10500	18	23,148	\$ 17.800	\$ 3,845
	20000	62	126,356	\$ 22.344	\$ 16,624
	34000	3	10,422	\$ 35.588	\$ 1,281
	51000	3	14,403	\$ 44.808	\$ 1,613
METAL POLE	6650	4	3,680	\$ 21.258	\$ 1,020
	10500	5	6,430	\$ 24.683	\$ 1,481
	20000	11	22,418	\$ 29.349	\$ 3,874
	34000	0	0	\$ 42.811	\$ -
	51000	0	0	\$ 52.384	\$ -
UNDERGROUND					
WOOD POLE	3350	13	7,657	\$ 18.059	\$ 2,817
	6650	254	233,680	\$ 20.845	\$ 63,536
LOW MOUNT	3350	353	207,917	\$ 19.631	\$ 83,157
	6650	286	263,120	\$ 22.366	\$ 76,760
HIGH MOUNT	6650	12	11,040	\$ 24.788	\$ 3,569
	10500	0	0	\$ 28.001	\$ -
	20000	211	430,018	\$ 32.913	\$ 83,336
	34000	9	31,266	\$ 47.433	\$ 5,123
	51000	10	48,010	\$ 56.981	\$ 6,838
MULTIPLE UNIT	6650	5	4,600	\$ 12.142	\$ 729
	10500	0	0	\$ 16.374	\$ -
	20000	3	6,114	\$ 20.073	\$ 723
	34000	0	0	\$ 33.507	\$ -
	51000	0	0	\$ 42.733	\$ -
CUSTOMER OWNED	3350	95	55,955	\$ 7.509	\$ 8,560
	6650	31	28,520	\$ 10.038	\$ 3,734
	10500	0	0	\$ 12.921	\$ -
	20000	7	14,266	\$ 17.834	\$ 1,498
		3,937	3,487,150		
				CALCULATED ANNUAL REVENUE	\$ 768,102
				SMR ¹	\$ -
				DSIC ¹	\$ -
				Total	\$ 768,102

2016 vs. 2014 VARIANCE	
CALCULATED ANNUAL REVENUE	\$ -
REVENUE REQUIREMENT	\$ 768,102

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 739,887	\$ 750,270	\$ 781,623
Rate Revenue under Proposed Rates	\$ 726,366	\$ 736,749	\$ 768,102
Revenue Increase	\$ (13,521)	\$ (13,521)	\$ (13,521)
Rate Change Percent	-1.83%	-1.80%	-1.73%

¹ The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE SHS
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2014

MONTHLY RATE					
PRESENT					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	5800	26,726	9,541,182 \$	11.060 \$	3,547,075
	9500	31,306	16,028,672 \$	12.282 \$	4,614,004
	16000	7,285	5,485,605 \$	13.691 \$	1,196,867
	25500	2,748	3,734,532 \$	18.793 \$	619,718
	50000	543	1,158,219 \$	24.392 \$	158,938
METAL POLE	5800	153	54,621 \$	15.148 \$	27,812
	9500	497	254,464 \$	16.082 \$	95,913
	16000	147	110,691 \$	17.314 \$	30,542
	25500	124	168,516 \$	21.950 \$	32,662
	50000	5	10,665 \$	27.124 \$	1,627
UNDERGROUND					
WOOD POLE	5800	1,178	420,546 \$	17.455 \$	246,744
	9500	3,385	1,733,120 \$	18.864 \$	766,256
LOW MOUNT	5800	5,844	2,086,308 \$	17.607 \$	1,234,744
	9500	14,056	7,196,672 \$	18.968 \$	3,199,370
HIGH MOUNT	9500	1,362	697,344 \$	22.725 \$	371,417
	16000	1,007	758,271 \$	23.937 \$	289,255
	25500	1,029	1,398,411 \$	32.787 \$	404,854
	50000	309	659,097 \$	38.126 \$	141,371
MULTIPLE UNIT	5800	66	23,562 \$	10.014 \$	7,931
	9500	272	139,264 \$	11.187 \$	36,514
	16000	126	94,878 \$	11.685 \$	17,668
	25500	136	184,824 \$	15.689 \$	25,604
	50000	68	145,044 \$	19.030 \$	15,528
		98,372	52,084,508		\$ 17,082,414
					CALCULATED ANNUAL REVENUE \$ 17,082,414
					SMR ¹ \$ 2,328
					DSIC ¹ \$ 535,091
					Total \$ 17,619,833

RATE SCHEDULE SHS
PAGE 2 OF 3

MONTHLY RATE					
PROPOSED					
<u>TYPE OF SERVICE</u>	<u>LUMEN</u>	<u>NUMBER</u>	<u>ANNUAL KWH</u>	<u>DIST CHARGE</u>	<u>RATE REVENUE</u>
OVERHEAD					
WOOD POLE	5800	26,726	9,541,182	\$ 11.994	\$ 3,846,620
	9500	31,306	16,028,672	\$ 13.216	\$ 4,964,881
	16000	7,285	5,485,605	\$ 14.625	\$ 1,278,518
	25500	2,748	3,734,532	\$ 19.727	\$ 650,518
	50000	543	1,158,219	\$ 25.326	\$ 165,024
METAL POLE	5800	153	54,621	\$ 16.082	\$ 29,527
	9500	497	254,464	\$ 17.016	\$ 101,483
	16000	147	110,691	\$ 18.248	\$ 32,189
	25500	124	168,516	\$ 22.884	\$ 34,051
	50000	5	10,665	\$ 28.058	\$ 1,683
UNDERGROUND					
WOOD POLE	5800	1,178	420,546	\$ 18.389	\$ 259,947
	9500	3,385	1,733,120	\$ 19.798	\$ 804,195
LOW MOUNT	5800	5,844	2,086,308	\$ 18.541	\$ 1,300,243
	9500	14,056	7,196,672	\$ 19.902	\$ 3,356,910
HIGH MOUNT	9500	1,362	697,344	\$ 23.659	\$ 386,683
	16000	1,007	758,271	\$ 24.871	\$ 300,541
	25500	1,029	1,398,411	\$ 33.721	\$ 416,387
	50000	309	659,097	\$ 39.060	\$ 144,834
MULTIPLE UNIT	5800	66	23,562	\$ 10.948	\$ 8,671
	9500	272	139,264	\$ 12.121	\$ 39,563
	16000	126	94,878	\$ 12.619	\$ 19,080
	25500	136	184,824	\$ 16.623	\$ 27,129
	50000	68	145,044	\$ 19.964	\$ 16,291
		98,372	52,084,508		
			CALCULATED ANNUAL REVENUE		\$ 18,184,968
			SMR ¹		\$ -
			DSIC ¹		\$ -
			Total		\$ 18,184,968

RATE SCHEDULE SHS
PAGE 3 OF 3

2016 vs. 2014 VARIANCE

<u>TYPE OF SERVICE</u>	<u>LUMEN</u>	<u>NUMBER</u>	<u>ANNUAL KWH</u>	<u>DIST CHARGE</u>	<u>RATE REVENUE</u>
OVERHEAD					
WOOD POLE	5800	136	48,552	\$ 11.994	\$ 19,574
	9500	56	28,672	\$ 13.216	\$ 8,881

<u>TYPE OF SERVICE</u>	<u>LUMEN</u>	<u>NUMBER</u>	<u>ANNUAL KWH</u>	<u>DIST CHARGE</u>	<u>RATE REVENUE</u>
OVERHEAD					
WOOD POLE	5800	-8,052	-2,874,564	\$ 11.994	\$ (1,158,908)
	9500	-4,130	-2,114,560	\$ 13.216	\$ (654,985)
	16000	-1,499	-1,128,747	\$ 14.625	\$ (263,075)
	25500	-310	-421,290	\$ 19.727	\$ (73,384)
	50000	-155	-330,615	\$ 25.326	\$ (47,106)
METAL POLE	5800	0	0	\$ 16.082	\$ -
	9500	0	0	\$ 17.016	\$ -
	16000	0	0	\$ 18.248	\$ -
	25500	0	0	\$ 22.884	\$ -
	50000	0	0	\$ 28.058	\$ -
UNDERGROUND				\$ -	
WOOD POLE	5800	0	0	\$ 18.389	\$ -
	9500	0	0	\$ 19.798	\$ -
LOW MOUNT	5800	-404	-144,228	\$ 18.541	\$ (89,887)
	9500	-523	-267,776	\$ 19.902	\$ (124,905)
HIGH MOUNT	9500	0	0	\$ 23.659	\$ -
	16000	0	0	\$ 24.871	\$ -
	25500	0	0	\$ 33.721	\$ -
	50000	0	0	\$ 39.060	\$ -
MULTIPLE UNIT	5800	0	0	\$ 10.948	\$ -
	9500	0	0	\$ 12.121	\$ -
	16000	0	0	\$ 12.619	\$ -
	25500	0	0	\$ 16.623	\$ -
	50000	0	0	\$ 19.964	\$ -

-15,073 -7,281,780

CALCULATED ANNUAL REVENUE	\$ (2,383,795)
SMR ¹	\$ -
DSIC ¹	\$ -
<u>Total</u>	<u>\$ (2,383,795)</u>

REVENUE REQUIREMENT \$ 15,801,173

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 16,908,130	\$ 17,739,255	\$ 18,765,692
Rate Revenue under Proposed Rates	\$ 13,943,611	\$ 14,774,736	\$ 15,801,173
Revenue Increase	\$ (2,964,519)	\$ (2,964,519)	\$ (2,964,519)
Rate Change Percent	-17.53%	-16.71%	-15.80%

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE SE
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2014

MONTHLY RATE					
TYPE OF SERVICE	PRESENT				
	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
UTILITY POLE	3350	114	67,169	\$ 0.08407	\$ 5,647
	6650	59	54,304	\$ 0.08407	\$ 4,565
	5800	4,637	1,622,431	\$ 0.08407	\$ 136,398
	9500	10,673	5,468,845	\$ 0.08407	\$ 459,766
	10500	34	43,738	\$ 0.08407	\$ 3,677
	16000	4,179	3,149,294	\$ 0.08407	\$ 264,761
	20000	199	405,482	\$ 0.08407	\$ 34,089
	25500	1,591	2,163,124	\$ 0.08407	\$ 181,854
	34000	0	0	\$ 0.08407	\$ -
	50000	93	198,425	\$ 0.08407	\$ 16,682
	51000	0	0	\$ 0.08407	\$ -
	21000	19	23,689	\$ 0.08407	\$ 1,992
	22000	0	989	\$ 0.08407	\$ 83
	7900	0	0	\$ 0.08407	\$ -
	14000	2	1,807	\$ 0.08407	\$ 152
	19000	0	0	\$ 0.08407	\$ -
	36000	0	0	\$ 0.08407	\$ -
	37000	0	0	\$ 0.08407	\$ -
	3000	0	0	\$ 0.08407	\$ -
	5200	0	0	\$ 0.08407	\$ -
	13000	0	0	\$ 0.08407	\$ -
	3500	0	0	\$ 0.08407	\$ -
	6500	0	0	\$ 0.08407	\$ -
	8000	0	0	\$ 0.08407	\$ -
	12000	0	0	\$ 0.08407	\$ -
	90020	0	0	\$ 0.08407	\$ -
	90025	0	0	\$ 0.08407	\$ -
	90035	0	0	\$ 0.08407	\$ -
	90045	0	0	\$ 0.08407	\$ -
	90050	0	0	\$ 0.08407	\$ -
	90060	0	0	\$ 0.08407	\$ -
	90065	0	0	\$ 0.08407	\$ -
	90070	0	0	\$ 0.08407	\$ -
	90075	0	0	\$ 0.08407	\$ -
	90090	0	0	\$ 0.08407	\$ -
	90095	0	0	\$ 0.08407	\$ -
	90100	0	0	\$ 0.08407	\$ -
	90105	0	0	\$ 0.08407	\$ -
	90110	0	0	\$ 0.08407	\$ -
	90135	0	0	\$ 0.08407	\$ -
	90155	0	0	\$ 0.08407	\$ -
	90165	0	0	\$ 0.08407	\$ -
	90175	0	0	\$ 0.08407	\$ -
	90180	0	0	\$ 0.08407	\$ -
	90195	0	0	\$ 0.08407	\$ -
	90250	0	0	\$ 0.08407	\$ -
	90255	0	0	\$ 0.08407	\$ -
	90500	0	0	\$ 0.08407	\$ -

RATE SCHEDULE SE
PAGE 2 OF 4

CUSTOMER POLE

3350	28	16,498	\$	0.03996	\$	659
6650	764	703,186	\$	0.03996	\$	28,099
5800	1,747	624,727	\$	0.03996	\$	24,964
9500	3,739	1,915,864	\$	0.03996	\$	76,558
10500	526	676,646	\$	0.03996	\$	27,039
16000	3,147	2,371,579	\$	0.03996	\$	94,768
20000	433	882,281	\$	0.03996	\$	35,256
25500	2,072	2,817,091	\$	0.03996	\$	112,571
34000	9	31,266	\$	0.03996	\$	1,249
50000	2,343	4,999,025	\$	0.03996	\$	199,761
51000	135	648,162	\$	0.03996	\$	25,901
21000	67	83,536	\$	0.03996	\$	3,338
22000	1,946	989	\$	0.03996	\$	40
7900	708	392,940	\$	0.03996	\$	15,702
14000	477	431,017	\$	0.03996	\$	17,223
19000	90	89,640	\$	0.03996	\$	3,582
36000	36	70,589	\$	0.03996	\$	2,821
37000	28	43,949	\$	0.03996	\$	1,756
3000	1	312	\$	0.03996	\$	12
5200	255	104,040	\$	0.03996	\$	4,157
13000	51	40,392	\$	0.03996	\$	1,614
3500	0	0	\$	0.03996	\$	-
6500	0	0	\$	0.03996	\$	-
8000	0	0	\$	0.03996	\$	-
12000	1	686	\$	0.03996	\$	28
90020	1	97	\$	0.03996	\$	4
90025	1,150	135,700	\$	0.03996	\$	5,423
90035	63	10,143	\$	0.03996	\$	405
90045	2,311	471,444	\$	0.03996	\$	18,839
90050	2,527	569,839	\$	0.03996	\$	22,771
90060	38	10,203	\$	0.03996	\$	408
90065	49	14,210	\$	0.03996	\$	568
90070	36	11,214	\$	0.03996	\$	448
90075	1,053	350,649	\$	0.03996	\$	14,012
90090	24	9,540	\$	0.03996	\$	381
90095	2	838	\$	0.03996	\$	33
90100	154	67,837	\$	0.03996	\$	2,711
90105	393	181,566	\$	0.03996	\$	7,255
90110	9	4,352	\$	0.03996	\$	174
90135	1	591	\$	0.03996	\$	24
90155	20	13,540	\$	0.03996	\$	541
90165	1	720	\$	0.03996	\$	29
90175	49	37,387	\$	0.03996	\$	1,494
90180	1	785	\$	0.03996	\$	31
90195	58	49,242	\$	0.03996	\$	1,968
90250	17	18,454	\$	0.03996	\$	737
90255	5	5,535	\$	0.03996	\$	221
90500	1	2,161	\$	0.03996	\$	86
		48,066		32,109,765		

CALCULATED ANNUAL REVENUE	\$	1,865,327
SMR ¹	\$	1,332
DSIC ¹	\$	65,374
Total	\$	1,932,033

RATE SCHEDULE SE
PAGE 3 OF 4

MONTHLY RATE					
PROPOSED					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
UTILITY POLE	3350	114	67,169	\$ 0.10244	\$ 6,881
	6650	59	54,304	\$ 0.10244	\$ 5,563
	5800	4,637	1,622,431	\$ 0.10244	\$ 166,202
	9500	10,673	5,468,845	\$ 0.10244	\$ 560,229
	10500	34	43,738	\$ 0.10244	\$ 4,480
	16000	4,179	3,149,294	\$ 0.10244	\$ 322,614
	20000	199	405,482	\$ 0.10244	\$ 41,538
	25500	1,591	2,163,124	\$ 0.10244	\$ 221,590
	34000	0	0	\$ 0.10244	\$ -
	50000	93	198,425	\$ 0.10244	\$ 20,327
	51000	0	0	\$ 0.10244	\$ -
	21000	19	23,689	\$ 0.10244	\$ 2,427
	22000	0	989	\$ 0.10244	\$ 101
	7900	0	0	\$ 0.10244	\$ -
	14000	2	1,807	\$ 0.10244	\$ 185
	19000	0	0	\$ 0.10244	\$ -
	36000	0	0	\$ 0.10244	\$ -
	37000	0	0	\$ 0.10244	\$ -
	3000	0	0	\$ 0.10244	\$ -
	5200	0	0	\$ 0.10244	\$ -
	13000	0	0	\$ 0.10244	\$ -
	3500	0	0	\$ 0.10244	\$ -
	6500	0	0	\$ 0.10244	\$ -
	8000	0	0	\$ 0.10244	\$ -
	12000	0	0	\$ 0.10244	\$ -
	90020	0	0	\$ 0.10244	\$ -
	90025	0	0	\$ 0.10244	\$ -
	90035	0	0	\$ 0.10244	\$ -
	90045	0	0	\$ 0.10244	\$ -
	90050	0	0	\$ 0.10244	\$ -
	90060	0	0	\$ 0.10244	\$ -
	90065	0	0	\$ 0.10244	\$ -
	90070	0	0	\$ 0.10244	\$ -
	90075	0	0	\$ 0.10244	\$ -
	90090	0	0	\$ 0.10244	\$ -
	90095	0	0	\$ 0.10244	\$ -
	90100	0	0	\$ 0.10244	\$ -
	90105	0	0	\$ 0.10244	\$ -
	90110	0	0	\$ 0.10244	\$ -
	90135	0	0	\$ 0.10244	\$ -
	90155	0	0	\$ 0.10244	\$ -
	90165	0	0	\$ 0.10244	\$ -
	90175	0	0	\$ 0.10244	\$ -
	90180	0	0	\$ 0.10244	\$ -
	90195	0	0	\$ 0.10244	\$ -
	90250	0	0	\$ 0.10244	\$ -
	90255	0	0	\$ 0.10244	\$ -
	90500	0	0	\$ 0.10244	\$ -

RATE SCHEDULE SE
PAGE 4 OF 4

CUSTOMER POLE							
	3350	28	16,498	\$	0.05833	\$	962
	6650	764	703,186	\$	0.05833	\$	41,017
	5800	1,747	624,727	\$	0.05833	\$	36,440
	9500	3,739	1,915,864	\$	0.05833	\$	111,752
	10500	526	676,646	\$	0.05833	\$	39,469
	16000	3,147	2,371,579	\$	0.05833	\$	138,334
	20000	433	882,281	\$	0.05833	\$	51,463
	25500	2,072	2,817,091	\$	0.05833	\$	164,321
	34000	9	31,266	\$	0.05833	\$	1,824
	50000	2,343	4,999,025	\$	0.05833	\$	291,593
	51000	135	648,162	\$	0.05833	\$	37,807
	21000	67	83,536	\$	0.05833	\$	4,873
	22000	1,946	989	\$	0.05833	\$	58
	7900	708	392,940	\$	0.05833	\$	22,920
	14000	477	431,017	\$	0.05833	\$	25,141
	19000	90	89,640	\$	0.05833	\$	5,229
	36000	36	70,589	\$	0.05833	\$	4,117
	37000	28	43,949	\$	0.05833	\$	2,564
	3000	1	312	\$	0.05833	\$	18
	6200	255	104,040	\$	0.05833	\$	6,069
	13000	51	40,392	\$	0.05833	\$	2,356
	3500	0	0	\$	0.05833	\$	-
	6500	0	0	\$	0.05833	\$	-
	8000	0	0	\$	0.05833	\$	-
	12000	1	696	\$	0.05833	\$	41
	90020	1	97	\$	0.05833	\$	6
	90025	1,150	135,700	\$	0.05833	\$	7,915
	90035	63	10,143	\$	0.05833	\$	592
	90045	2,311	471,444	\$	0.05833	\$	27,499
	90050	2,527	569,839	\$	0.05833	\$	33,239
	90060	38	10,203	\$	0.05833	\$	595
	90065	49	14,210	\$	0.05833	\$	829
	90070	36	11,214	\$	0.05833	\$	654
	90075	1,053	350,649	\$	0.05833	\$	20,453
	90090	24	9,540	\$	0.05833	\$	556
	90095	2	838	\$	0.05833	\$	49
	90100	154	67,837	\$	0.05833	\$	3,957
	90105	393	181,566	\$	0.05833	\$	10,591
	90110	9	4,352	\$	0.05833	\$	254
	90135	1	591	\$	0.05833	\$	34
	90155	20	13,540	\$	0.05833	\$	790
	90165	1	720	\$	0.05833	\$	42
	90175	49	37,387	\$	0.05833	\$	2,181
	90180	1	785	\$	0.05833	\$	46
	90195	58	49,242	\$	0.05833	\$	2,872
	90250	17	18,454	\$	0.05833	\$	1,076
	90255	5	5,535	\$	0.05833	\$	323
	90500	1	2,161	\$	0.05833	\$	126
		48,066	32,109,765				

CALCULATED ANNUAL REVENUE	\$	2,455,184
SMR ¹	\$	-
DSIC ¹	\$	-
Total	\$	2,455,184

2016 vs. 2014 VARIANCE

CALCULATED ANNUAL REVENUE	\$	-
REVENUE REQUIREMENT	\$	2,455,184

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 2,050,481	\$ 2,396,290	\$ 2,497,809
Rate Revenue under Proposed Rates	\$ 2,007,856	\$ 2,353,665	\$ 2,455,184
Revenue Increase	\$ (42,625)	\$ (42,625)	\$ (42,625)
Rate Change Percent	-2.08%	-1.78%	-1.71%

¹ The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

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, 2014

MONTHLY RATE					
PRESENT					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	600	193	48,057	\$ 6.103	\$ 14,135
	1000	17	7,531	\$ 7.436	\$ 1,517
UNDERGROUND					\$ -
LOW MOUNT	4000	19	26,714	\$ 21.093	\$ 4,809
		229	82,302		
					CALCULATED ANNUAL REVENUE \$ 20,461
					SMR ¹ \$ 4
					DSIC ¹ \$ 648
					Total \$ 21,113

MONTHLY RATE					
PROPOSED					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	600	193	48,057	\$ 6.103	\$ 14,135
	1000	17	7,531	\$ 7.436	\$ 1,517
UNDERGROUND					\$ -
LOW MOUNT	4000	19	26,714	\$ 21.093	\$ 4,809
		229	82,302		
					CALCULATED ANNUAL REVENUE \$ 20,461
					SMR ¹ \$ -
					DSIC ¹ \$ -
					Total \$ 20,461

2016 vs. 2014 VARIANCE					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	600	-193	-48,057	\$ 6.103	\$ (14,135)
	1000	-17	-7,531	\$ 7.436	\$ (1,517)
UNDERGROUND					\$ -
LOW MOUNT	4000	-19	-26,714	\$ 21.093	\$ (4,809)
		-229	-82,302		
					CALCULATED ANNUAL REVENUE \$ (20,461)
					SMR ¹ \$ -
					DSIC ¹ \$ -
					Total \$ (20,461)

REVENUE REQUIREMENT \$ -

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 20,461	\$ 20,984	\$ 20,461
Rate Revenue under Proposed Rates	\$ 20,461	\$ 20,984	\$ -
Revenue Increase	\$ -	\$ -	\$ -
Rate Change Percent	0.00%	0.00%	N/A

¹ The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

PPL ELECTRIC UTILITIES CORPORATION
RATE SCHEDULE TS(R)
CALCULATION OF EFFECT OF PROPOSED RATE
BASED ON BILL FREQUENCY DISTRIBUTION
FOR 12 MONTHS ENDED DECEMBER, 2014

MONTHLY RATE					
PRESENT					
TYPE OF SERVICE	WATTS	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
TRAFFIC SIGNAL					
	25	0	0	\$ 0.06946	\$ -
	50	0	0	\$ 0.06946	\$ -
	60	0	0	\$ 0.06946	\$ -
	67	0	0	\$ 0.06946	\$ -
	69	398	240,710	\$ 0.06946	\$ 22,890
	100	0	0	\$ 0.06946	\$ -
	104	0	0	\$ 0.06946	\$ -
	107	0	0	\$ 0.06946	\$ -
	116	0	0	\$ 0.06946	\$ -
	125	0	0	\$ 0.06946	\$ -
	134	53	62,201	\$ 0.06946	\$ 5,920
		451	302,911		\$ 28,810
				CALCULATED ANNUAL REVENUE	\$ 28,810
				SMR ¹	\$ 17
				DSIC ¹	\$ 922
				Total	\$ 29,748

MONTHLY RATE					
PROPOSED					
TYPE OF SERVICE	WATTS	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
TRAFFIC SIGNAL					
	25	0	0	\$ 0.07312	\$ -
	50	0	0	\$ 0.07312	\$ -
	60	0	0	\$ 0.07312	\$ -
	67	0	0	\$ 0.07312	\$ -
	69	398	240,710	\$ 0.07312	\$ 24,098
	100	0	0	\$ 0.07312	\$ -
	104	0	0	\$ 0.07312	\$ -
	107	0	0	\$ 0.07312	\$ -
	116	0	0	\$ 0.07312	\$ -
	125	0	0	\$ 0.07312	\$ -
	134	53	62,201	\$ 0.07312	\$ 6,232
		451	302,911		
				CALCULATED ANNUAL REVENUE	\$ 30,329
				SMR ¹	\$ -
				DSIC ¹	\$ -
				Total	\$ 30,329

2016 vs. 2014 VARIANCE	
CALCULATED ANNUAL REVENUE	\$ -
REVENUE REQUIREMENT	\$ 30,329

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ 28,810	\$ 29,563	\$ 30,808
Rate Revenue under Proposed Rates	\$ 28,331	\$ 29,084	\$ 30,329
Revenue Increase	\$ (479)	\$ (479)	\$ (479)
Rate Change Percent	-1.66%	-1.62%	-1.55%

¹ The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

RATE SCHEDULE SLE
PAGE 2 OF 3

MONTHLY RATE					
PROPOSED SLE					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	3300	0	0 \$	13.026 \$	-
	4900	0	0 \$	14.240 \$	-
	7500	0	0 \$	16.056 \$	-
	15000	0	0 \$	22.587 \$	-
	20000	0	0 \$	28.936 \$	-
METAL POLE	3300	0	0 \$	16.164 \$	-
	4900	0	0 \$	17.149 \$	-
	7500	0	0 \$	19.020 \$	-
	15000	0	0 \$	25.414 \$	-
	20000	0	0 \$	30.947 \$	-
UNDERGROUND					
WOOD POLE	2600	0	0 \$	24.695 \$	-
	3800	0	0 \$	25.725 \$	-
LOW MOUNT	2600	0	0 \$	24.834 \$	-
	3800	0	0 \$	25.801 \$	-
HIGH MOUNT	4900	0	0 \$	22.248 \$	-
	7500	0	0 \$	23.943 \$	-
	15000	0	0 \$	33.305 \$	-
	20000	0	0 \$	39.842 \$	-
MULTIPLE UNIT	3300	0	0 \$	4.495 \$	-
	4900	0	0 \$	4.730 \$	-
	7500	0	0 \$	5.502 \$	-
	15000	0	0 \$	8.053 \$	-
	20000	0	0 \$	10.051 \$	-
		0	0		

CALCULATED ANNUAL REVENUE	\$ -
SMR ¹	\$ -
DSIC ¹	\$ -
<u>Total</u>	<u>\$ -</u>

RATE SCHEDULE SLE
PAGE 3 OF 3

2016 vs. 2014 VARIANCE					
TYPE OF SERVICE	LUMEN	NUMBER	ANNUAL KWH	DIST CHARGE	RATE REVENUE
OVERHEAD					
WOOD POLE	3300	8,052	1,815,726	\$ 13.026	\$ 1,258,624
	4900	4,130	1,286,495	\$ 14.240	\$ 705,734
	7500	1,499	595,853	\$ 16.056	\$ 288,815
	15000	310	229,865	\$ 22.587	\$ 84,024
	20000	155	178,250	\$ 28.936	\$ 53,821
METAL POLE	3300	0	0	\$ 16.164	\$ -
	4900	0	0	\$ 17.149	\$ -
	7500	0	0	\$ 19.020	\$ -
	15000	0	0	\$ 25.414	\$ -
	20000	0	0	\$ 30.947	\$ -
UNDERGROUND					
WOOD POLE	2600	0	0	\$ 24.695	\$ -
	3800	0	0	\$ 25.725	\$ -
LOW MOUNT	2600	404	62,539	\$ 24.834	\$ 120,395
	3800	523	119,192	\$ 25.801	\$ 161,927
HIGH MOUNT	4900	0	0	\$ 22.248	\$ -
	7500	0	0	\$ 23.943	\$ -
	15000	0	0	\$ 33.305	\$ -
	20000	0	0	\$ 39.842	\$ -
MULTIPLE UNIT	3300	0	0	\$ 4.495	\$ -
	4900	0	0	\$ 4.730	\$ -
	7500	0	0	\$ 5.502	\$ -
	15000	0	0	\$ 8.053	\$ -
	20000	0	0	\$ 10.051	\$ -
		15,073	4,287,919		
			CALCULATED ANNUAL REVENUE		\$ 2,673,341
			SMR ¹		\$ -
			DSIC ¹		\$ -
			Total		\$ 2,673,341

CALCULATED ANNUAL REVENUE	\$ -
REVENUE REQUIREMENT	\$ 2,673,341

Summary of Distribution Revenues

	2014	2015	2016
Rate Revenue under Present Rates	\$ -	\$ -	\$ -
Rate Revenue under Proposed Rates	\$ 2,673,341	\$ 2,673,341	\$ 2,673,341
Revenue Increase	\$ 2,673,341	\$ 2,673,341	\$ 2,673,341
Rate Change Percent	N/A	N/A	N/A

¹ The current Smart Meter Rider (SMR) and Distribution System Improvement Charge (DSIC) will be rolled into proposed Distribution rates. They are included here so the totals are comparable.

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.

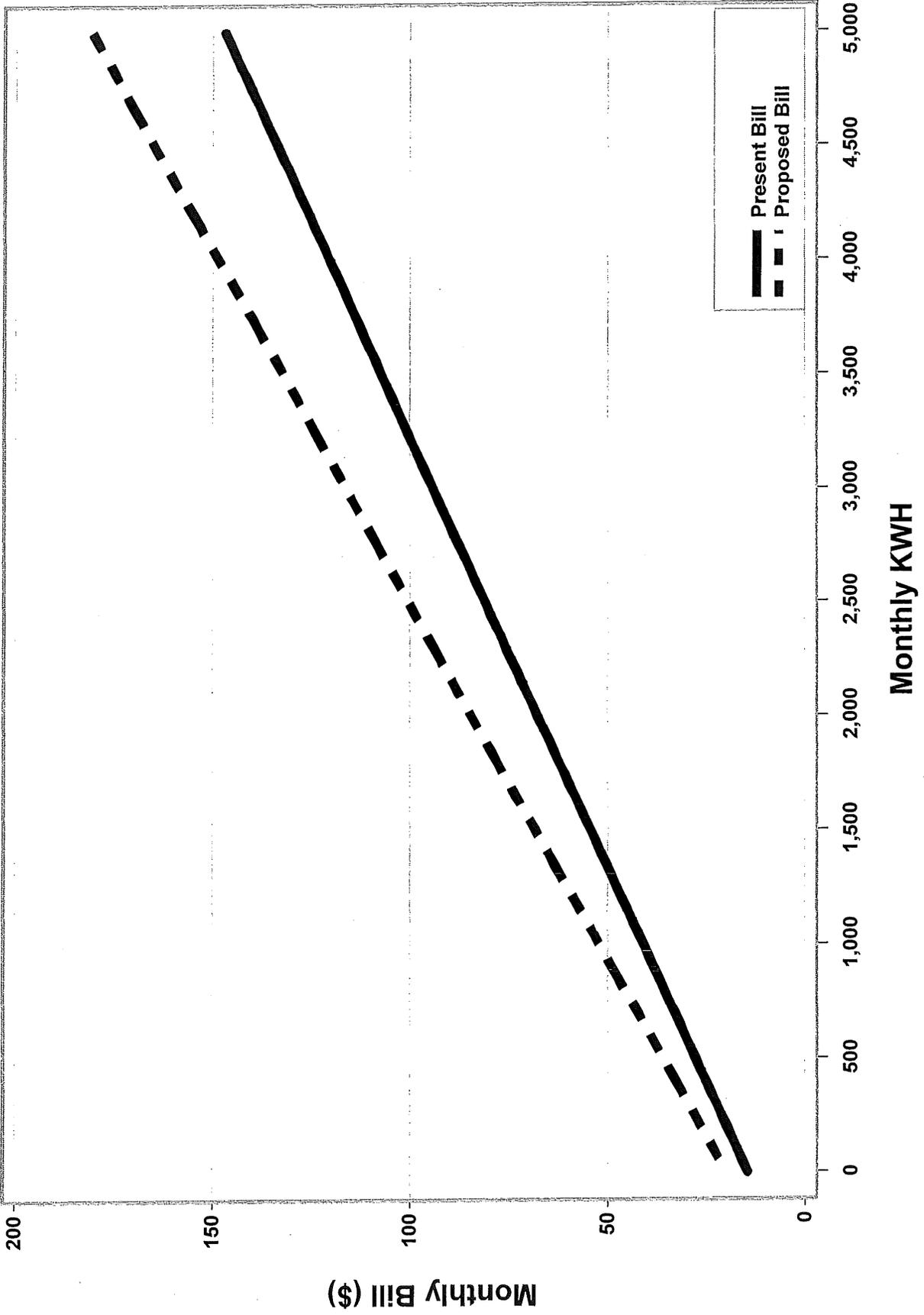
2. General Bill Comparisons

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.

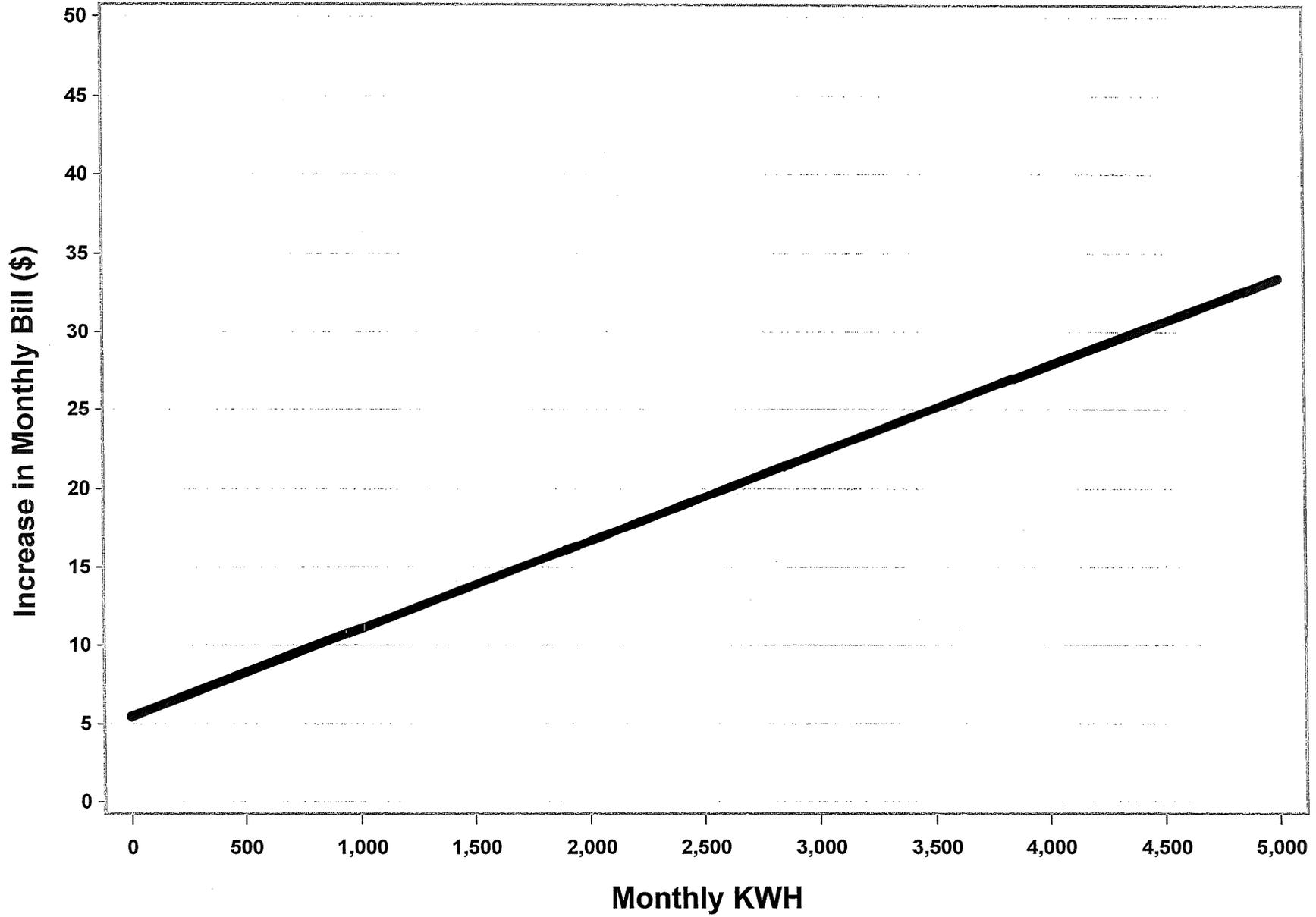
A. 1. Attachment IV-D provides a graphical comparison of PPL Electric's residential rates followed by a tabulation which shows the dollar and percentage effect of the proposed distribution rate increase on monthly bills.

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.

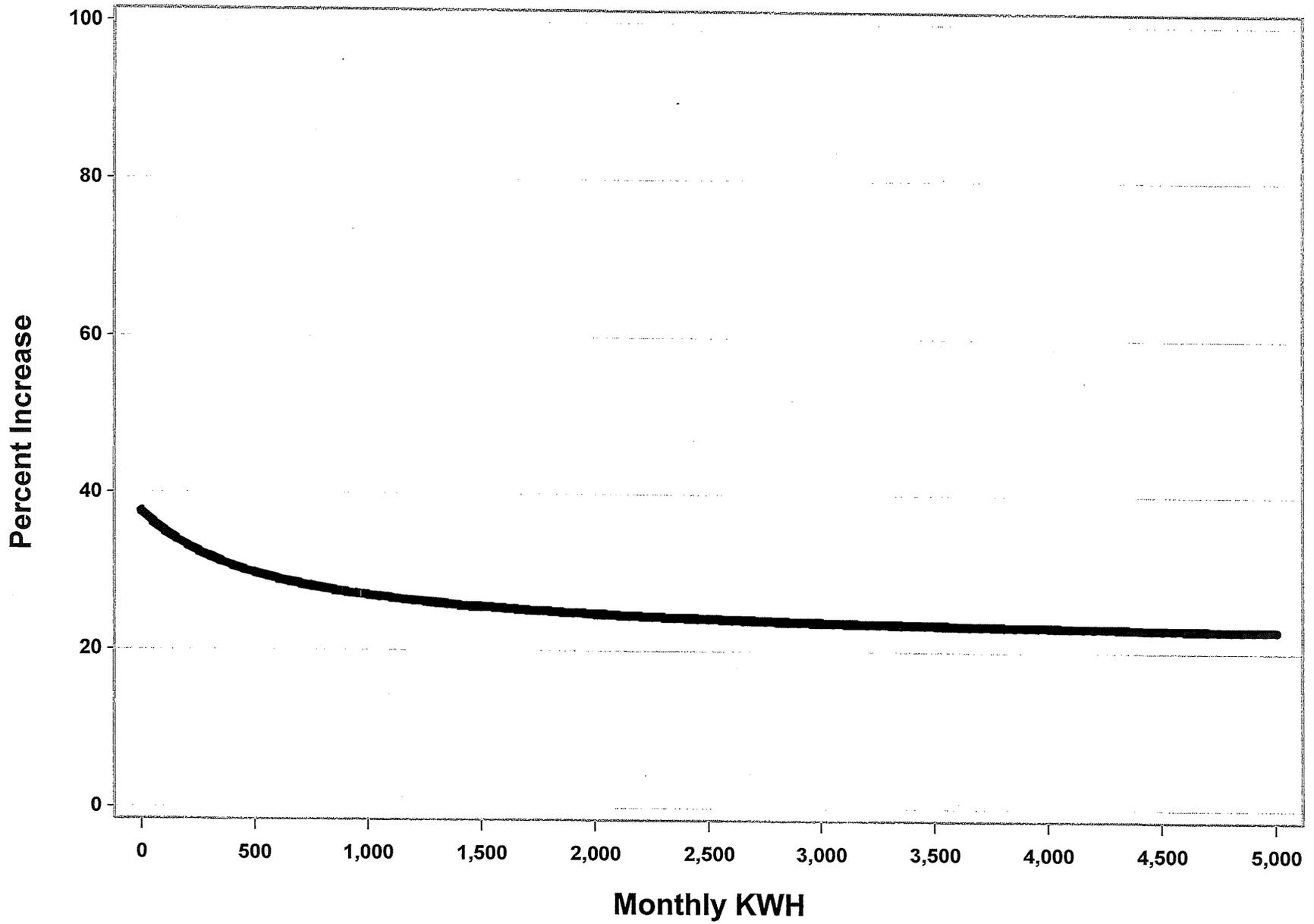
Proposed RS vs Present RS Rate



Dollar Difference of Proposed vs Present RS Rate



Percent Increase of Proposed vs Present RS Rate



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
0	14.54	20.00	5.46	37.56
50	15.86	21.60	5.74	36.19
100	17.19	23.21	6.02	35.03
150	18.51	24.81	6.30	34.04
200	19.84	26.42	6.58	33.17
250	21.16	28.02	6.86	32.42
300	22.49	29.63	7.14	31.75
350	23.81	31.23	7.42	31.16
400	25.14	32.84	7.70	30.63
450	26.46	34.44	7.98	30.16
500	27.79	36.05	8.26	29.73
550	29.11	37.65	8.54	29.34
600	30.44	39.25	8.82	28.98
650	31.76	40.86	9.10	28.65
700	33.09	42.46	9.38	28.35
750	34.41	44.07	9.66	28.07
800	35.74	45.67	9.94	27.82
850	37.06	47.28	10.22	27.58
900	38.39	48.88	10.50	27.35
950	39.71	50.49	10.78	27.15
1,000	41.04	52.09	11.05	26.93
1,050	42.36	53.69	11.33	26.75
1,100	43.69	55.30	11.61	26.58
1,150	45.01	56.90	11.89	26.42
1,200	46.34	58.51	12.17	26.26
1,250	47.66	60.11	12.45	26.12
1,300	48.99	61.72	12.73	25.99
1,350	50.31	63.32	13.01	25.86
1,400	51.64	64.93	13.29	25.74
1,450	52.96	66.53	13.57	25.62

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
1,500	54.29	68.14	13.85	25.51
1,550	55.61	69.74	14.13	25.41
1,600	56.94	71.34	14.41	25.31
1,650	58.26	72.95	14.69	25.21
1,700	59.59	74.55	14.97	25.12
1,750	60.91	76.16	15.25	25.04
1,800	62.24	77.76	15.53	24.95
1,850	63.56	79.37	15.81	24.87
1,900	64.89	80.97	16.09	24.80
1,950	66.21	82.58	16.36	24.71
2,000	67.54	84.18	16.64	24.64
2,050	68.86	85.78	16.92	24.57
2,100	70.19	87.39	17.20	24.51
2,150	71.51	88.99	17.48	24.44
2,200	72.84	90.60	17.76	24.38
2,250	74.16	92.20	18.04	24.33
2,300	75.49	93.81	18.32	24.27
2,350	76.81	95.41	18.60	24.22
2,400	78.14	97.02	18.88	24.16
2,450	79.46	98.62	19.16	24.11
2,500	80.79	100.23	19.44	24.06
2,550	82.11	101.83	19.72	24.02
2,600	83.44	103.43	20.00	23.97
2,650	84.76	105.04	20.28	23.93
2,700	86.09	106.64	20.56	23.88
2,750	87.41	108.25	20.84	23.84
2,800	88.74	109.85	21.12	23.80
2,850	90.06	111.46	21.40	23.76
2,900	91.39	113.06	21.67	23.71
2,950	92.71	114.67	21.95	23.68

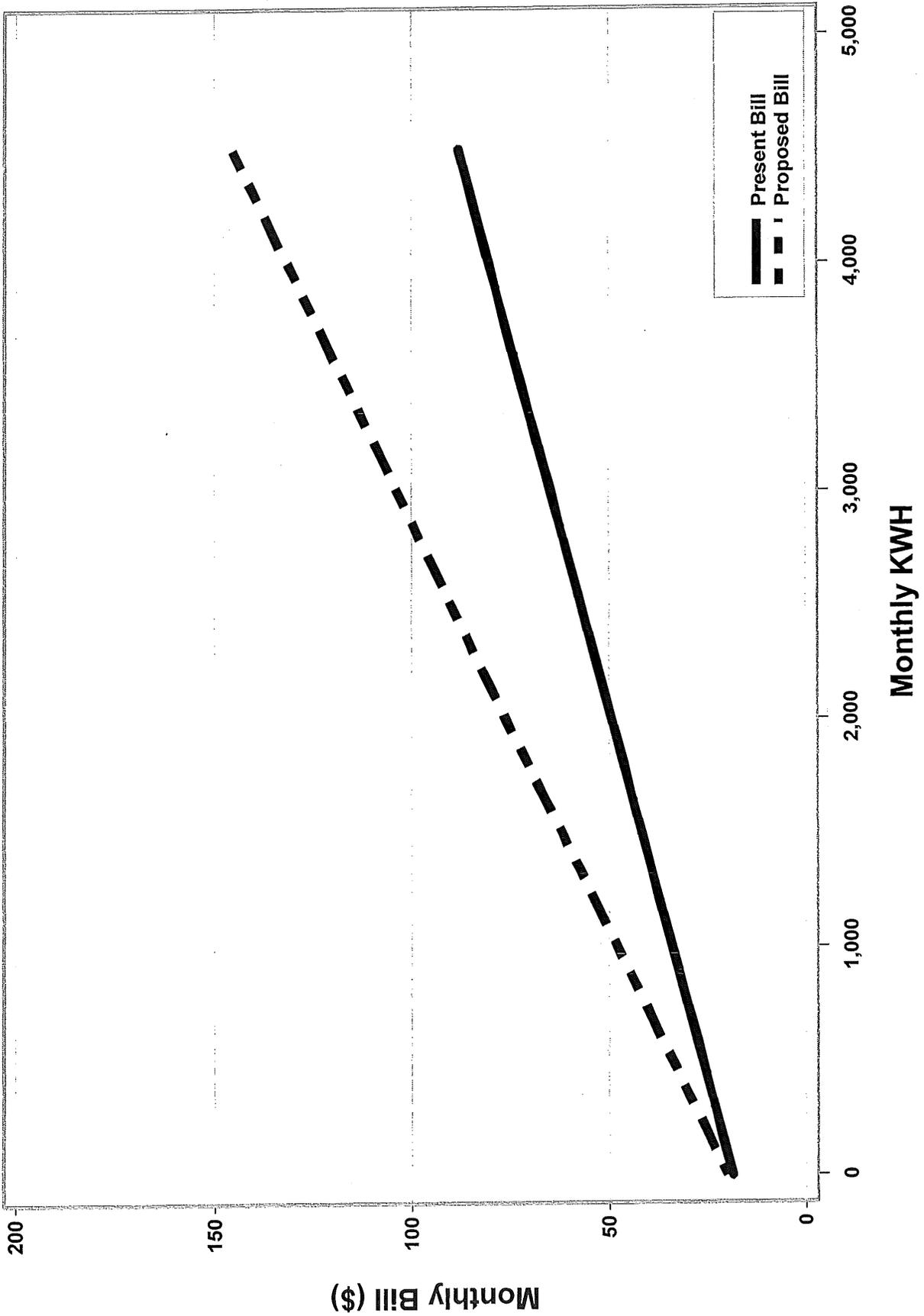
PPL Electric Utilities
Present RS Rate and Proposed RS Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
3,000	94.04	116.27	22.23	23.64
3,050	95.36	117.87	22.51	23.60
3,100	96.69	119.48	22.79	23.57
3,150	98.01	121.08	23.07	23.54
3,200	99.34	122.69	23.35	23.51
3,250	100.66	124.29	23.63	23.47
3,300	101.99	125.90	23.91	23.44
3,350	103.31	127.50	24.19	23.41
3,400	104.64	129.11	24.47	23.39
3,450	105.96	130.71	24.75	23.36
3,500	107.29	132.32	25.03	23.33
3,550	108.61	133.92	25.31	23.30
3,600	109.94	135.52	25.59	23.28
3,650	111.26	137.13	25.87	23.25
3,700	112.59	138.73	26.15	23.23
3,750	113.91	140.34	26.43	23.20
3,800	115.24	141.94	26.71	23.18
3,850	116.56	143.55	26.98	23.15
3,900	117.89	145.15	27.26	23.12
3,950	119.21	146.76	27.54	23.10
4,000	120.54	148.36	27.82	23.08
4,050	121.86	149.96	28.10	23.06
4,100	123.19	151.57	28.38	23.04
4,150	124.51	153.17	28.66	23.02
4,200	125.84	154.78	28.94	23.00
4,250	127.16	156.38	29.22	22.98
4,300	128.49	157.99	29.50	22.96
4,350	129.81	159.59	29.78	22.94
4,400	131.14	161.20	30.06	22.92
4,450	132.46	162.80	30.34	22.90

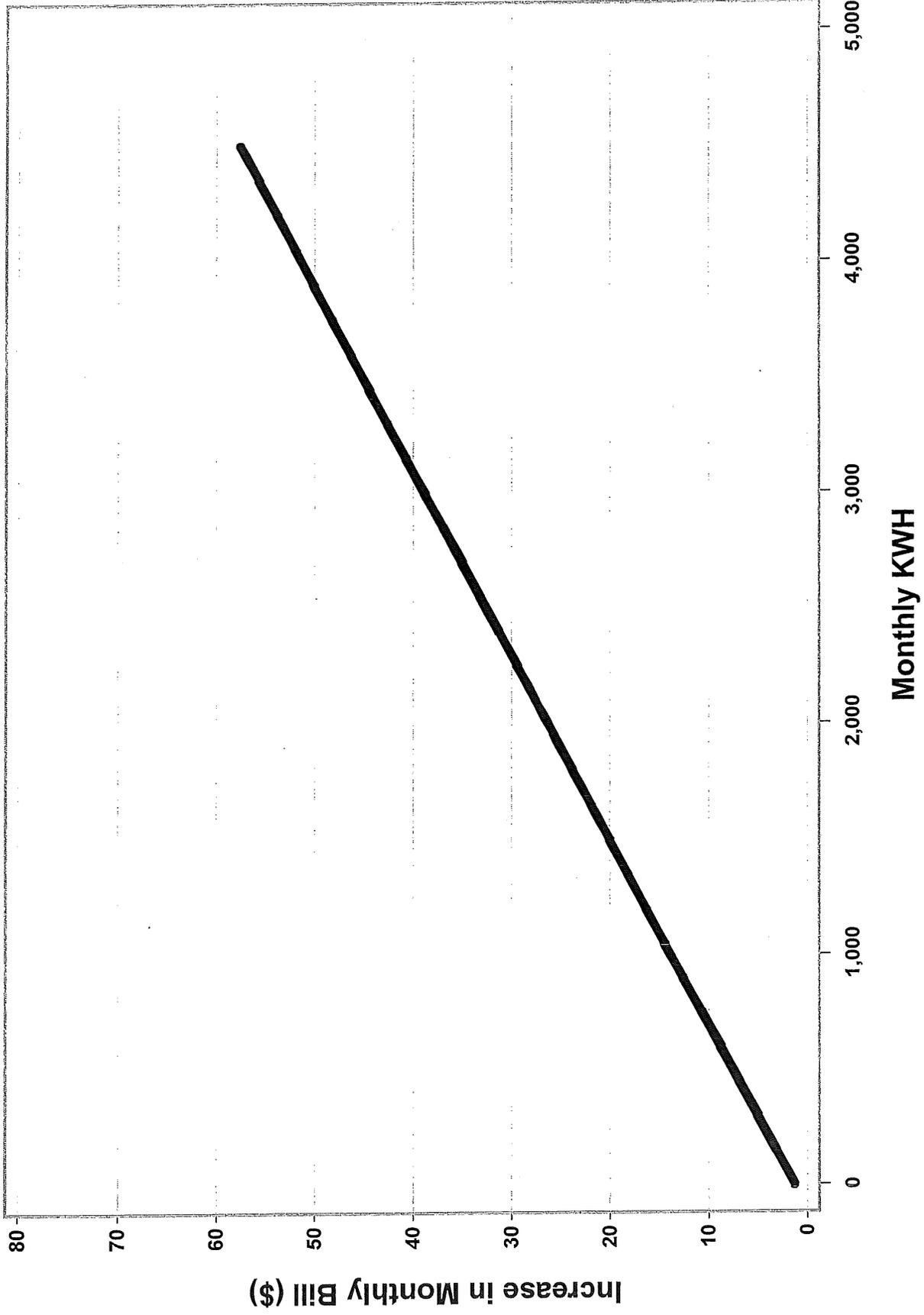
PPL Electric Utilities
 Present RS Rate and Proposed RS Rate

A	B	C	D = C - B	E = D/B
	Present Bill	Proposed Bill	Difference	Percent Difference
KWH	Present (\$)	Proposed (\$)	(\$)	
4,500	133.79	164.41	30.62	22.89
4,550	135.11	166.01	30.90	22.87
4,600	136.44	167.61	31.18	22.85
4,650	137.76	169.22	31.46	22.84
4,700	139.09	170.82	31.74	22.82
4,750	140.41	172.43	32.02	22.80
4,800	141.74	174.03	32.30	22.79
4,850	143.06	175.64	32.57	22.77
4,900	144.39	177.24	32.85	22.75
4,950	145.71	178.85	33.13	22.74
5,000	147.04	180.45	33.41	22.72

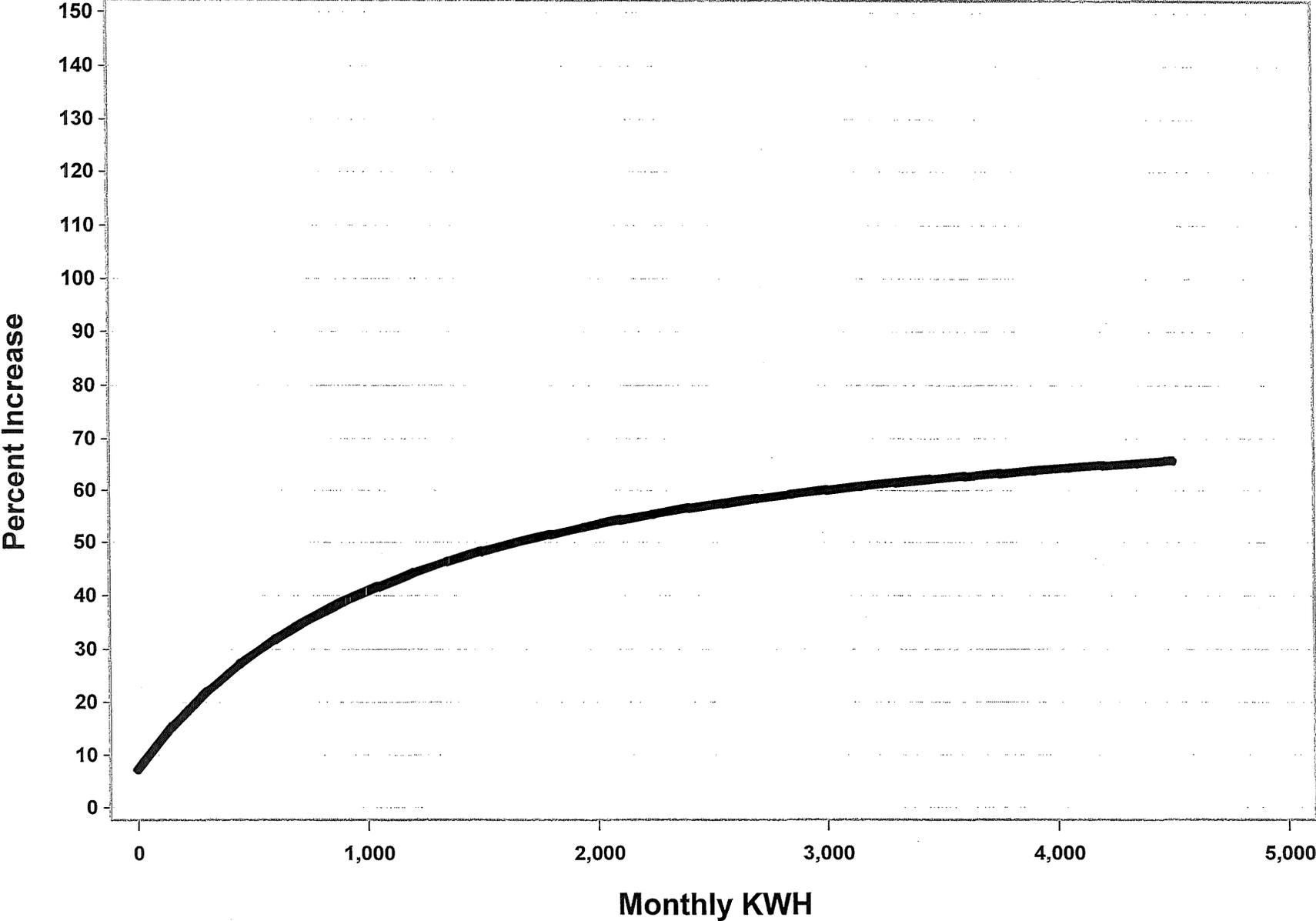
Proposed RTS vs Present RTS Rate



Dollar Difference of Proposed Rates vs Present RTS Rate



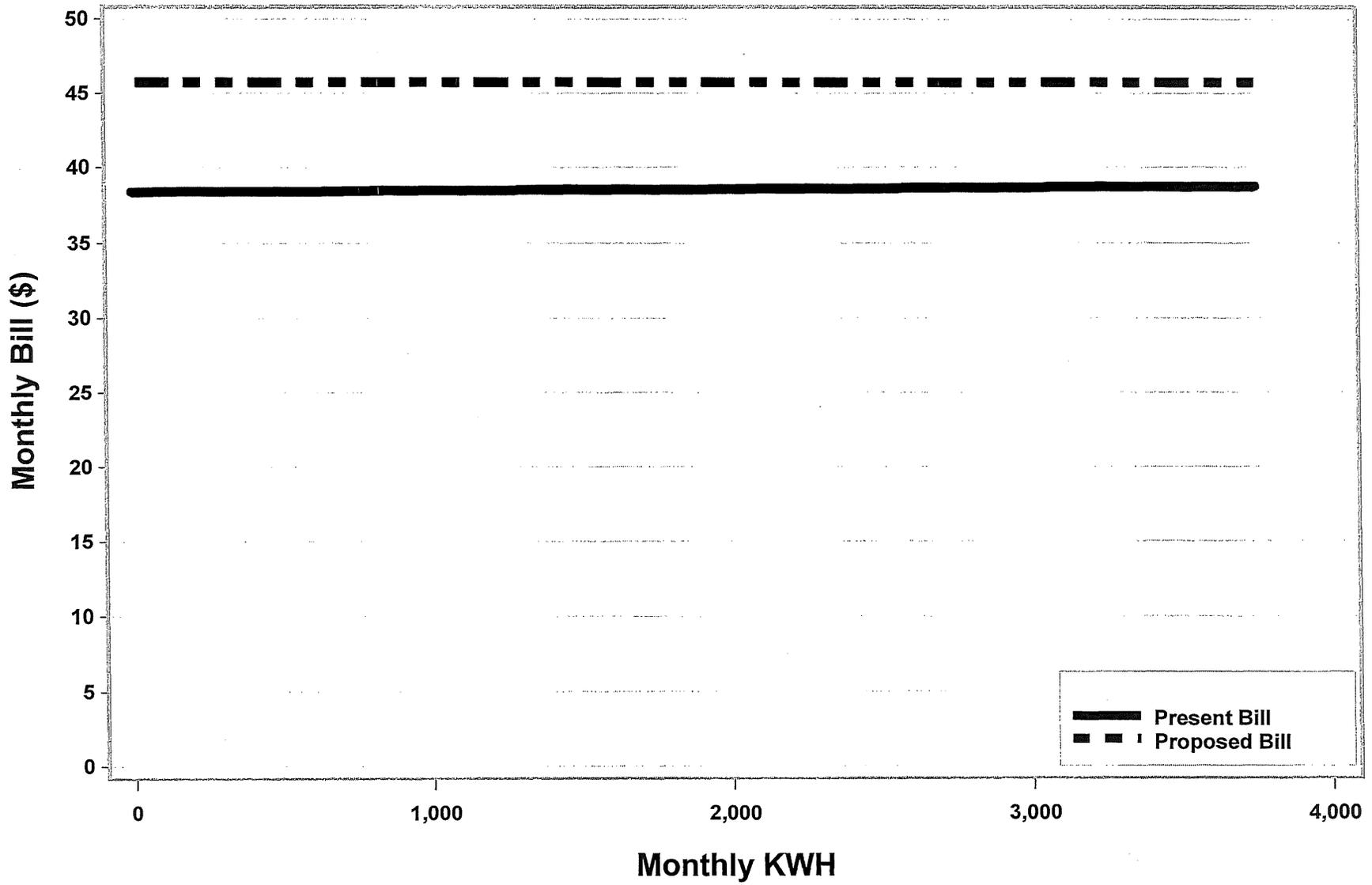
Percent Increase of Proposed Rate vs Present RTS Rate



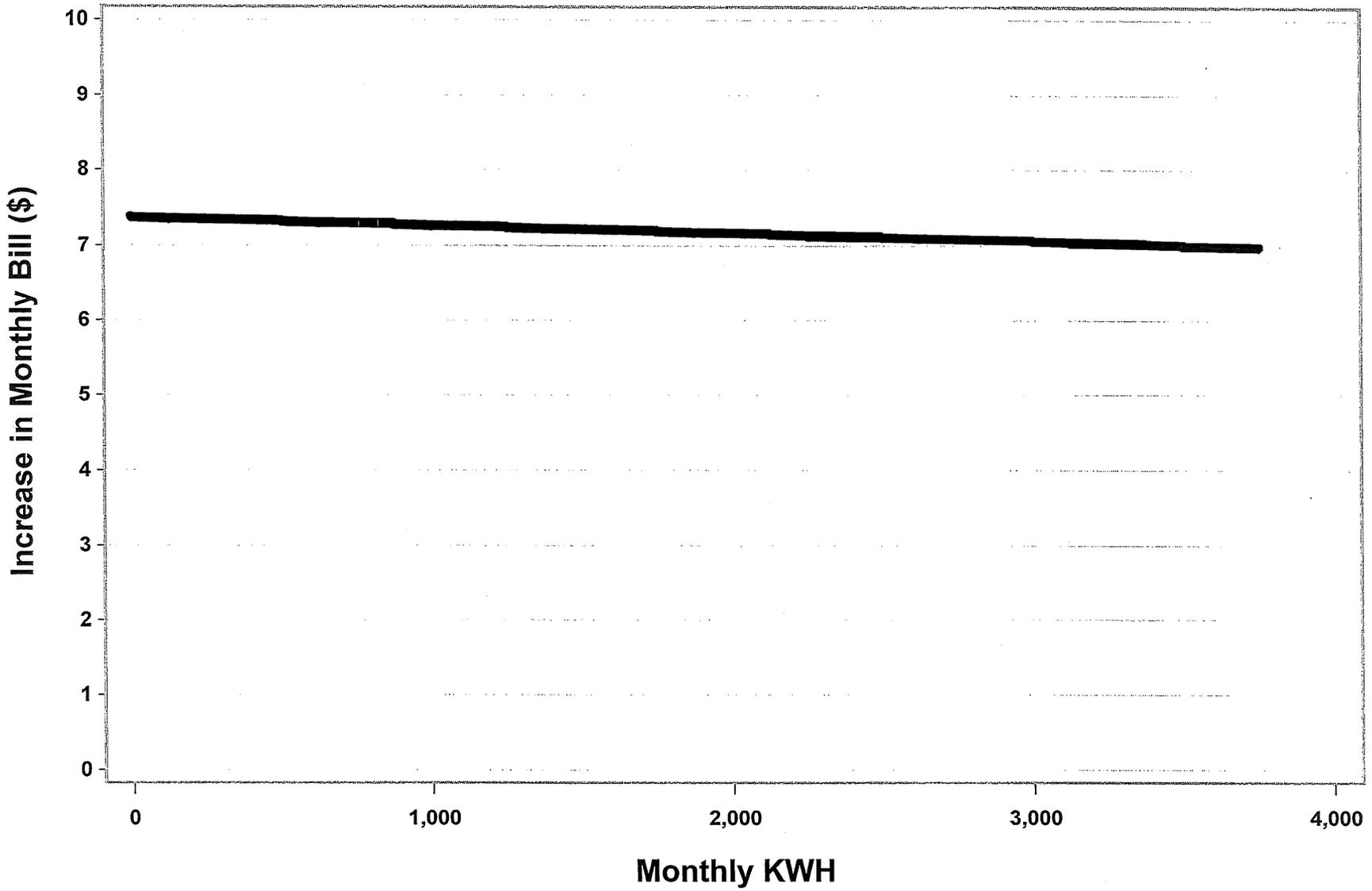
PPL Electric Utilities
Present RTS Rate and Proposed RTS Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	18.63	20.00	1.37	7.35
150	20.94	24.18	3.24	15.48
300	23.24	28.36	5.12	22.03
450	25.55	32.54	6.99	27.36
600	27.85	36.72	8.87	31.85
750	30.16	40.90	10.74	35.61
900	32.46	45.08	12.62	38.87
1,050	34.77	49.26	14.49	41.67
1,200	37.07	53.44	16.37	44.15
1,350	39.38	57.62	18.24	46.32
1,500	41.69	61.81	20.12	48.27
1,650	43.99	65.99	21.99	49.99
1,800	46.30	70.17	23.87	51.56
1,950	48.60	74.35	25.74	52.96
2,100	50.91	78.53	27.62	54.25
2,250	53.21	82.71	29.49	55.42
2,400	55.52	86.89	31.37	56.50
2,550	57.82	91.07	33.24	57.48
2,700	60.13	95.25	35.12	58.41
2,850	62.44	99.43	36.99	59.24
3,000	64.74	103.61	38.87	60.04
3,150	67.05	107.79	40.74	60.76
3,300	69.35	111.97	42.62	61.45
3,450	71.66	116.15	44.49	62.09
3,600	73.96	120.33	46.37	62.69
3,750	76.27	124.51	48.24	63.25
3,900	78.58	128.69	50.12	63.79
4,050	80.88	132.87	51.99	64.28
4,200	83.19	137.05	53.87	64.76
4,350	85.49	141.23	55.74	65.20
4,500	87.80	145.42	57.62	65.63

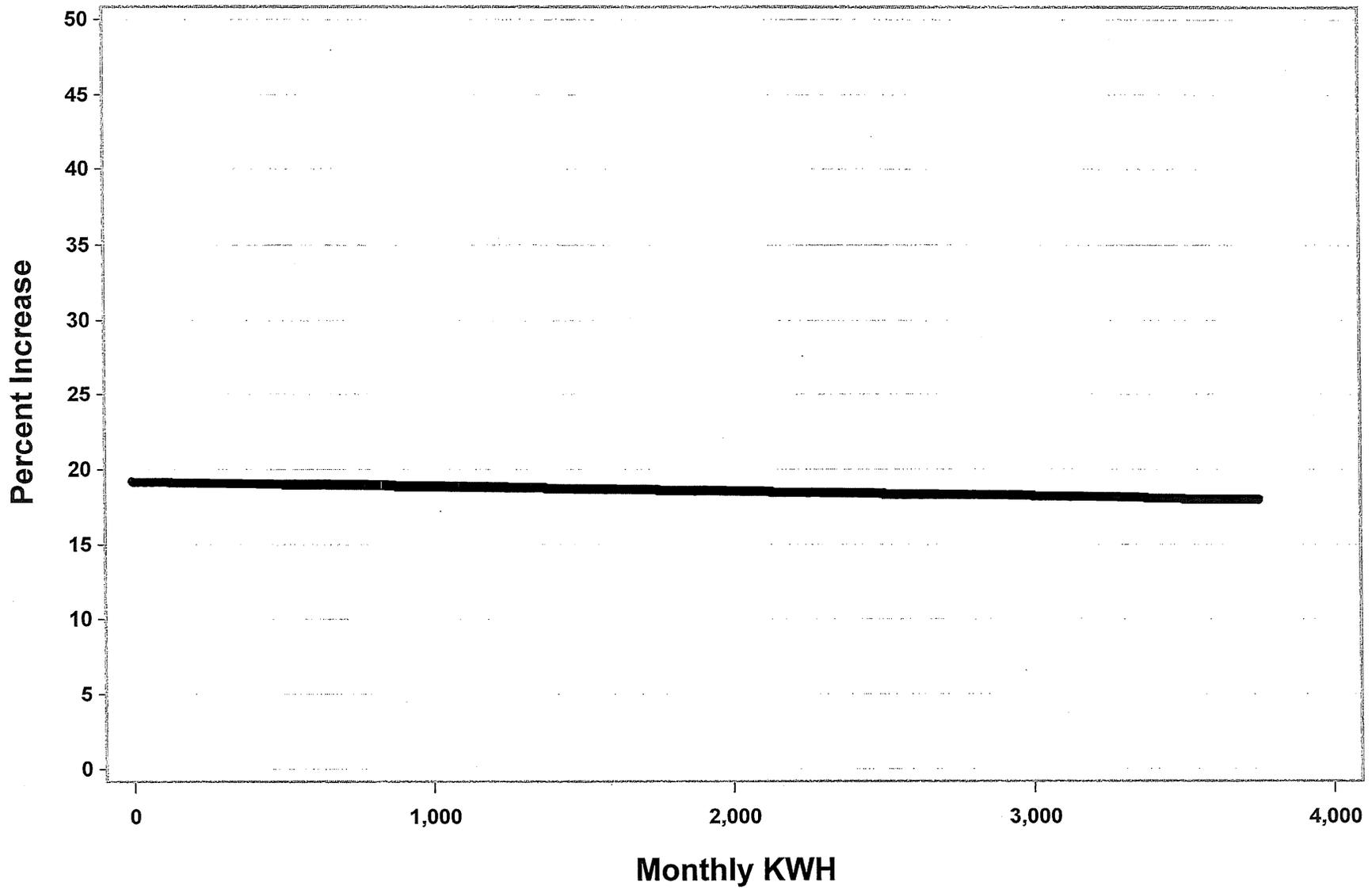
**Proposed GS1 vs Present GS1 Rate
Average Demand 5 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed vs Present GS1 Rate
Average Demand 5 KW
Base Rate (Includes SMR and DSIC)**



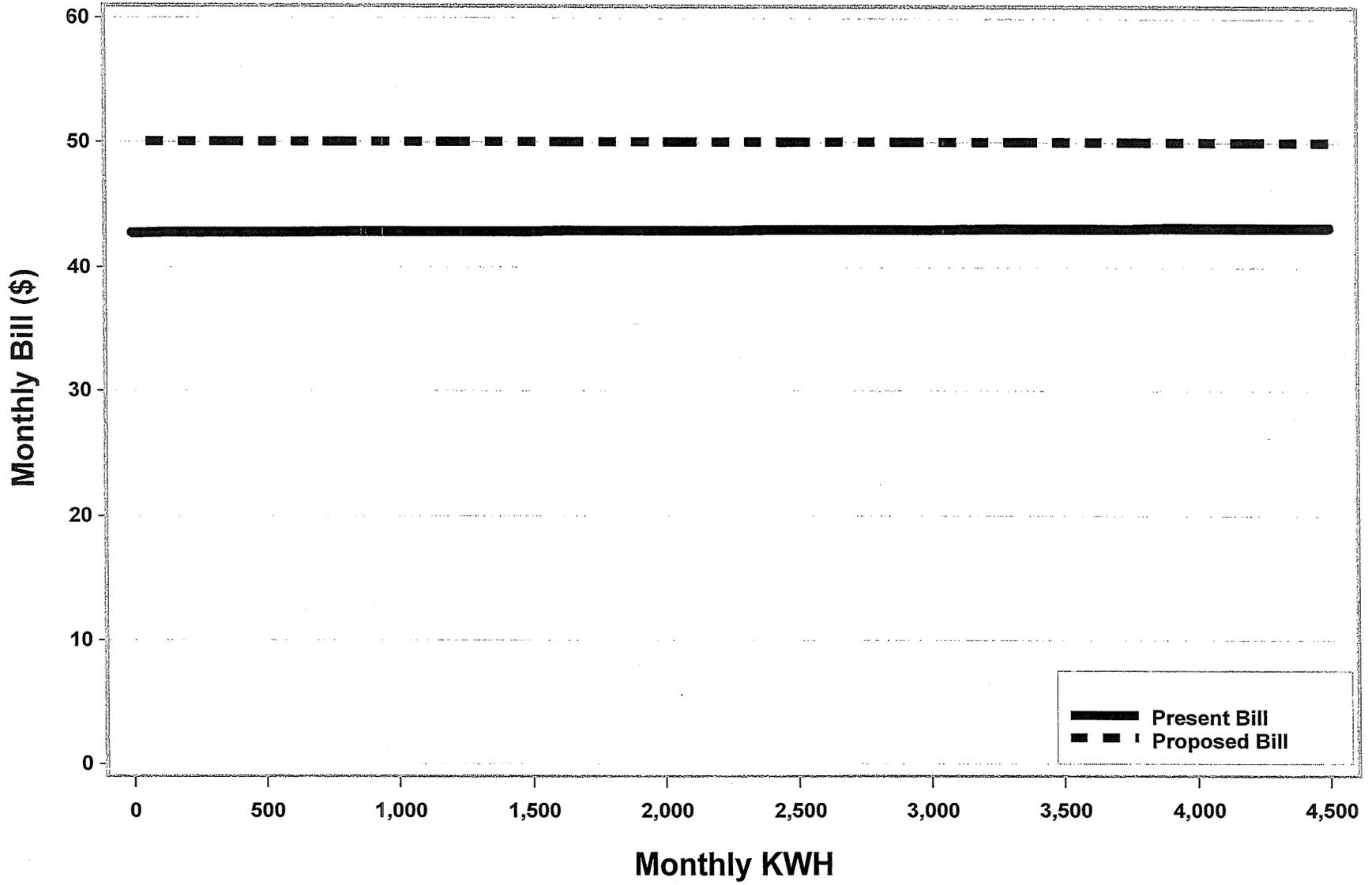
**Percent Increase of Proposed vs Present GS1 Rate
Average Demand 5 KW
Base Rate (Includes SMR and DSIC)**



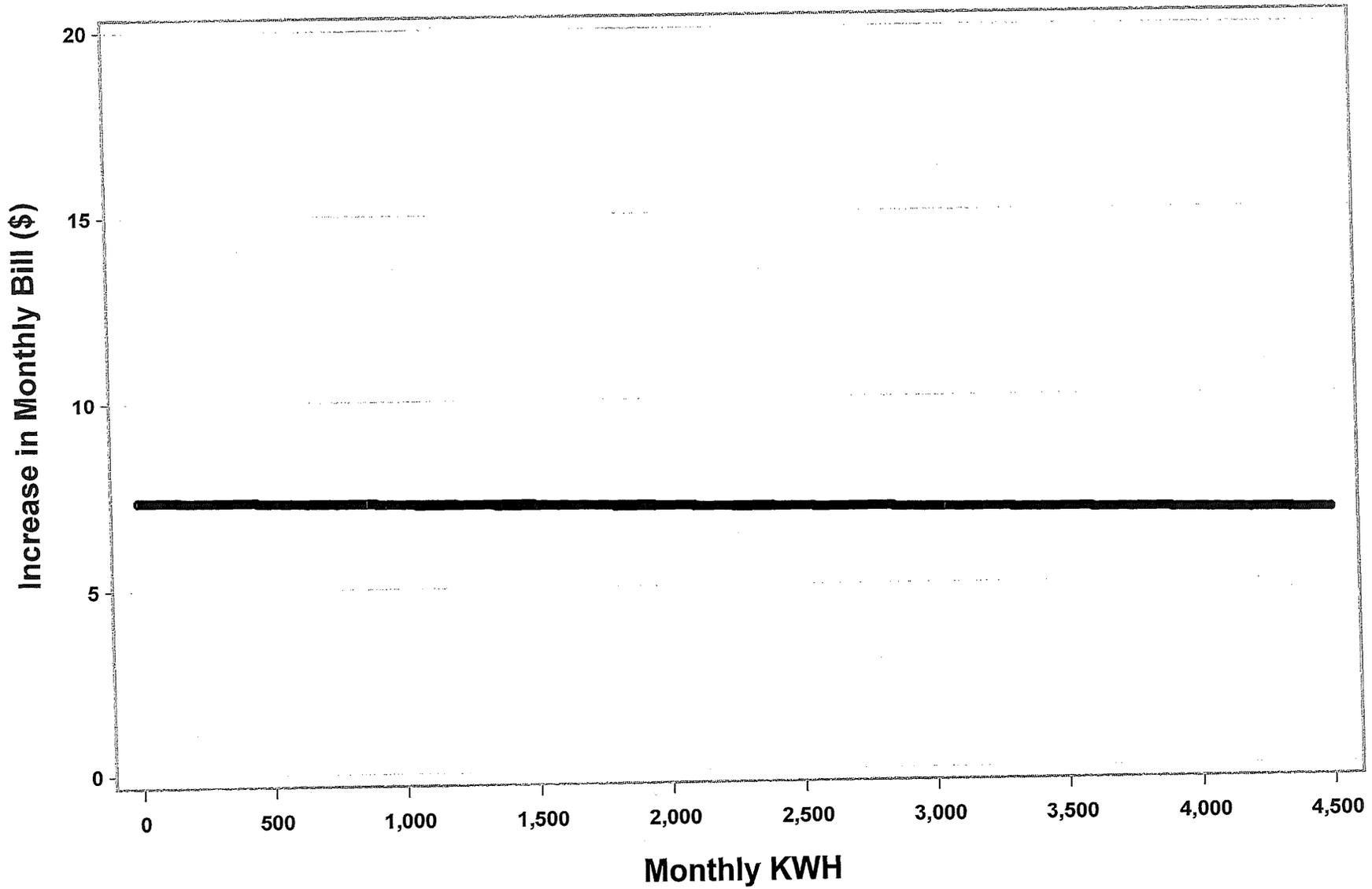
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 5 KW
 Base Rate (Includes SMR and DSIC)
 Present GS1 Rate and Proposed GS1 Rate

A	B	C	D = C - B	E = D/B
	Present Bill Present KWH (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	38.35	45.72	7.37	19.22
125	38.37	45.72	7.35	19.16
250	38.38	45.72	7.34	19.13
375	38.39	45.72	7.33	19.09
500	38.40	45.72	7.32	19.06
625	38.42	45.72	7.30	19.00
750	38.43	45.72	7.29	18.97
875	38.44	45.72	7.28	18.94
1,000	38.46	45.72	7.26	18.88
1,125	38.47	45.72	7.25	18.85
1,250	38.48	45.72	7.24	18.81
1,375	38.50	45.72	7.22	18.76
1,500	38.51	45.72	7.21	18.72
1,625	38.52	45.72	7.20	18.69
1,750	38.53	45.72	7.19	18.66
1,875	38.55	45.72	7.17	18.60
2,000	38.56	45.72	7.16	18.57
2,125	38.57	45.72	7.15	18.54
2,250	38.59	45.72	7.13	18.48
2,375	38.60	45.72	7.12	18.45
2,500	38.61	45.72	7.11	18.41
2,625	38.63	45.72	7.09	18.36
2,750	38.64	45.72	7.08	18.32
2,875	38.65	45.72	7.07	18.29
3,000	38.66	45.72	7.06	18.26
3,125	38.68	45.72	7.04	18.20
3,250	38.69	45.72	7.03	18.17
3,375	38.70	45.72	7.02	18.14
3,500	38.72	45.72	7.00	18.08
3,625	38.73	45.72	6.99	18.05
3,750	38.74	45.72	6.98	18.02

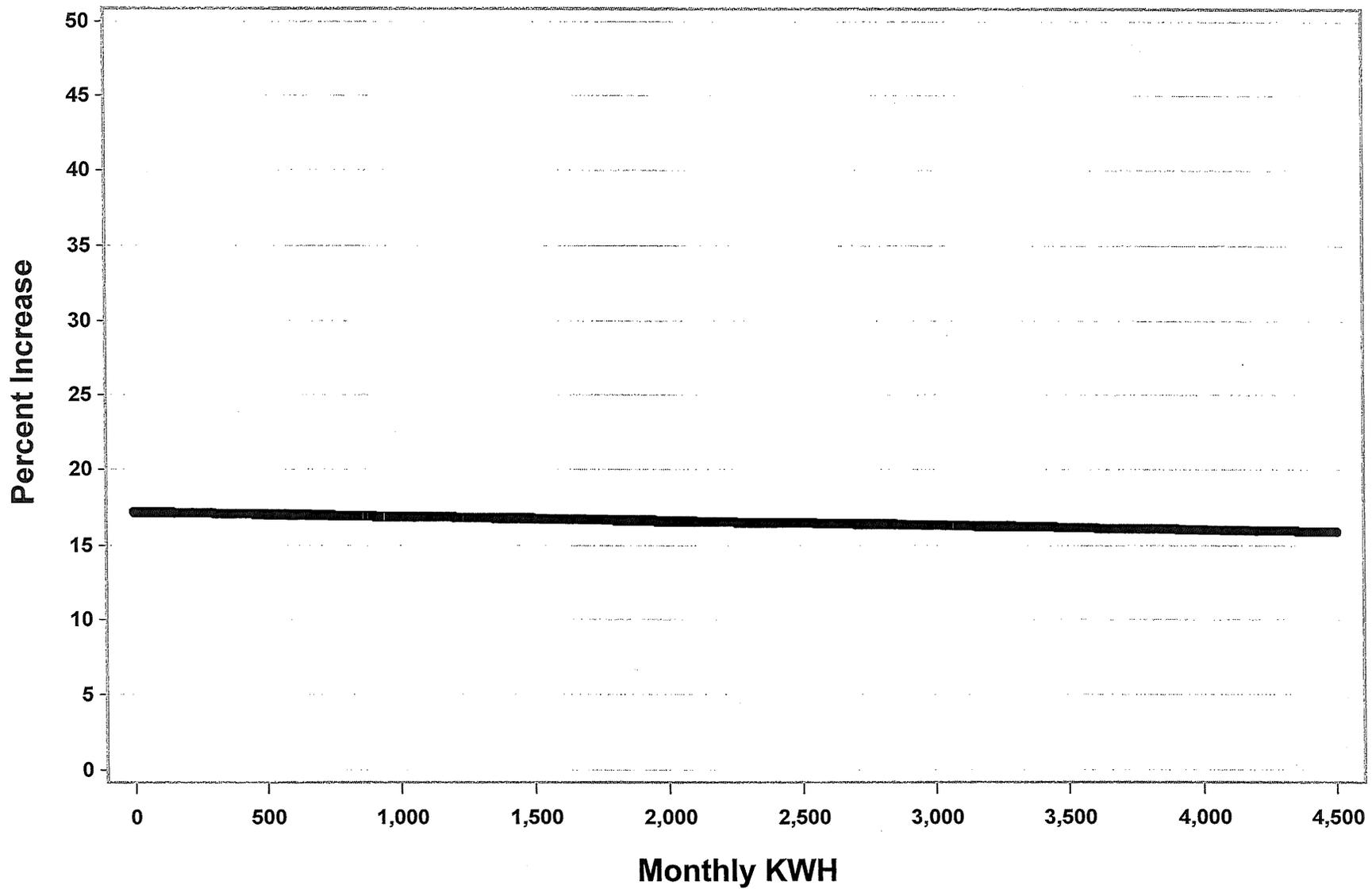
Proposed GS1 vs Present GS1 Rate
Average Demand 6 KW
Base Rate (Includes SMR and DSIC)



**Dollar Difference of Proposed vs Present GS1 Rate
Average Demand 6 KW
Base Rate (Includes SMR and DSIC)**



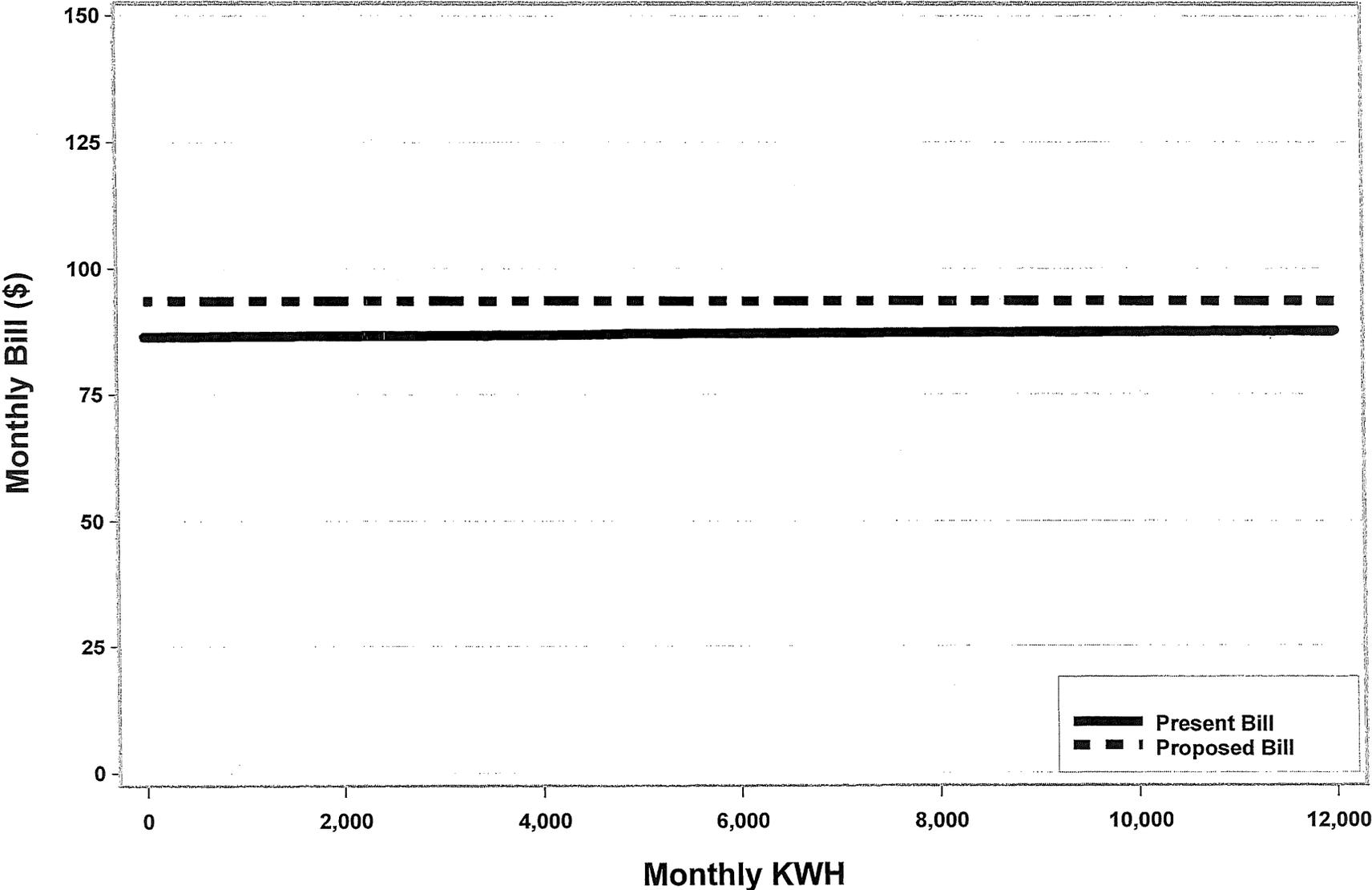
**Percent Increase of Proposed vs Present GS1 Rate
Average Demand 6 KW
Base Rate (Includes SMR and DSIC)**



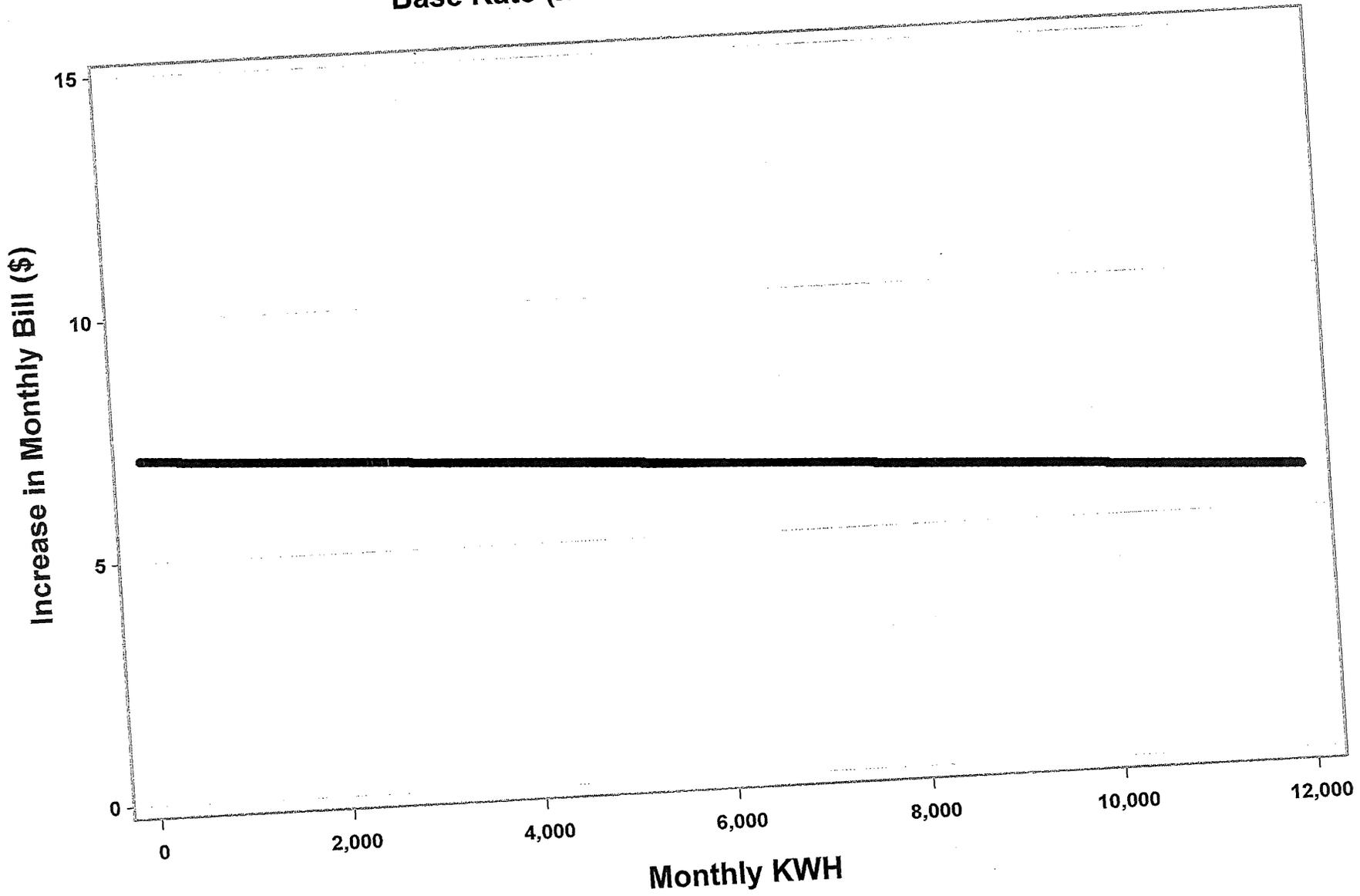
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 6 KW
 Base Rate (Includes SMR and DSIC)
 Present GS1 Rate and Proposed GS1 Rate

A	B	C	D = C - B	E = D/B
	Present Bill	Proposed Bill		
KWH	Present (\$)	Proposed (\$)	Difference (\$)	Percent Difference
0	42.72	50.06	7.34	17.18
150	42.74	50.06	7.33	17.15
300	42.75	50.06	7.31	17.10
450	42.77	50.06	7.30	17.07
600	42.78	50.06	7.28	17.02
750	42.80	50.06	7.26	16.96
900	42.82	50.06	7.25	16.93
1,050	42.83	50.06	7.23	16.88
1,200	42.85	50.06	7.22	16.85
1,350	42.86	50.06	7.20	16.80
1,500	42.88	50.06	7.19	16.77
1,650	42.89	50.06	7.17	16.72
1,800	42.91	50.06	7.15	16.66
1,950	42.93	50.06	7.14	16.63
2,100	42.94	50.06	7.12	16.58
2,250	42.96	50.06	7.11	16.55
2,400	42.97	50.06	7.09	16.50
2,550	42.99	50.06	7.08	16.47
2,700	43.00	50.06	7.06	16.42
2,850	43.02	50.06	7.05	16.39
3,000	43.03	50.06	7.03	16.34
3,150	43.05	50.06	7.01	16.28
3,300	43.07	50.06	7.00	16.25
3,450	43.08	50.06	6.98	16.20
3,600	43.10	50.06	6.97	16.17
3,750	43.11	50.06	6.95	16.12
3,900	43.13	50.06	6.94	16.09
4,050	43.14	50.06	6.92	16.04
4,200	43.16	50.06	6.90	15.99
4,350	43.18	50.06	6.89	15.96
4,500	43.19	50.06	6.87	15.91

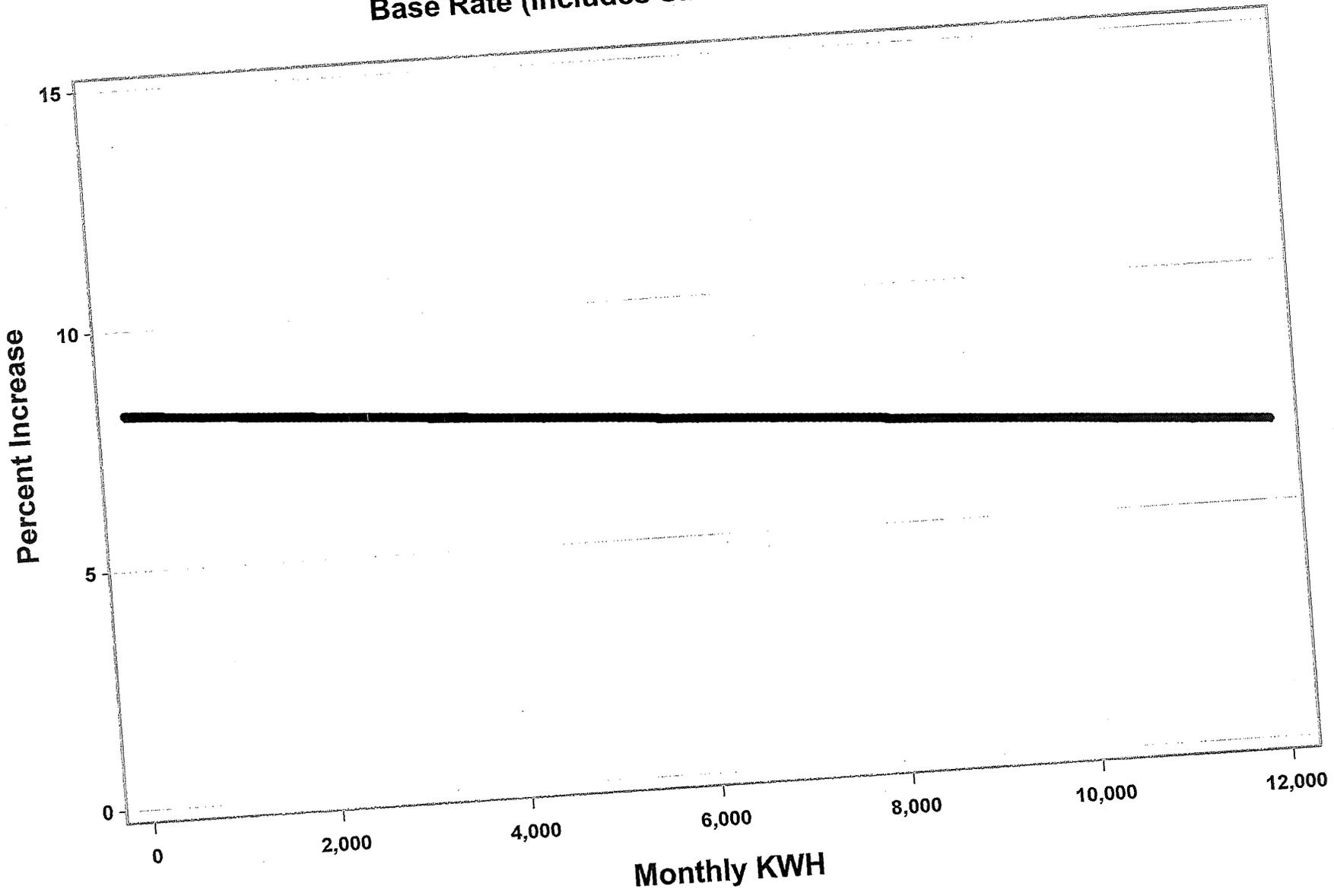
**Proposed GS1 vs Present GS1 Rate
Average Demand 16 KW
Base Rate (Includes SMR and DSIC)**



Dollar Difference of Proposed G vs Present GS1 Rate
Average Demand 16 KW
Base Rate (Includes SMR and DSIC)



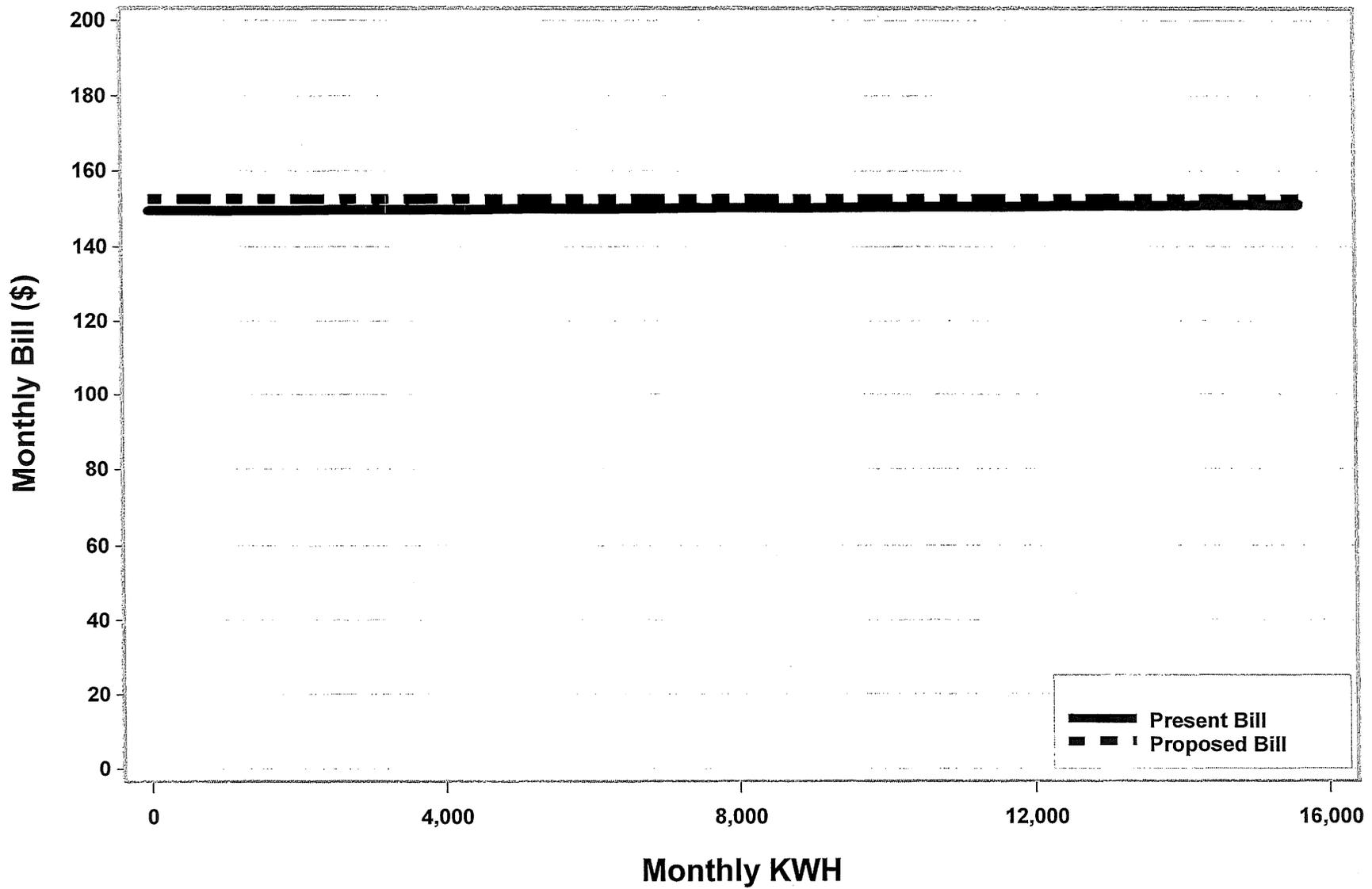
Percent Increase of Proposed G vs Present GS1 Rate
Average Demand 16 KW
Base Rate (Includes SMR and DSIC)



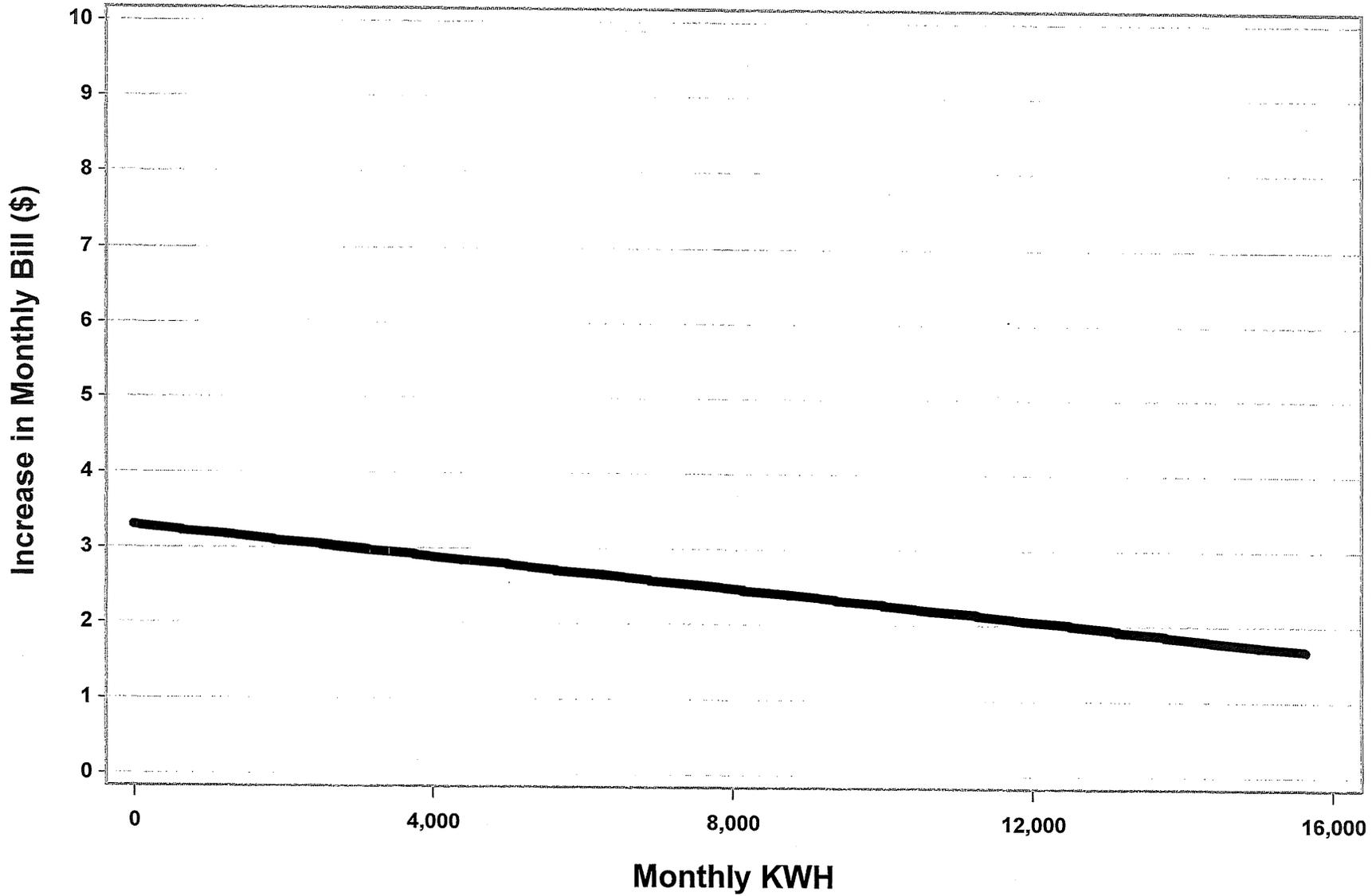
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 16 KW
 Base Rate (Includes SMR and DSIC)
 Present GS1 Rate and Proposed GS1 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	86.42	93.50	7.09	8.20
400	86.46	93.50	7.05	8.15
800	86.50	93.50	7.00	8.09
1,200	86.54	93.50	6.96	8.04
1,600	86.58	93.50	6.92	7.99
2,000	86.62	93.50	6.88	7.94
2,400	86.67	93.50	6.84	7.89
2,800	86.71	93.50	6.80	7.84
3,200	86.75	93.50	6.75	7.78
3,600	86.79	93.50	6.71	7.73
4,000	86.83	93.50	6.67	7.68
4,400	86.87	93.50	6.63	7.63
4,800	86.92	93.50	6.59	7.58
5,200	86.96	93.50	6.55	7.53
5,600	87.00	93.50	6.50	7.47
6,000	87.04	93.50	6.46	7.42
6,400	87.08	93.50	6.42	7.37
6,800	87.12	93.50	6.38	7.32
7,200	87.17	93.50	6.34	7.27
7,600	87.21	93.50	6.30	7.22
8,000	87.25	93.50	6.25	7.16
8,400	87.29	93.50	6.21	7.11
8,800	87.33	93.50	6.17	7.06
9,200	87.37	93.50	6.13	7.02
9,600	87.42	93.50	6.09	6.97
10,000	87.46	93.50	6.05	6.92
10,400	87.50	93.50	6.00	6.86
10,800	87.54	93.50	5.96	6.81
11,200	87.58	93.50	5.92	6.76
11,600	87.62	93.50	5.88	6.71
12,000	87.67	93.50	5.84	6.66

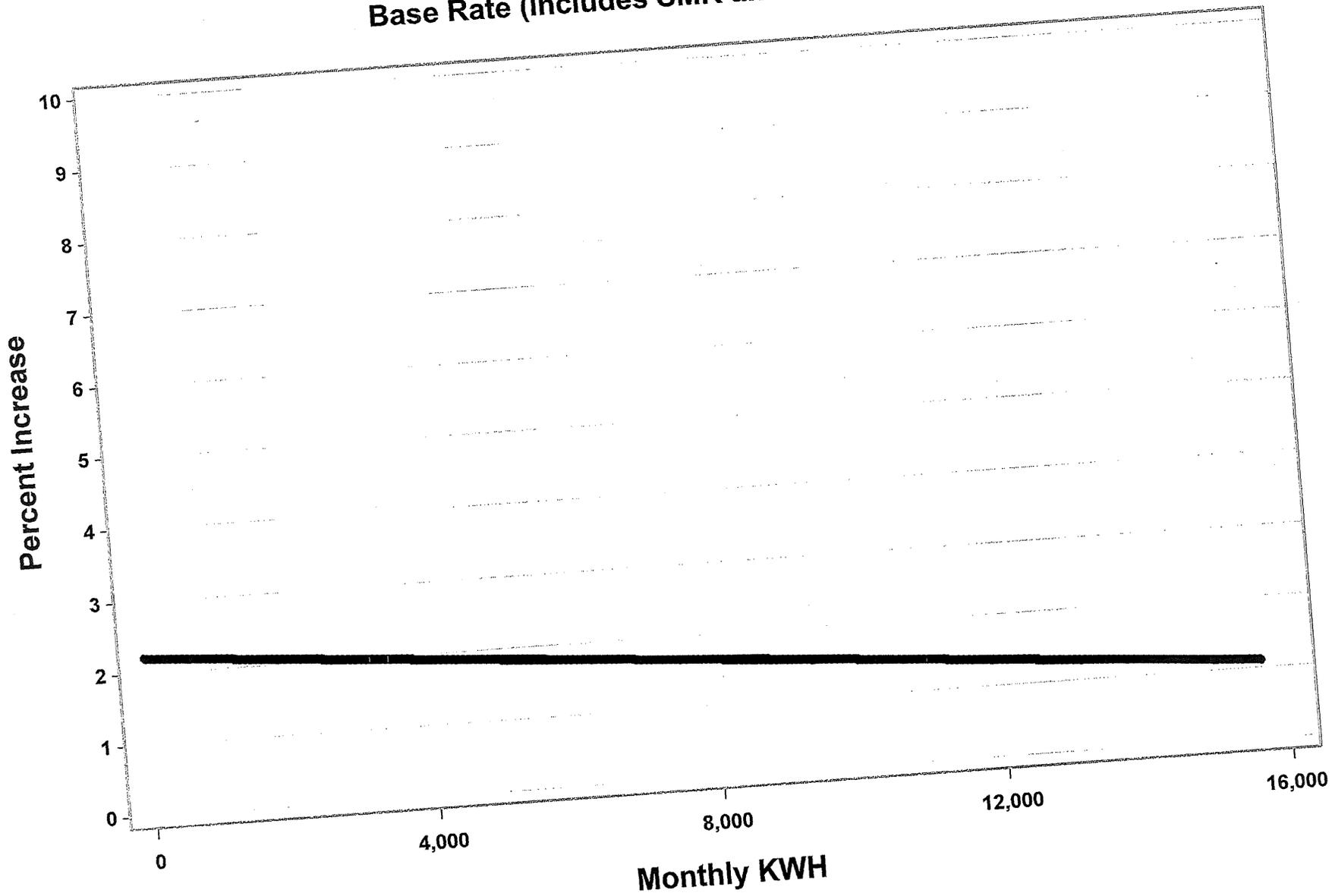
**Proposed GS3 vs Present GS3 Rate
Average Demand 25 KW
Base Rate (Includes SMR and DSIC)**



Dollar Difference of Proposed G vs Present GS3 Rate
Average Demand 25 KW
Base Rate (Includes SMR and DSIC)



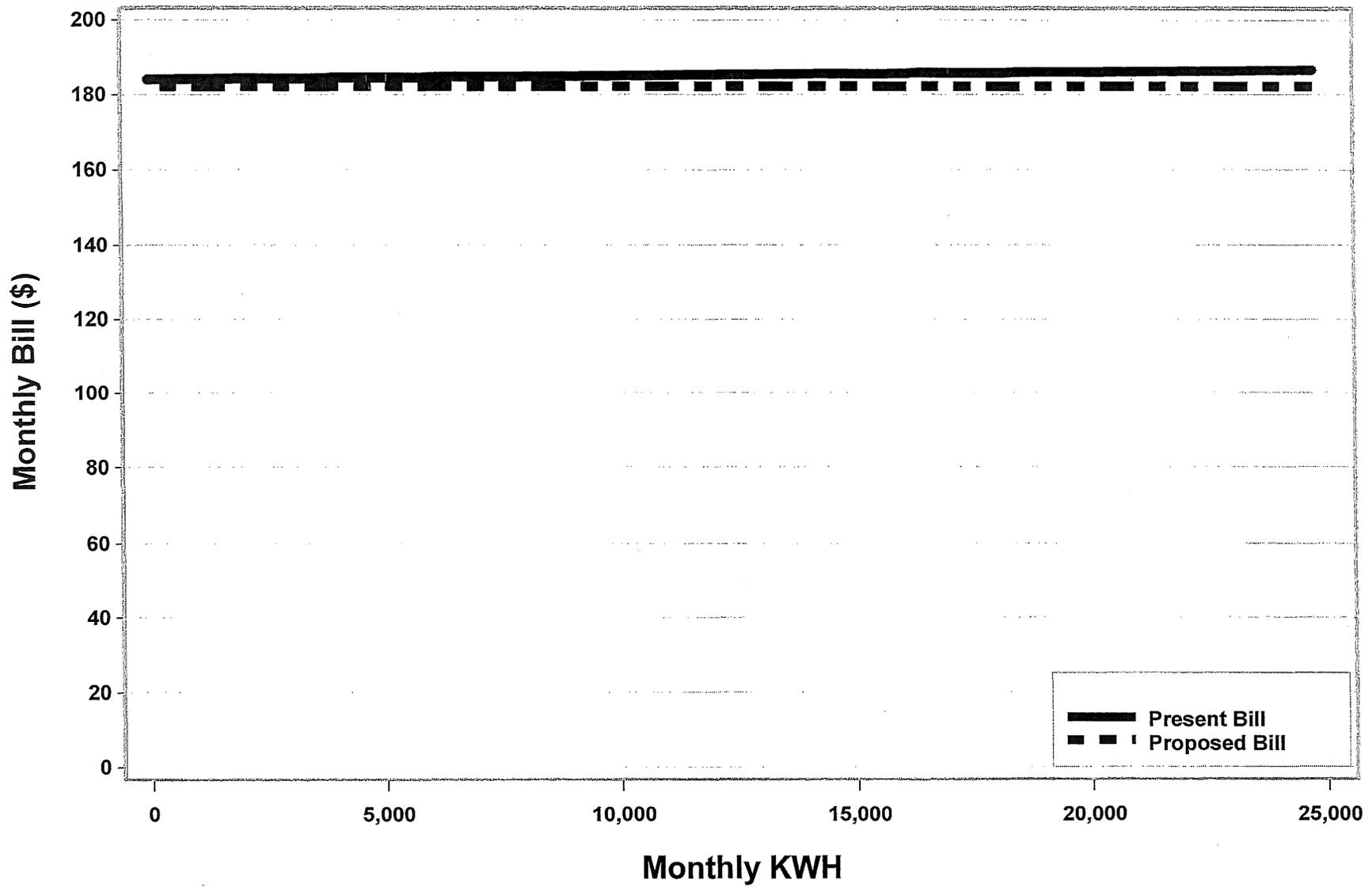
**Percent Increase of Proposed G vs Present GS3 Rate
Average Demand 25 KW
Base Rate (Includes SMR and DSIC)**



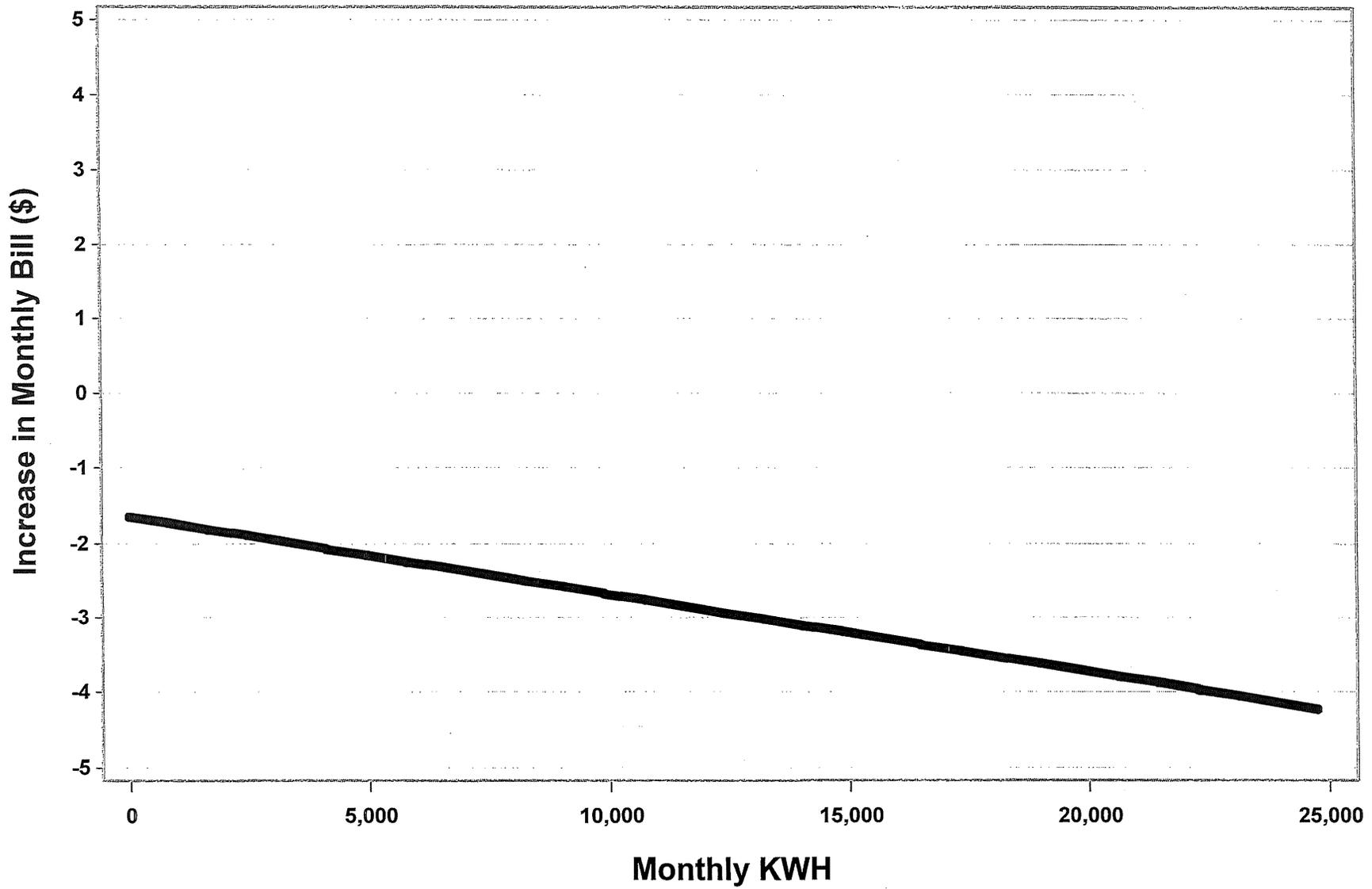
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 25 KW
 Base Rate (Includes SMR and DSIC)
 Present GS3 Rate and Proposed GS3 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	149.36	152.66	3.30	2.21
625	149.43	152.66	3.23	2.16
1,250	149.49	152.66	3.17	2.12
1,875	149.56	152.66	3.10	2.07
2,500	149.62	152.66	3.04	2.03
3,125	149.69	152.66	2.97	1.98
3,750	149.75	152.66	2.91	1.94
4,375	149.82	152.66	2.84	1.90
5,000	149.88	152.66	2.78	1.85
5,625	149.95	152.66	2.71	1.81
6,250	150.01	152.66	2.65	1.77
6,875	150.08	152.66	2.58	1.72
7,500	150.14	152.66	2.52	1.68
8,125	150.21	152.66	2.45	1.63
8,750	150.27	152.66	2.39	1.59
9,375	150.34	152.66	2.32	1.54
10,000	150.40	152.66	2.26	1.50
10,625	150.47	152.66	2.19	1.46
11,250	150.53	152.66	2.13	1.41
11,875	150.60	152.66	2.06	1.37
12,500	150.66	152.66	2.00	1.33
13,125	150.73	152.66	1.93	1.28
13,750	150.79	152.66	1.87	1.24
14,375	150.86	152.66	1.80	1.19
15,000	150.93	152.66	1.73	1.15
15,625	150.99	152.66	1.67	1.11
16,250	151.06	152.66	1.60	1.06
16,875	151.12	152.66	1.54	1.02
17,500	151.19	152.66	1.47	0.97
18,125	151.25	152.66	1.41	0.93
18,750	151.32	152.66	1.34	0.89

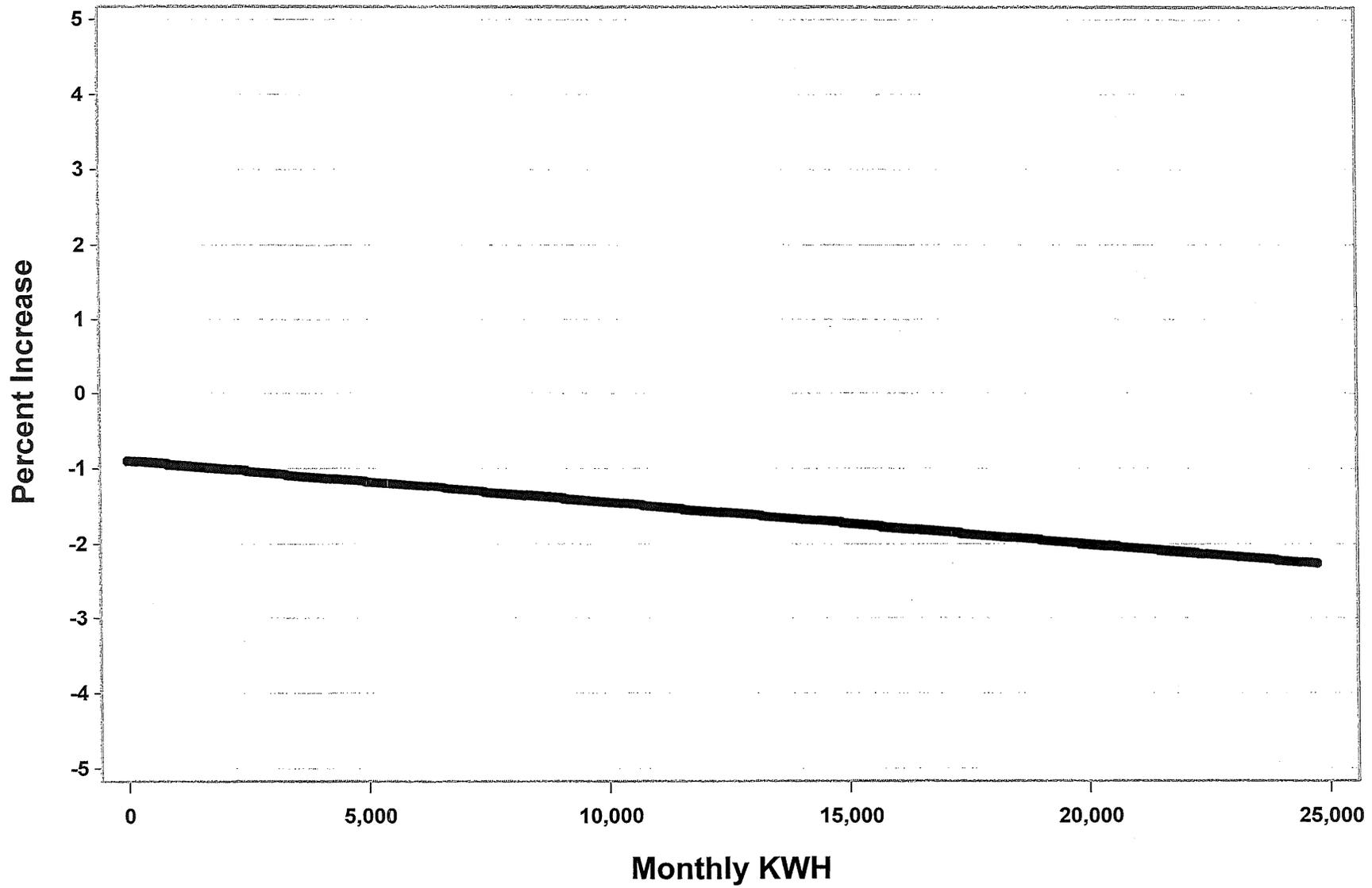
**Proposed GS3 vs Present GS3 Rate
Average Demand 33 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed vs Present GS3 Rate
Average Demand 33 KW
Base Rate (Includes SMR and DSIC)**



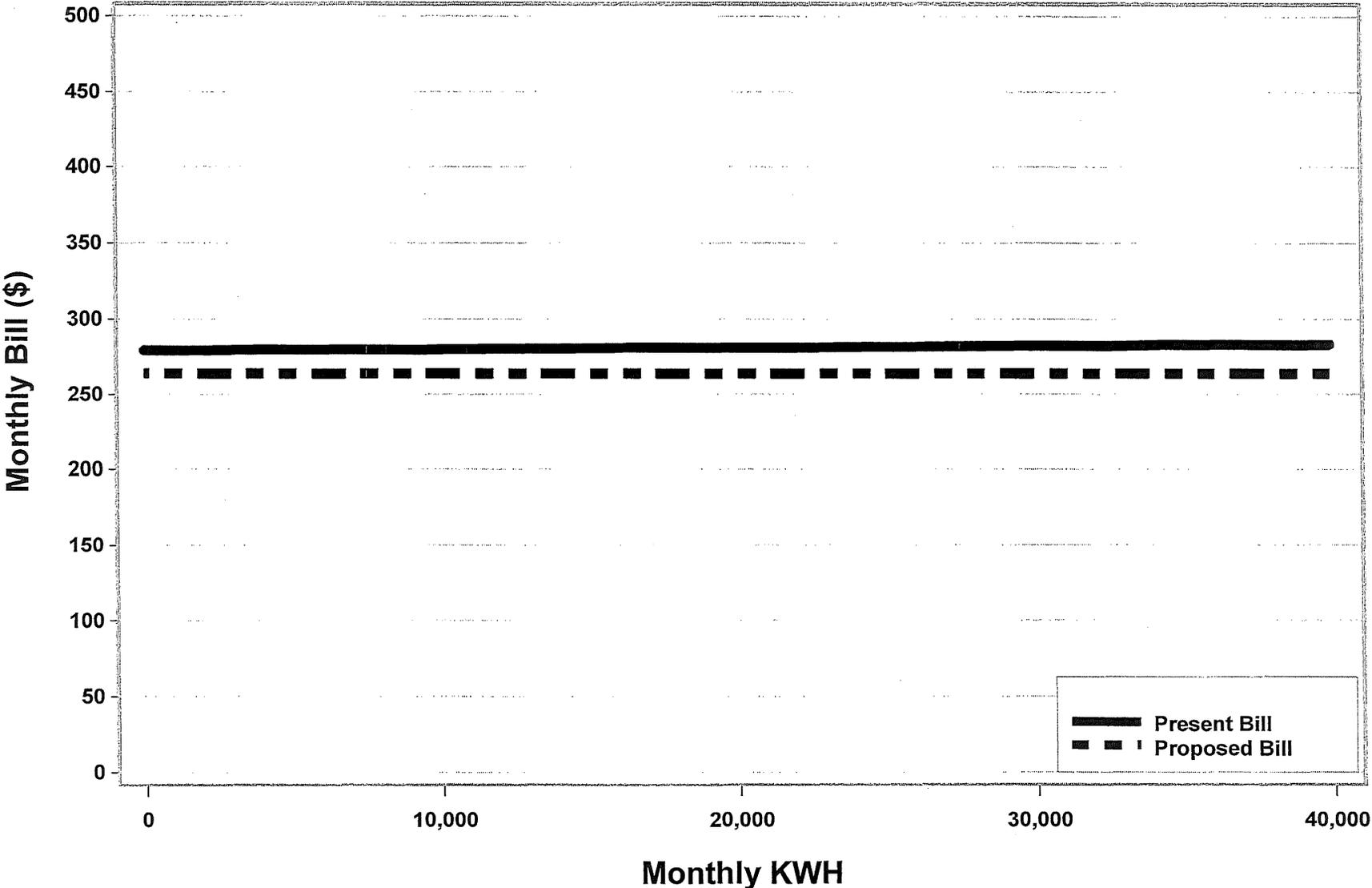
**Percent Increase of Proposed G vs Present GS3 Rate
Average Demand 33 KW
Base Rate (Includes SMR and DSIC)**



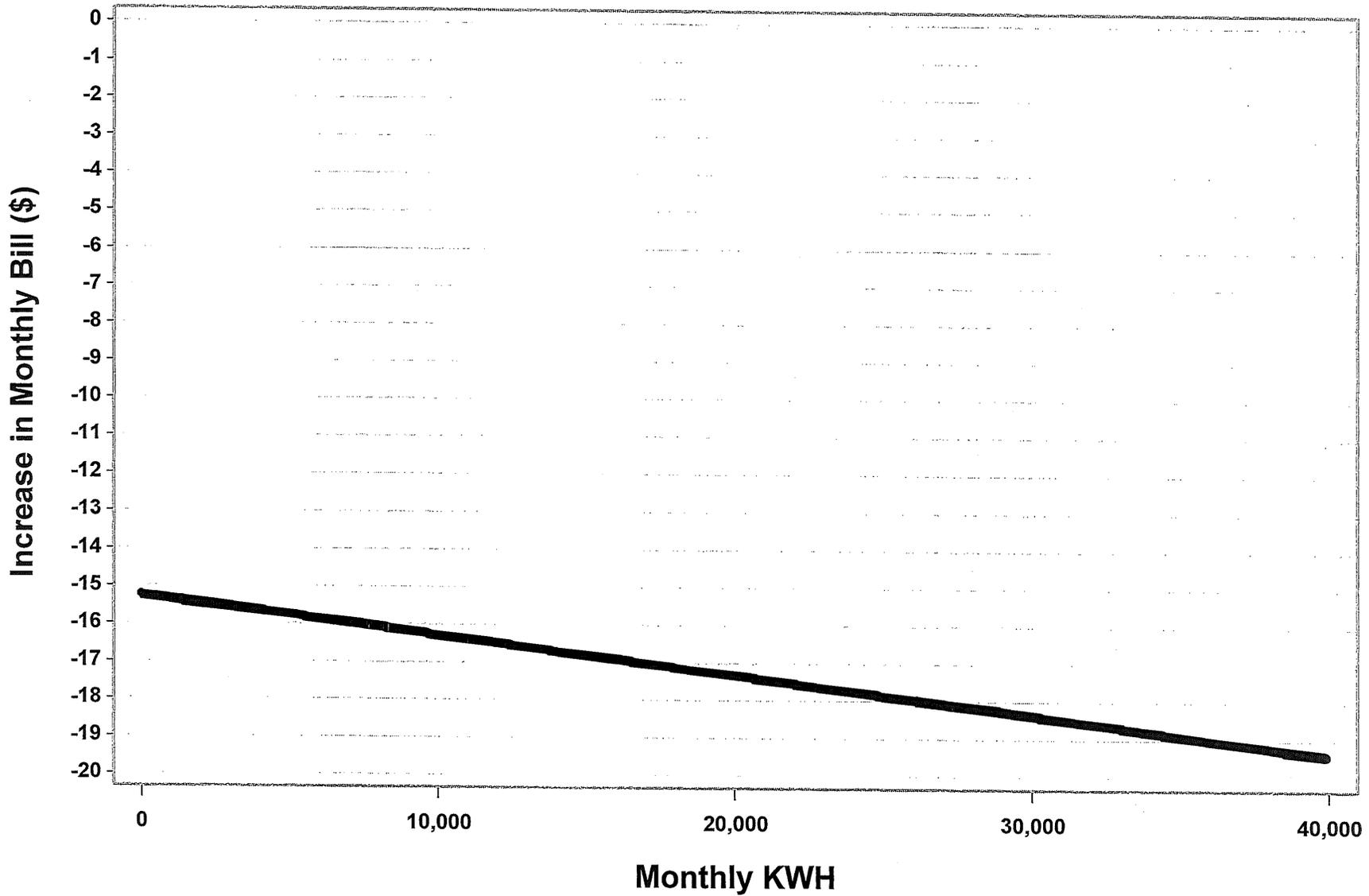
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 33 KW
 Base Rate (Includes SMR and DSIC)
 Present GS3 Rate and Proposed GS3 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	183.95	182.31	-1.65	-0.90
825	184.04	182.31	-1.73	-0.94
1,650	184.13	182.31	-1.82	-0.99
2,475	184.21	182.31	-1.90	-1.03
3,300	184.30	182.31	-1.99	-1.08
4,125	184.38	182.31	-2.08	-1.13
4,950	184.47	182.31	-2.16	-1.17
5,775	184.56	182.31	-2.25	-1.22
6,600	184.64	182.31	-2.33	-1.26
7,425	184.73	182.31	-2.42	-1.31
8,250	184.81	182.31	-2.51	-1.36
9,075	184.90	182.31	-2.59	-1.40
9,900	184.99	182.31	-2.68	-1.45
10,725	185.07	182.31	-2.76	-1.49
11,550	185.16	182.31	-2.85	-1.54
12,375	185.24	182.31	-2.94	-1.59
13,200	185.33	182.31	-3.02	-1.63
14,025	185.42	182.31	-3.11	-1.68
14,850	185.50	182.31	-3.19	-1.72
15,675	185.59	182.31	-3.28	-1.77
16,500	185.67	182.31	-3.37	-1.82
17,325	185.76	182.31	-3.45	-1.86
18,150	185.85	182.31	-3.54	-1.90
18,975	185.93	182.31	-3.62	-1.95
19,800	186.02	182.31	-3.71	-1.99
20,625	186.10	182.31	-3.80	-2.04
21,450	186.19	182.31	-3.88	-2.08
22,275	186.28	182.31	-3.97	-2.13
23,100	186.36	182.31	-4.05	-2.17
23,925	186.45	182.31	-4.14	-2.22
24,750	186.53	182.31	-4.23	-2.27

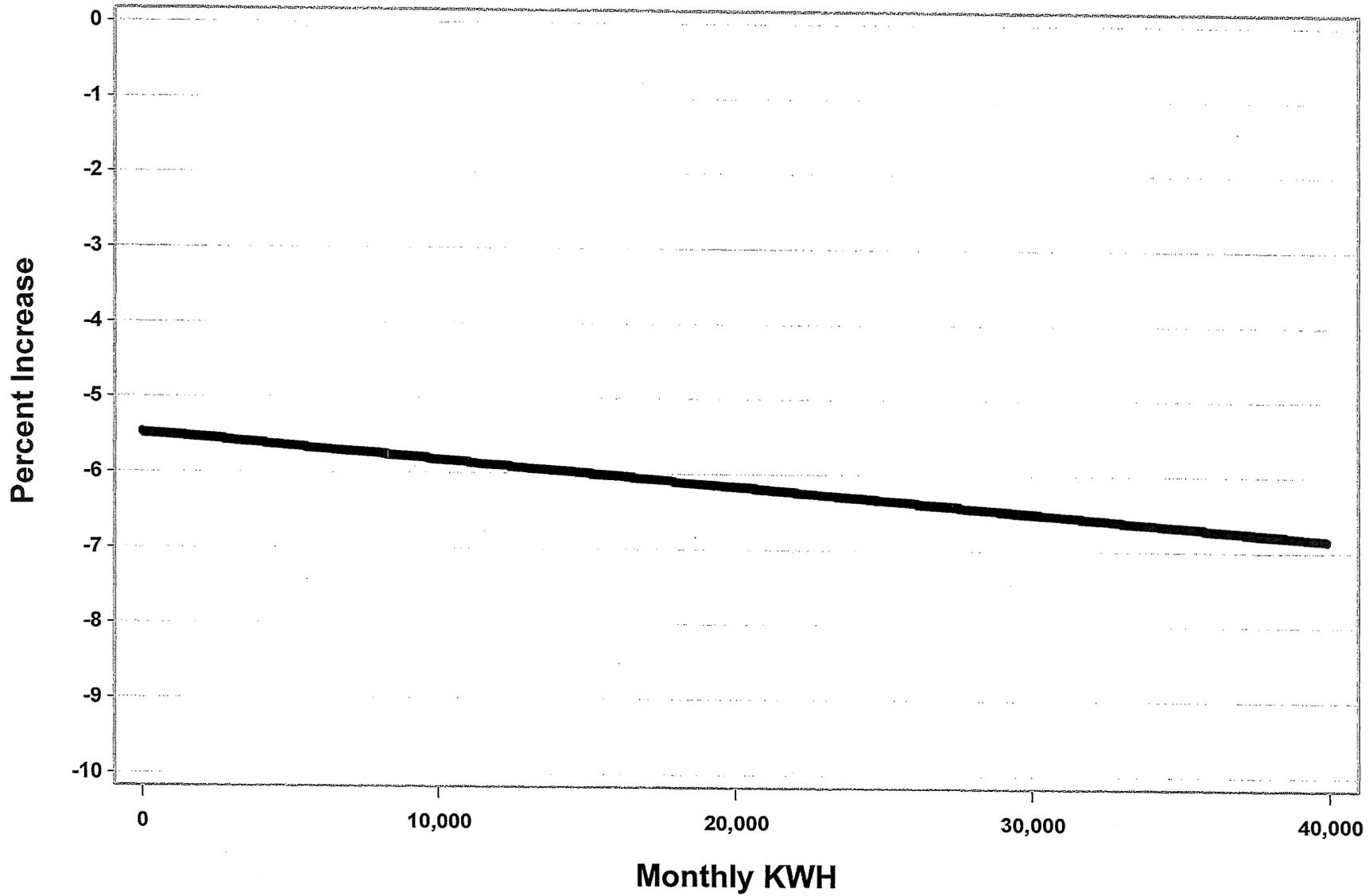
**Proposed GS3 vs Present GS3 Rate
Average Demand 55 KW
Base Rate (Includes SMR and DSIC)**



Dollar Difference of Proposed G vs Present GS3 Rate
Average Demand 55 KW
Base Rate (Includes SMR and DSIC)



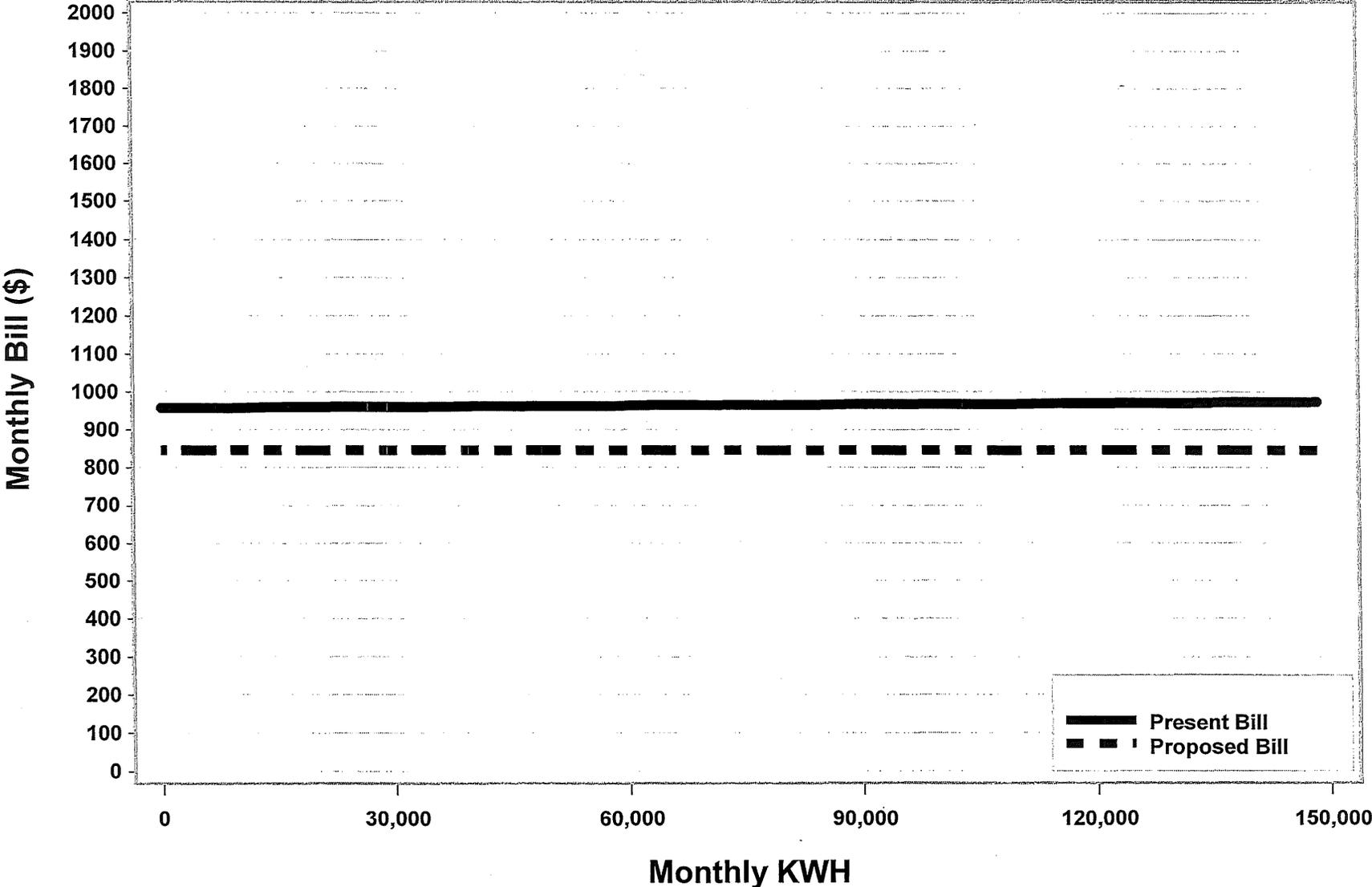
**Percent Increase of Proposed vs Present GS3 Rate
Average Demand 55 KW
Base Rate (Includes SMR and DSIC)**



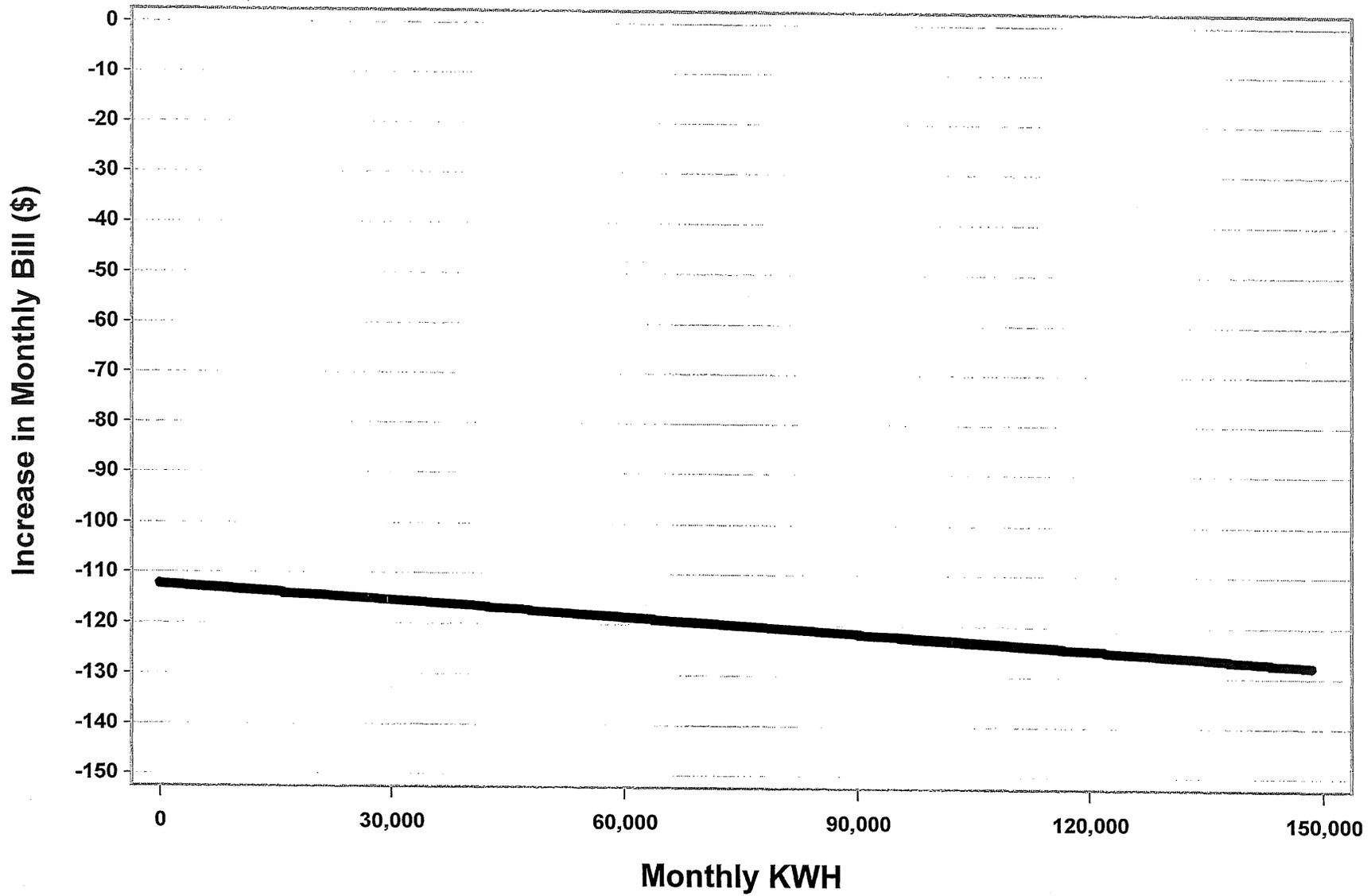
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 55 KW
 Base Rate (Includes SMR and DSIC)
 Present GS3 Rate and Proposed GS3 Rate

A	B	C	D = C - B	E = D/B
	Present Bill	Proposed Bill		
KWH	Present (\$)	Proposed (\$)	Difference (\$)	Percent Difference
0	279.08	263.84	-15.24	-5.46
1,375	279.23	263.84	-15.39	-5.51
2,750	279.37	263.84	-15.53	-5.56
4,125	279.51	263.84	-15.67	-5.61
5,500	279.66	263.84	-15.82	-5.66
6,875	279.80	263.84	-15.96	-5.70
8,250	279.94	263.84	-16.10	-5.75
9,625	280.09	263.84	-16.25	-5.80
11,000	280.23	263.84	-16.39	-5.85
12,375	280.37	263.84	-16.53	-5.90
13,750	280.52	263.84	-16.68	-5.95
15,125	280.66	263.84	-16.82	-5.99
16,500	280.80	263.84	-16.96	-6.04
17,875	280.95	263.84	-17.11	-6.09
19,250	281.09	263.84	-17.25	-6.14
20,625	281.23	263.84	-17.39	-6.18
22,000	281.38	263.84	-17.54	-6.23
23,375	281.52	263.84	-17.68	-6.28
24,750	281.66	263.84	-17.82	-6.33
26,125	281.81	263.84	-17.97	-6.38
27,500	281.95	263.84	-18.11	-6.42
28,875	282.09	263.84	-18.25	-6.47
30,250	282.24	263.84	-18.40	-6.52
31,625	282.38	263.84	-18.54	-6.57
33,000	282.52	263.84	-18.68	-6.61
34,375	282.67	263.84	-18.83	-6.66
35,750	282.81	263.84	-18.97	-6.71
37,125	282.95	263.84	-19.11	-6.75
38,500	283.09	263.84	-19.25	-6.80
39,875	283.24	263.84	-19.40	-6.85
41,250	283.38	263.84	-19.54	-6.90

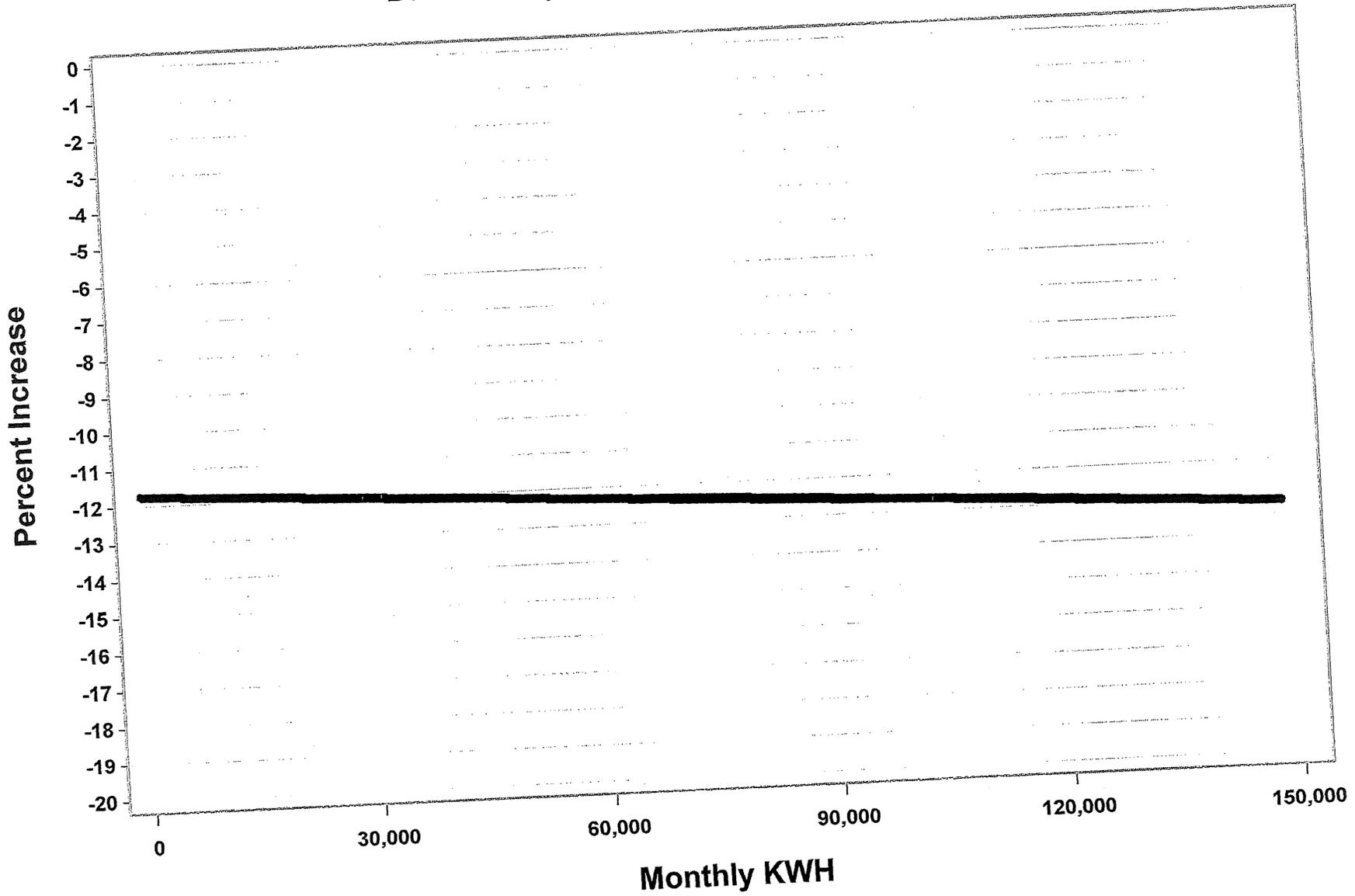
**Proposed GS3 vs Present GS3 Rate
Average Demand 212 KW
Base Rate (Includes SMR and DSIC)**



Dollar Difference of Proposed vs Present GS3 Rate
Average Demand 212 KW
Base Rate (Includes SMR and DSIC)



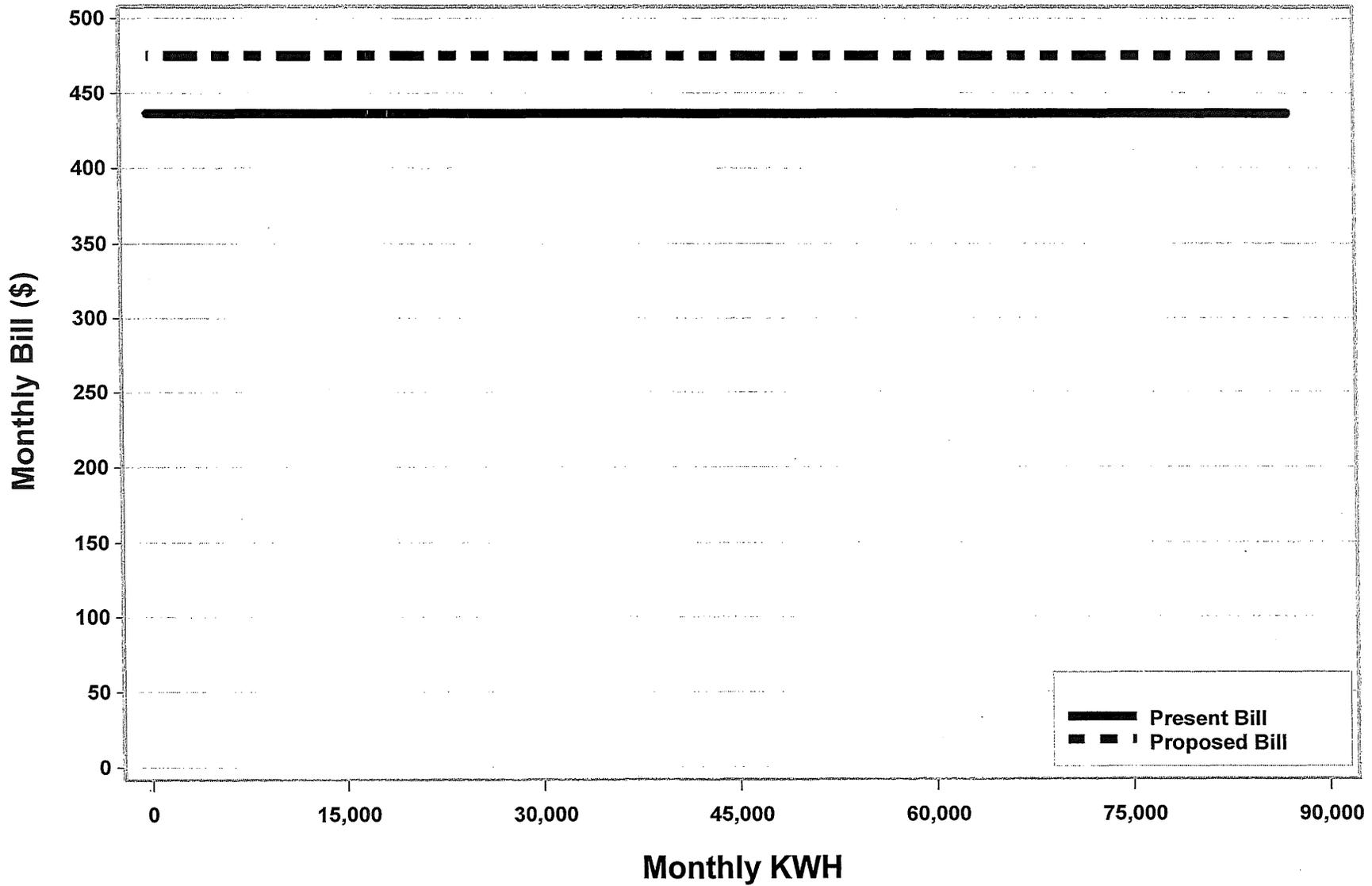
Percent Increase of Proposed G vs Present GS3 Rate
Average Demand 212 KW
Base Rate (Includes SMR and DSIC)



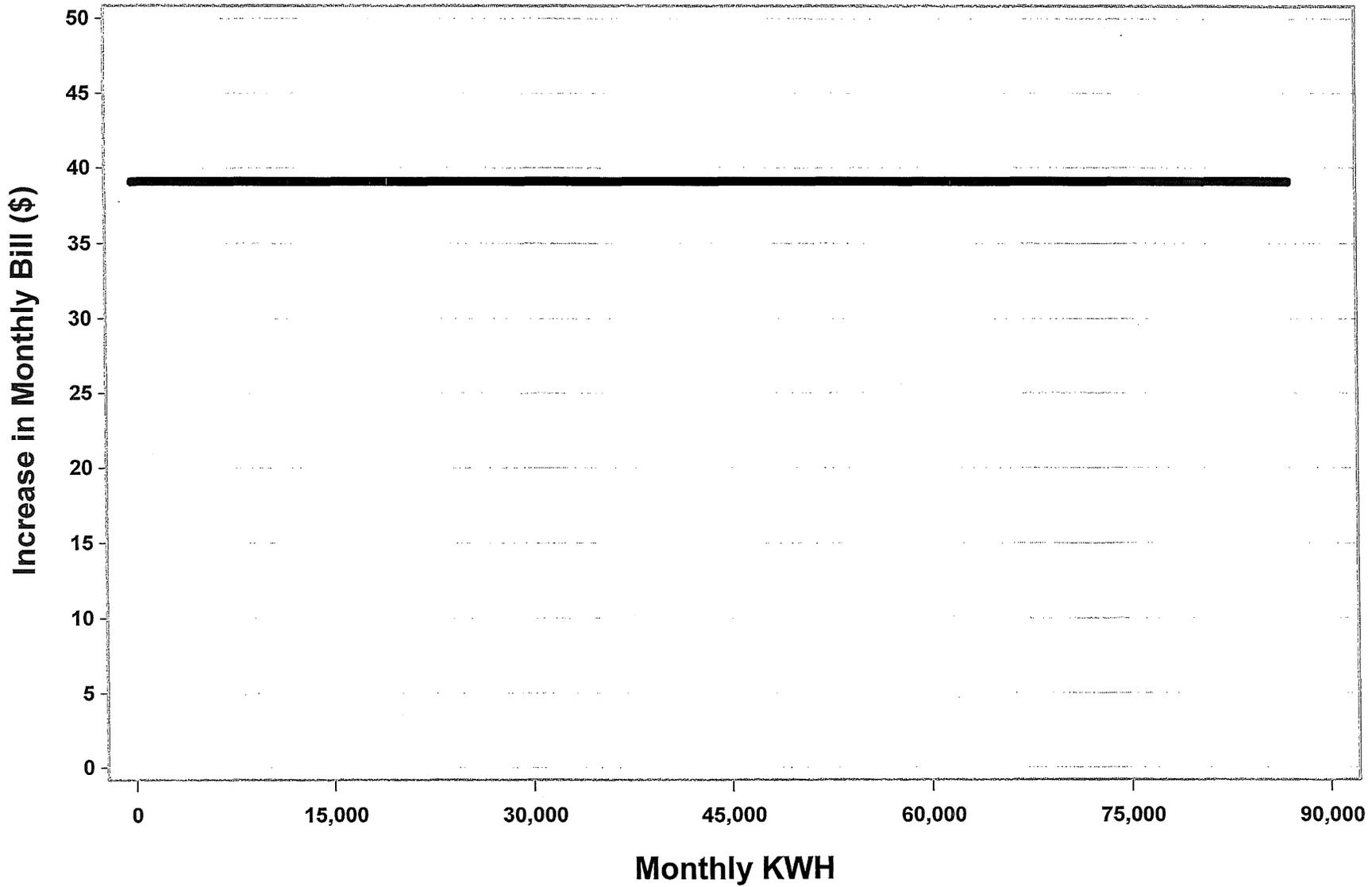
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 212 KW
 Base Rate (Includes SMR and DSIC)
 Present GS3 Rate and Proposed GS3 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	957.96	845.68	-112.28	-11.72
5,300	958.51	845.68	-112.83	-11.77
10,600	959.06	845.68	-113.38	-11.82
15,900	959.62	845.68	-113.93	-11.87
21,200	960.17	845.68	-114.49	-11.92
26,500	960.72	845.68	-115.04	-11.97
31,800	961.27	845.68	-115.59	-12.02
37,100	961.82	845.68	-116.14	-12.07
42,400	962.38	845.68	-116.69	-12.13
47,700	962.93	845.68	-117.25	-12.18
53,000	963.48	845.68	-117.80	-12.23
58,300	964.03	845.68	-118.35	-12.28
63,600	964.59	845.68	-118.90	-12.33
68,900	965.14	845.68	-119.46	-12.38
74,200	965.69	845.68	-120.01	-12.43
79,500	966.24	845.68	-120.56	-12.48
84,800	966.79	845.68	-121.11	-12.53
90,100	967.35	845.68	-121.66	-12.58
95,400	967.90	845.68	-122.22	-12.63
100,700	968.45	845.68	-122.77	-12.68
106,000	969.00	845.68	-123.32	-12.73
111,300	969.55	845.68	-123.87	-12.78
116,600	970.11	845.68	-124.42	-12.83
121,900	970.66	845.68	-124.98	-12.88
127,200	971.21	845.68	-125.53	-12.93
132,500	971.76	845.68	-126.08	-12.97
137,800	972.32	845.68	-126.63	-13.02
143,100	972.87	845.68	-127.19	-13.07
148,400	973.42	845.68	-127.74	-13.12
153,700	973.97	845.68	-128.29	-13.17
159,000	974.52	845.68	-128.84	-13.22

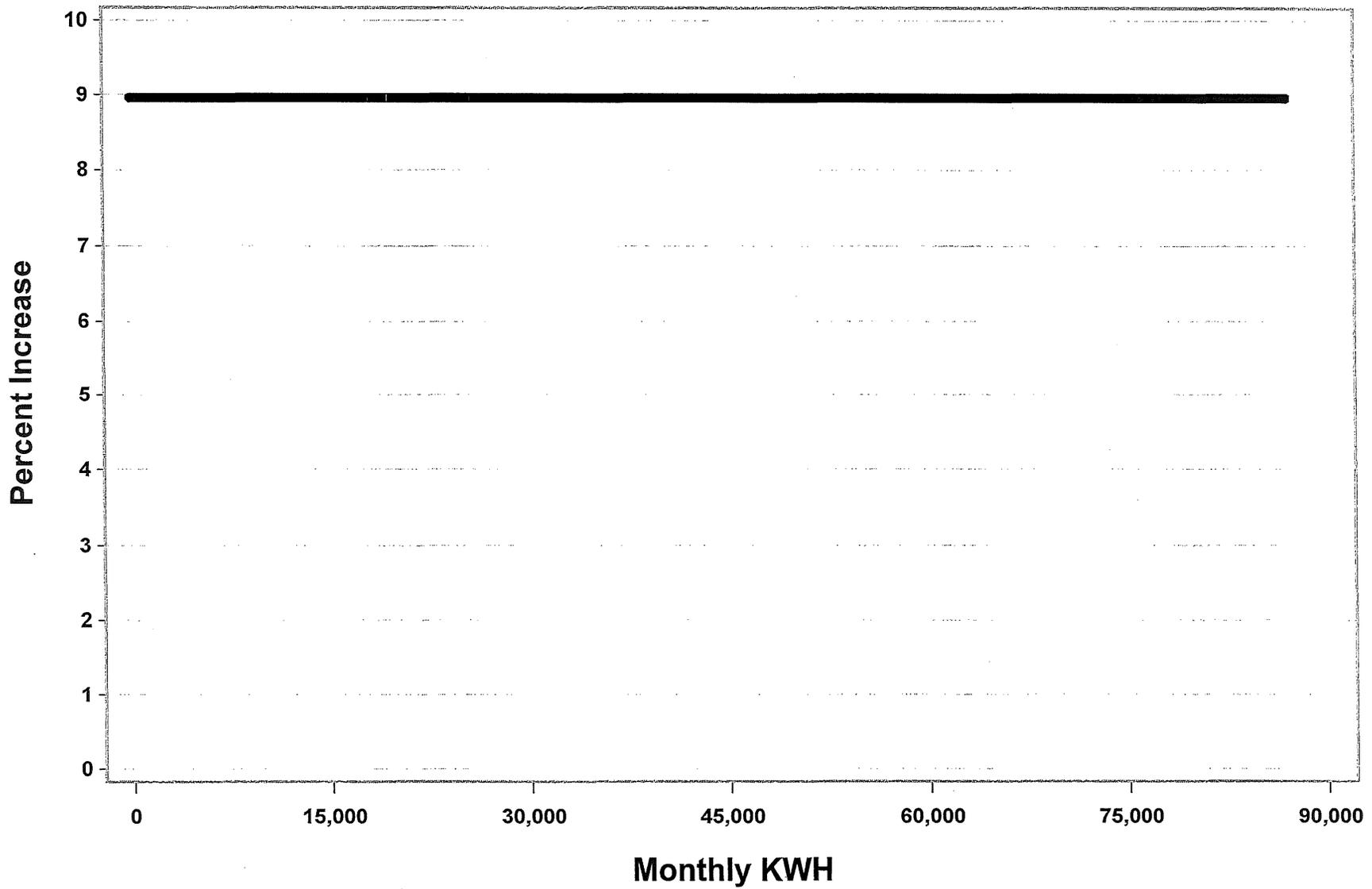
**Proposed LP4 vs Present LP4 Rate
Average Demand 116 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed LP4 vs Present LP4 Rate
Average Demand 116 KW
Base Rate (Includes SMR and DSIC)**



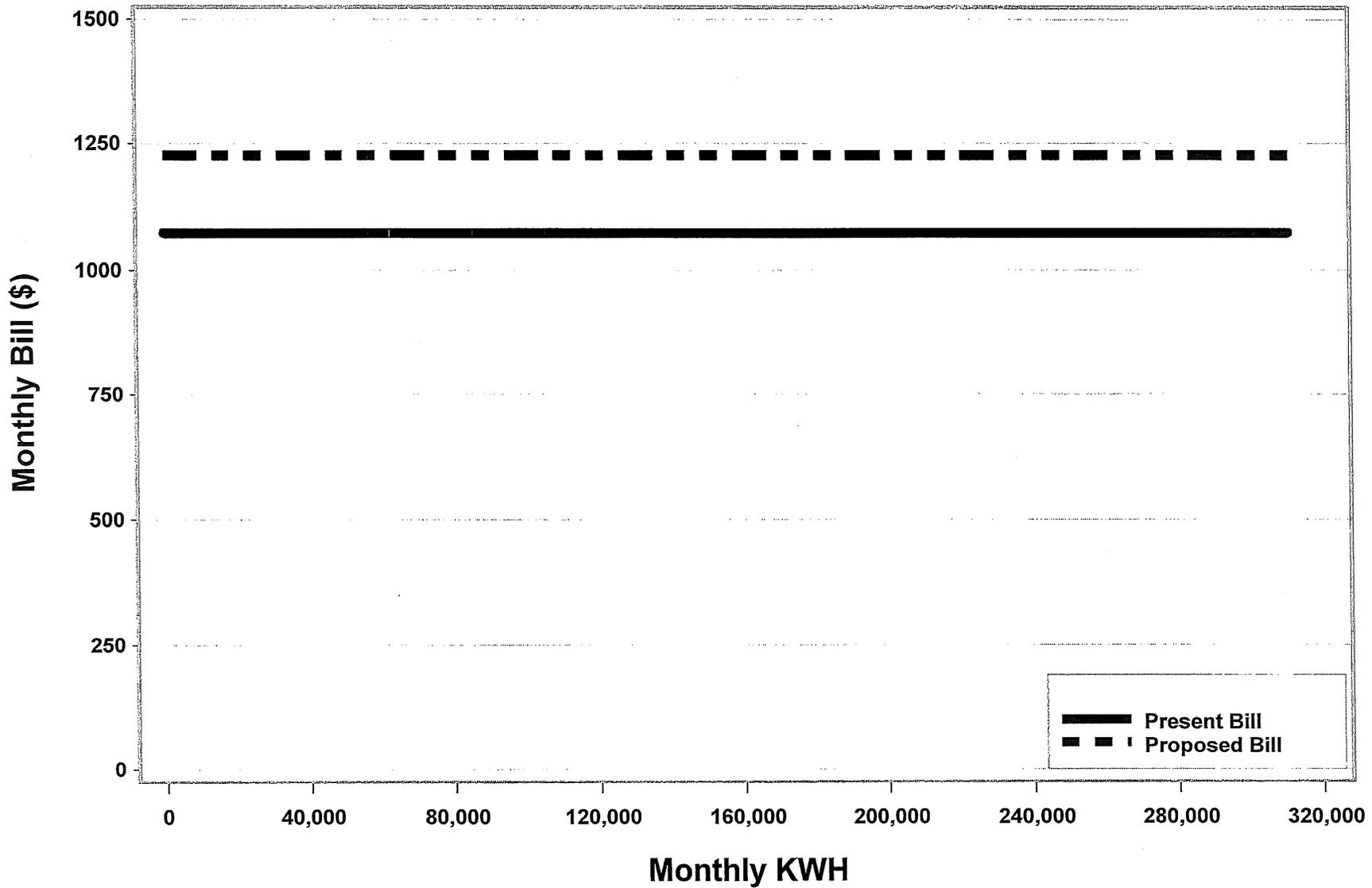
**Percent Increase of Proposed LP4 vs Present LP4 Rate
Average Demand 116 KW
Base Rate (Includes SMR and DSIC)**



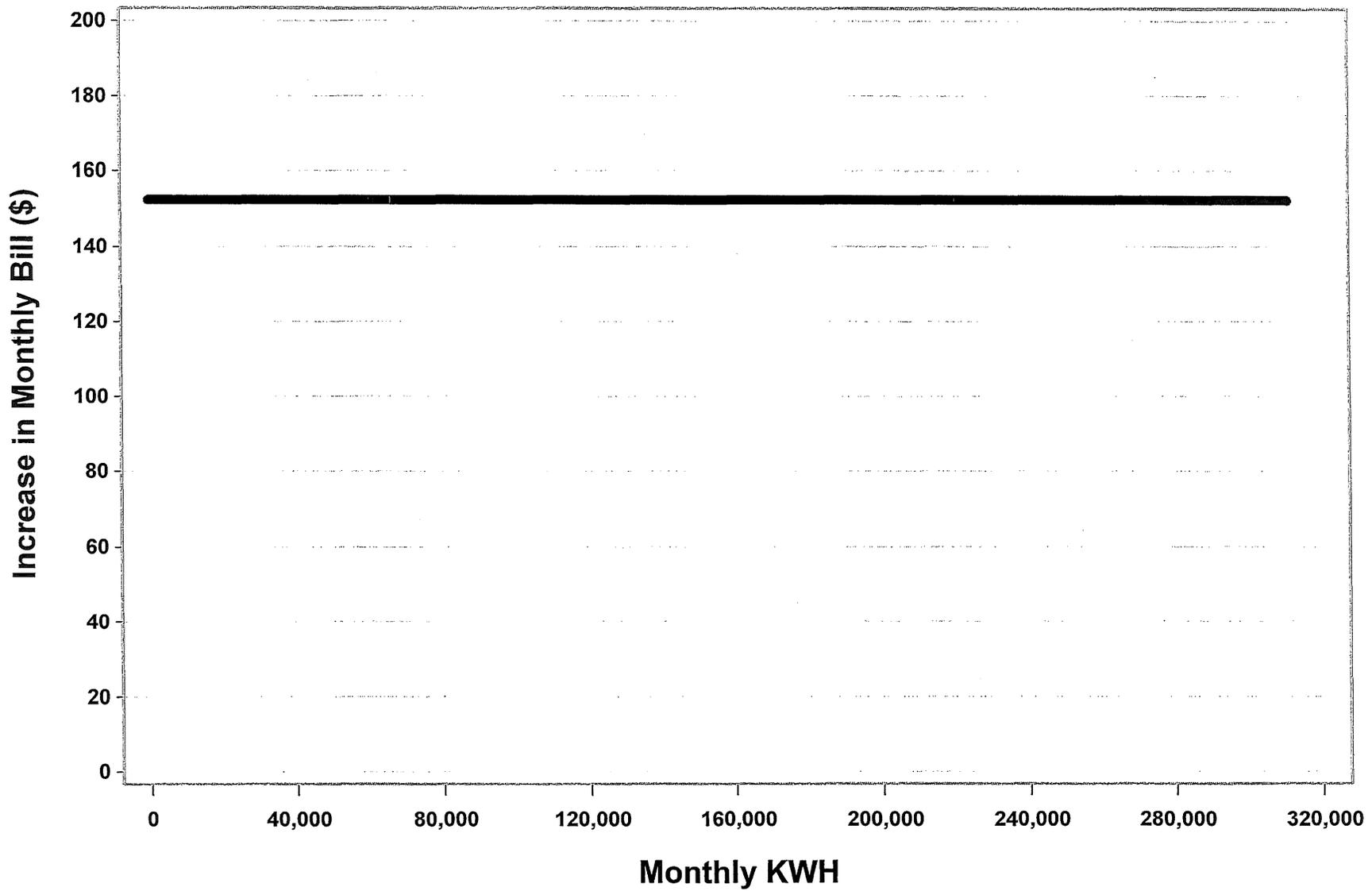
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 116 KW
 Base Rate (Includes SMR and DSIC)
 Present LP4 Rate and Proposed LP4 Rate

A	B Present Bill Present KWH (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference	
	0	436.25	475.33	39.08	8.96
	2,900	436.25	475.33	39.08	8.96
	5,800	436.25	475.33	39.08	8.96
	8,700	436.25	475.33	39.08	8.96
	11,600	436.25	475.33	39.08	8.96
	14,500	436.25	475.33	39.08	8.96
	17,400	436.25	475.33	39.08	8.96
	20,300	436.25	475.33	39.08	8.96
	23,200	436.25	475.33	39.08	8.96
	26,100	436.25	475.33	39.08	8.96
	29,000	436.25	475.33	39.08	8.96
	31,900	436.25	475.33	39.08	8.96
	34,800	436.25	475.33	39.08	8.96
	37,700	436.25	475.33	39.08	8.96
	40,600	436.25	475.33	39.08	8.96
	43,500	436.25	475.33	39.08	8.96
	46,400	436.25	475.33	39.08	8.96
	49,300	436.25	475.33	39.08	8.96
	52,200	436.25	475.33	39.08	8.96
	55,100	436.25	475.33	39.08	8.96
	58,000	436.25	475.33	39.08	8.96
	60,900	436.25	475.33	39.08	8.96
	63,800	436.25	475.33	39.08	8.96
	66,700	436.25	475.33	39.08	8.96
	69,600	436.25	475.33	39.08	8.96
	72,500	436.25	475.33	39.08	8.96
	75,400	436.25	475.33	39.08	8.96
	78,300	436.25	475.33	39.08	8.96
	81,200	436.25	475.33	39.08	8.96
	84,100	436.25	475.33	39.08	8.96
	87,000	436.25	475.33	39.08	8.96

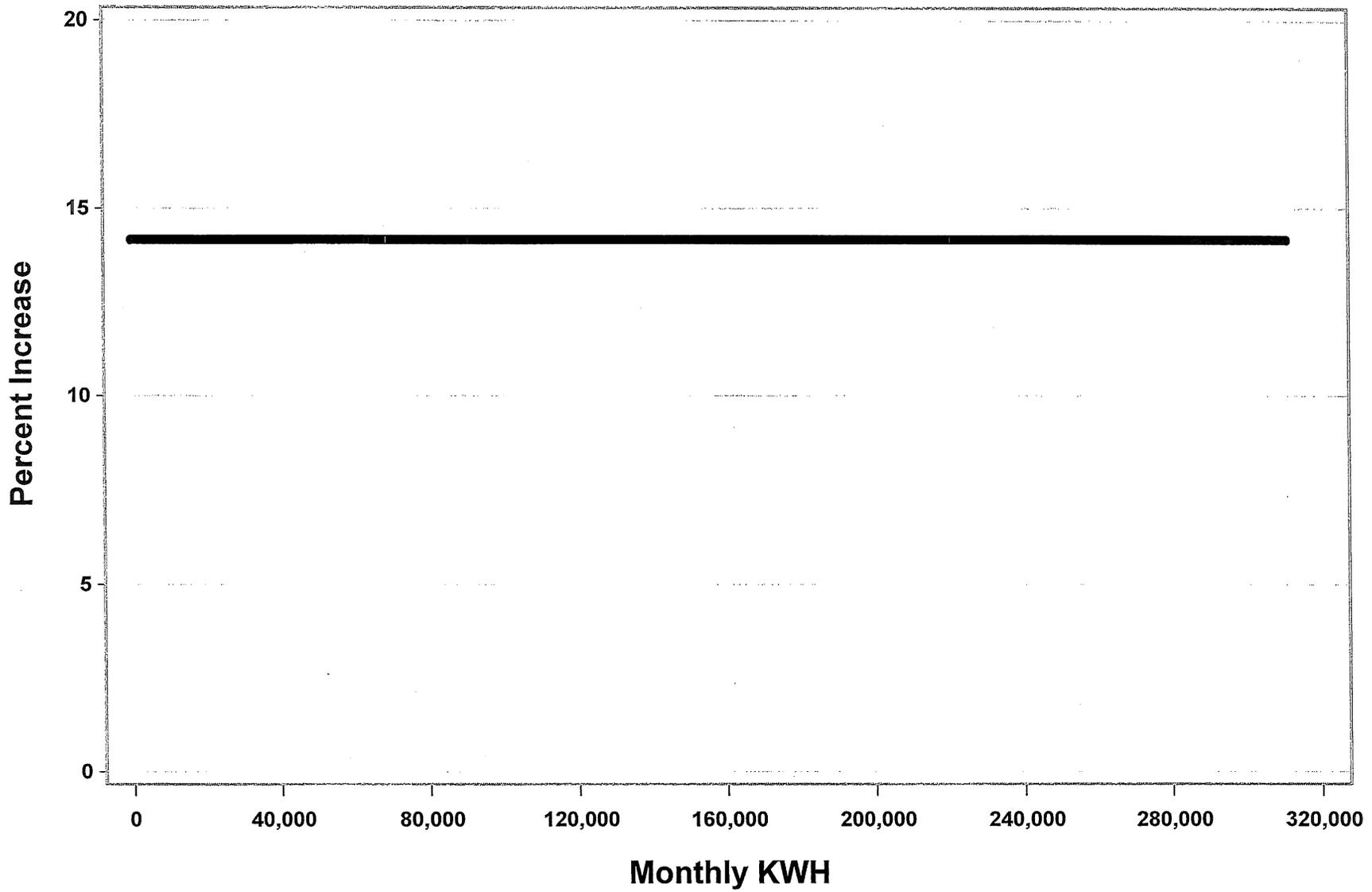
**Proposed LP4 vs Present LP4 Rate
Average Demand 401 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed L vs Present LP4 Rate
Average Demand 401 KW
Base Rate (Includes SMR and DSIC)**



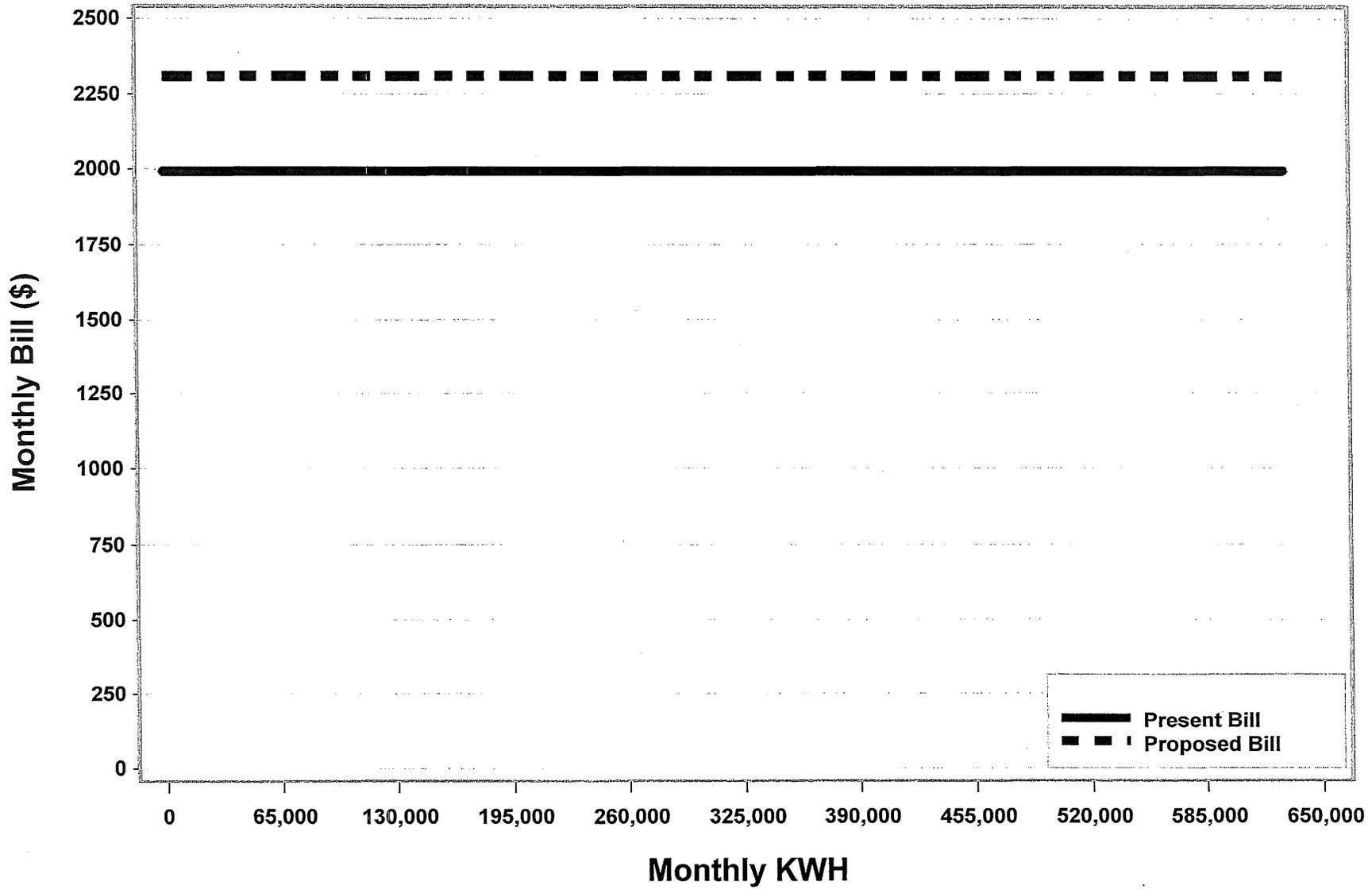
**Percent Increase of Proposed L vs Present LP4 Rate
Average Demand 401 KW
Base Rate (Includes SMR and DSIC)**



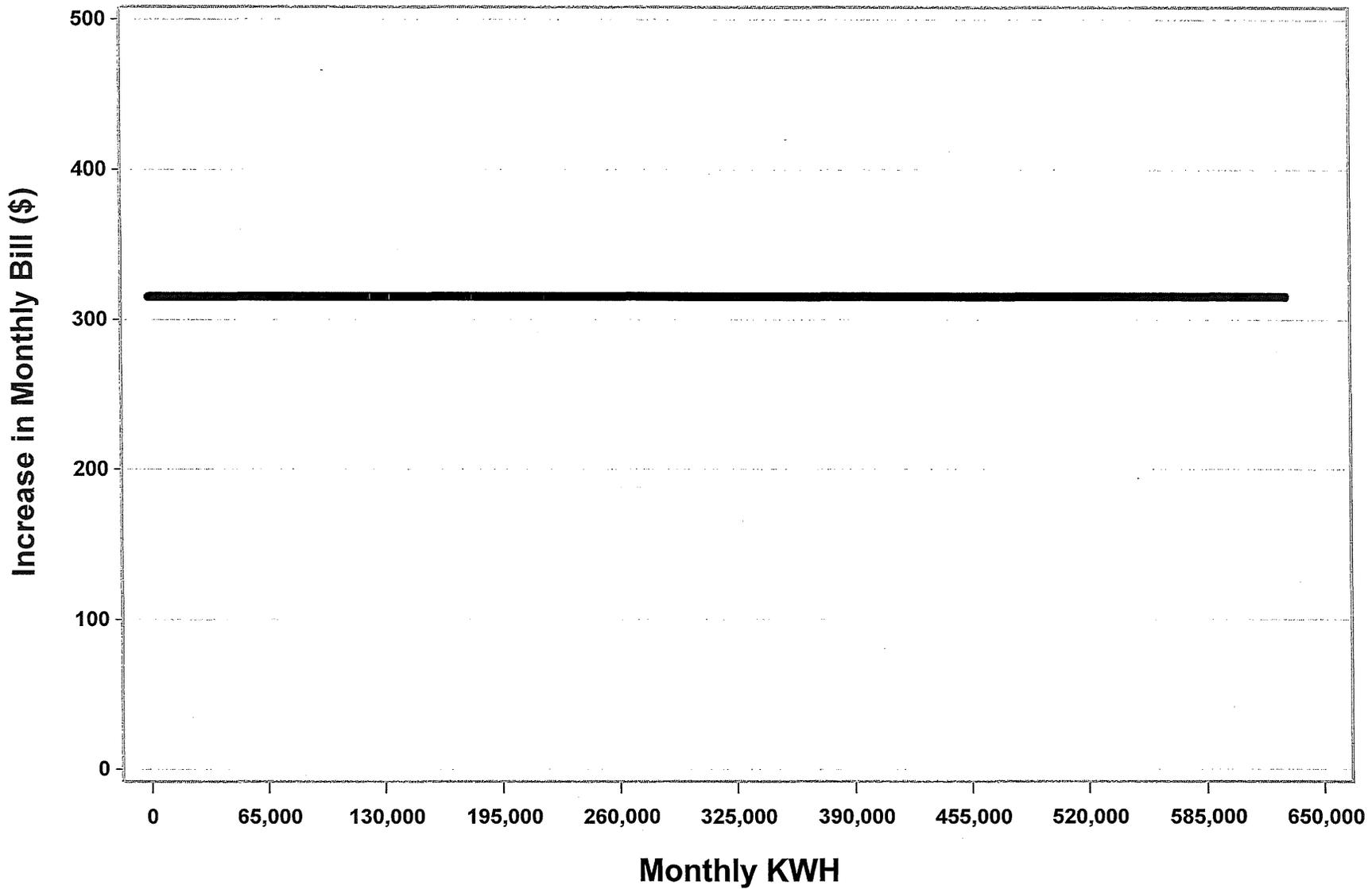
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 401 KW
 Base Rate (Includes SMR and DSIC)
 Present LP4 Rate and Proposed LP4 Rate

A	B	C	D = C - B	E = D/B
	Present Bill	Proposed Bill		
KWH	Present (\$)	Proposed (\$)	Difference (\$)	Percent Difference
0	1,073.78	1,226.02	152.24	14.18
10,025	1,073.78	1,226.02	152.24	14.18
20,050	1,073.78	1,226.02	152.24	14.18
30,075	1,073.78	1,226.02	152.24	14.18
40,100	1,073.78	1,226.02	152.24	14.18
50,125	1,073.78	1,226.02	152.24	14.18
60,150	1,073.78	1,226.02	152.24	14.18
70,175	1,073.78	1,226.02	152.24	14.18
80,200	1,073.78	1,226.02	152.24	14.18
90,225	1,073.78	1,226.02	152.24	14.18
100,250	1,073.78	1,226.02	152.24	14.18
110,275	1,073.78	1,226.02	152.24	14.18
120,300	1,073.78	1,226.02	152.24	14.18
130,325	1,073.78	1,226.02	152.24	14.18
140,350	1,073.78	1,226.02	152.24	14.18
150,375	1,073.78	1,226.02	152.24	14.18
160,400	1,073.78	1,226.02	152.24	14.18
170,425	1,073.78	1,226.02	152.24	14.18
180,450	1,073.78	1,226.02	152.24	14.18
190,475	1,073.78	1,226.02	152.24	14.18
200,500	1,073.78	1,226.02	152.24	14.18
210,525	1,073.78	1,226.02	152.24	14.18
220,550	1,073.78	1,226.02	152.24	14.18
230,575	1,073.78	1,226.02	152.24	14.18
240,600	1,073.78	1,226.02	152.24	14.18
250,625	1,073.78	1,226.02	152.24	14.18
260,650	1,073.78	1,226.02	152.24	14.18
270,675	1,073.78	1,226.02	152.24	14.18
280,700	1,073.78	1,226.02	152.24	14.18
290,725	1,073.78	1,226.02	152.24	14.18
300,750	1,073.78	1,226.02	152.24	14.18
310,775	1,073.78	1,226.02	152.24	14.18

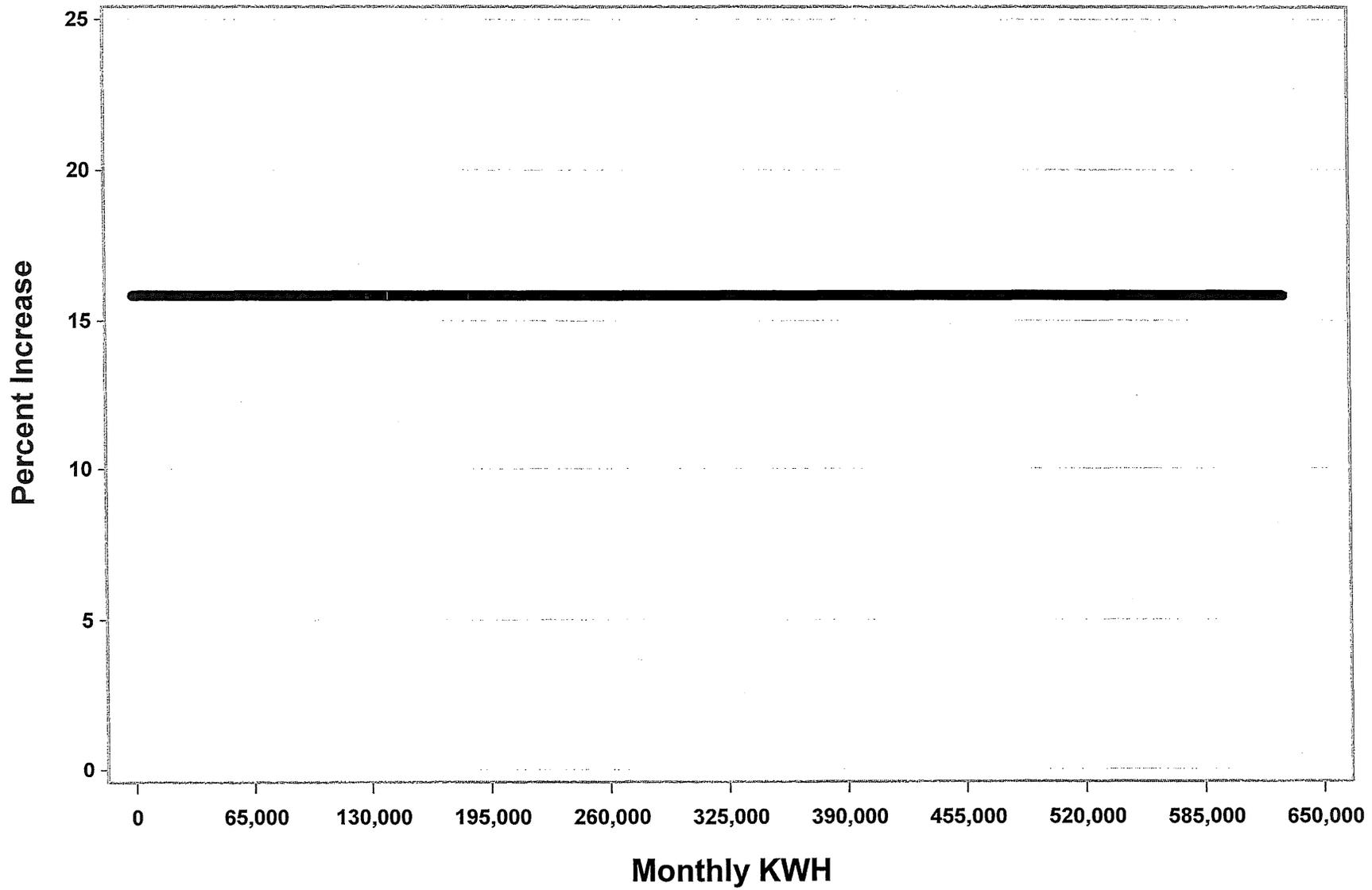
**Proposed LP4 vs Present LP4 Rate
Average Demand 812 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed L vs Present LP4 Rate
Average Demand 812 KW
Base Rate (Includes SMR and DSIC)**



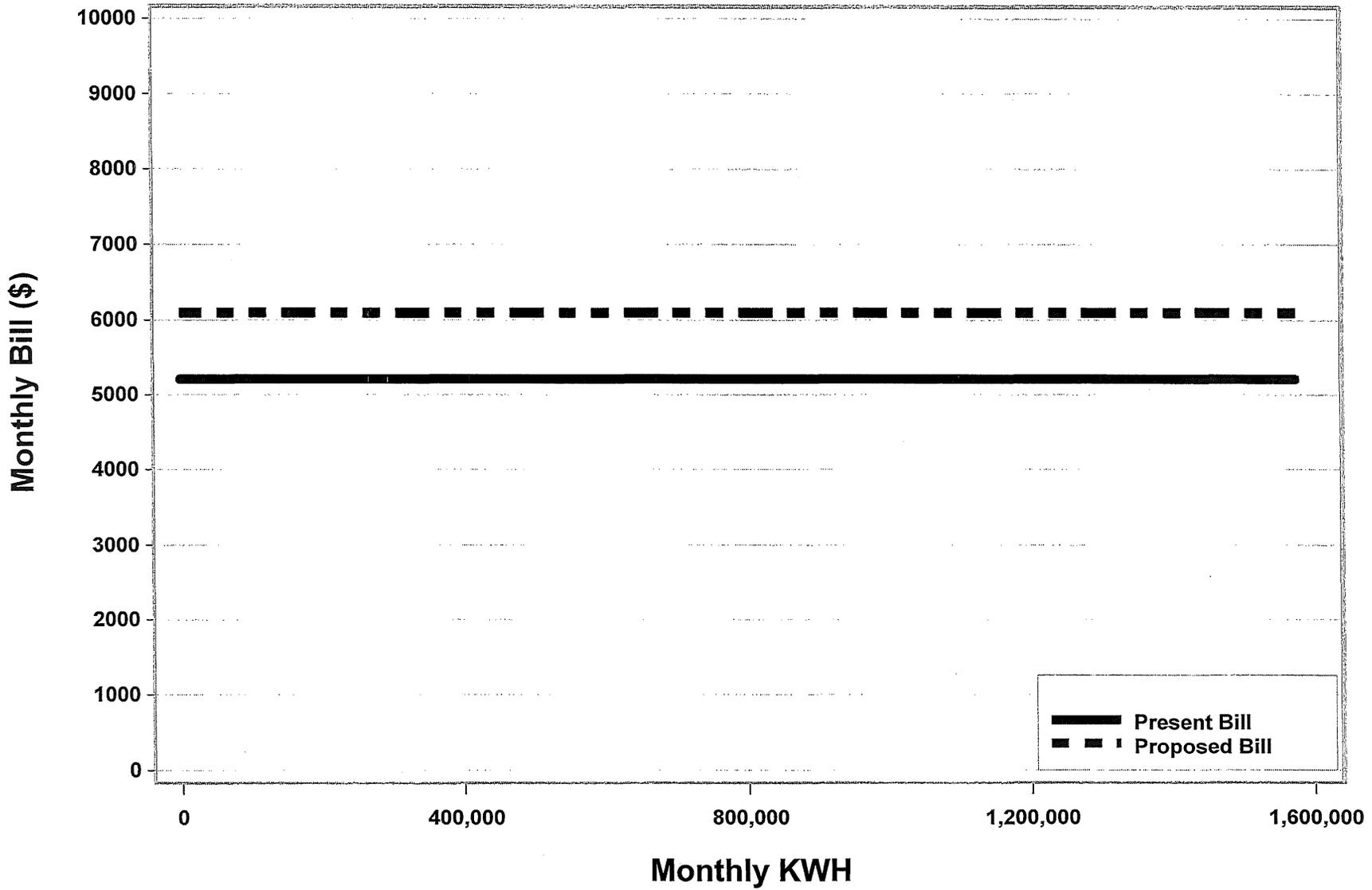
**Percent Increase of Proposed L vs Present LP4 Rate
Average Demand 812 KW
Base Rate (Includes SMR and DSIC)**



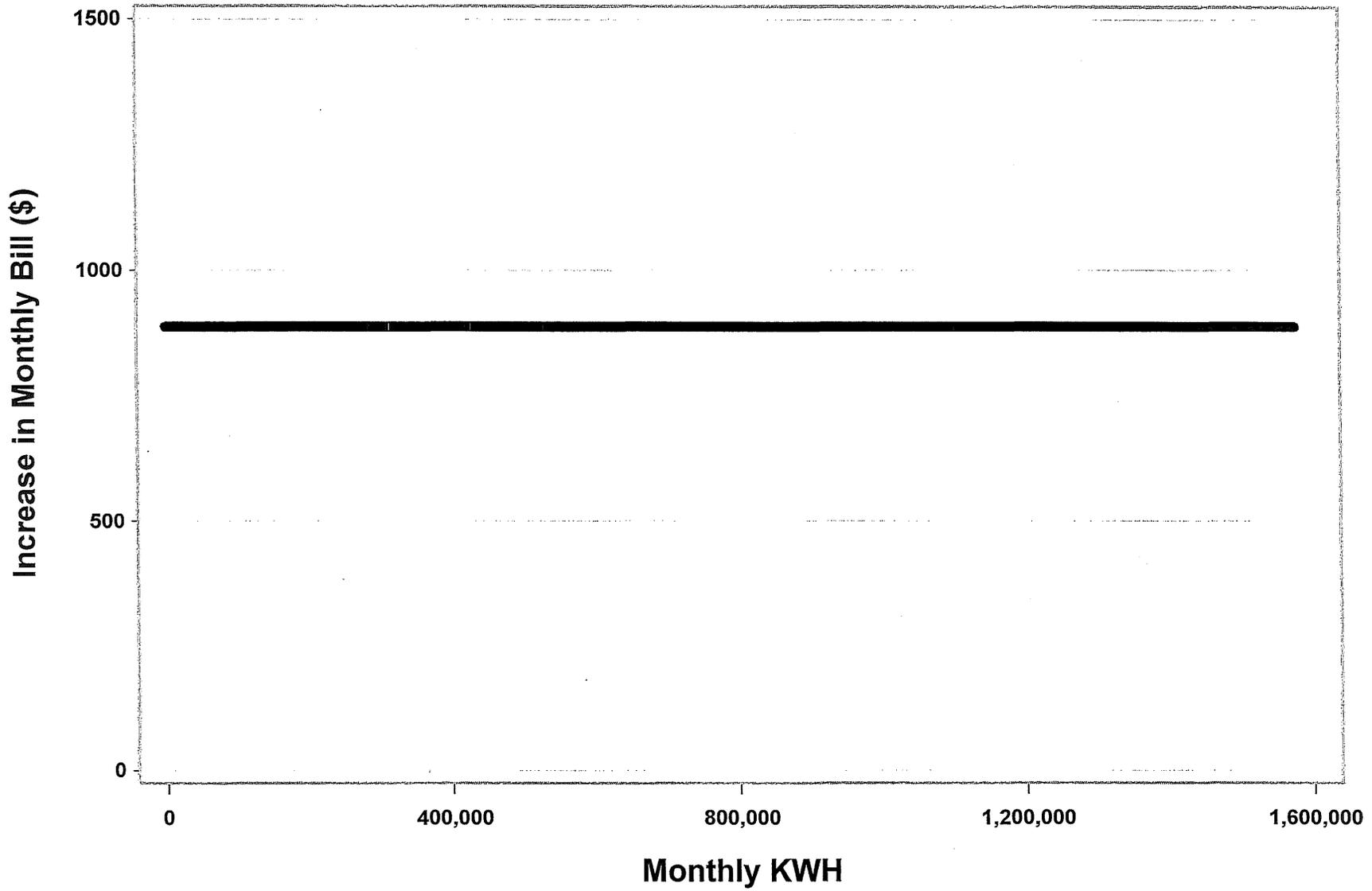
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 812 KW
 Base Rate (Includes SMR and DSIC)
 Present LP4 Rate and Proposed LP4 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	1,993.16	2,308.60	315.44	15.83
20,300	1,993.16	2,308.60	315.44	15.83
40,600	1,993.16	2,308.60	315.44	15.83
60,900	1,993.16	2,308.60	315.44	15.83
81,200	1,993.16	2,308.60	315.44	15.83
101,500	1,993.16	2,308.60	315.44	15.83
121,800	1,993.16	2,308.60	315.44	15.83
142,100	1,993.16	2,308.60	315.44	15.83
162,400	1,993.16	2,308.60	315.44	15.83
182,700	1,993.16	2,308.60	315.44	15.83
203,000	1,993.16	2,308.60	315.44	15.83
223,300	1,993.16	2,308.60	315.44	15.83
243,600	1,993.16	2,308.60	315.44	15.83
263,900	1,993.16	2,308.60	315.44	15.83
284,200	1,993.16	2,308.60	315.44	15.83
304,500	1,993.16	2,308.60	315.44	15.83
324,800	1,993.16	2,308.60	315.44	15.83
345,100	1,993.16	2,308.60	315.44	15.83
365,400	1,993.16	2,308.60	315.44	15.83
385,700	1,993.16	2,308.60	315.44	15.83
406,000	1,993.16	2,308.60	315.44	15.83
426,300	1,993.16	2,308.60	315.44	15.83
446,600	1,993.16	2,308.60	315.44	15.83
466,900	1,993.16	2,308.60	315.44	15.83
487,200	1,993.16	2,308.60	315.44	15.83
507,500	1,993.16	2,308.60	315.44	15.83
527,800	1,993.16	2,308.60	315.44	15.83
548,100	1,993.16	2,308.60	315.44	15.83
568,400	1,993.16	2,308.60	315.44	15.83
588,700	1,993.16	2,308.60	315.44	15.83
609,000	1,993.16	2,308.60	315.44	15.83
629,300	1,993.16	2,308.60	315.44	15.83

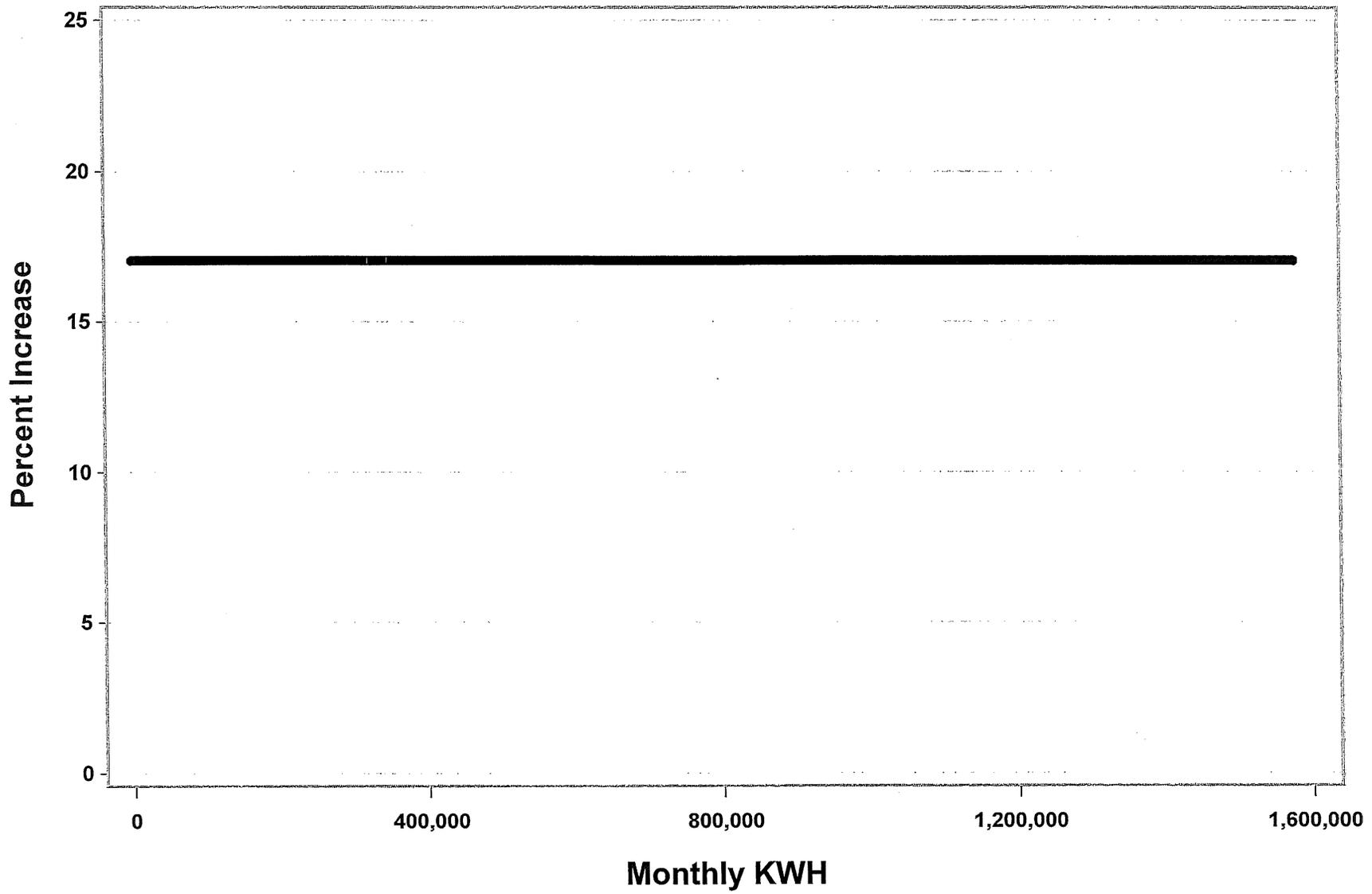
**Proposed LP4 vs Present LP4 Rate
Average Demand 2250 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed LP4 vs Present LP4 Rate
Average Demand 2250 KW
Base Rate (Includes SMR and DSIC)**



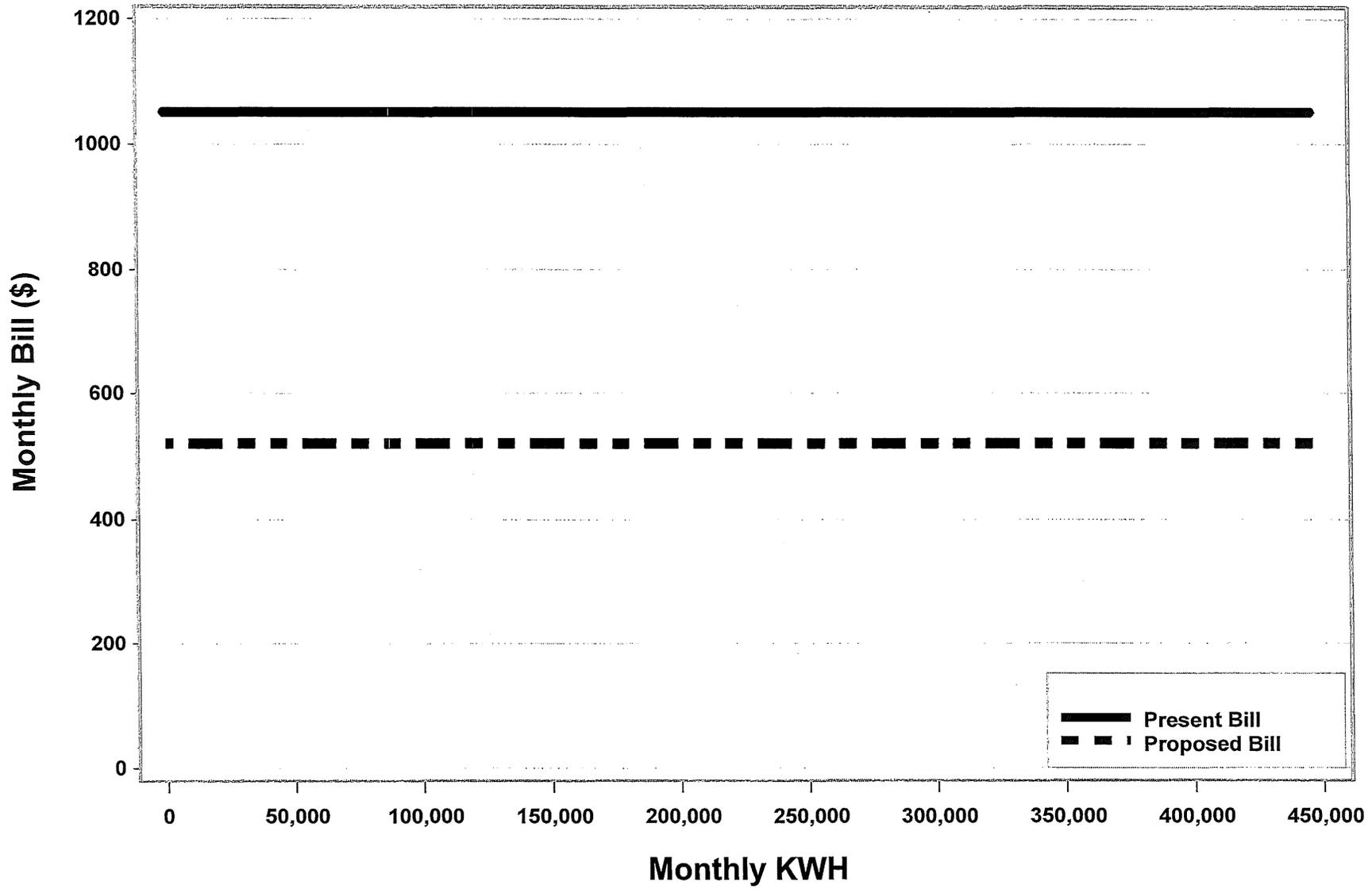
**Percent Increase of Proposed LP4 vs Present LP4 Rate
Average Demand 2250 KW
Base Rate (Includes SMR and DSIC)**



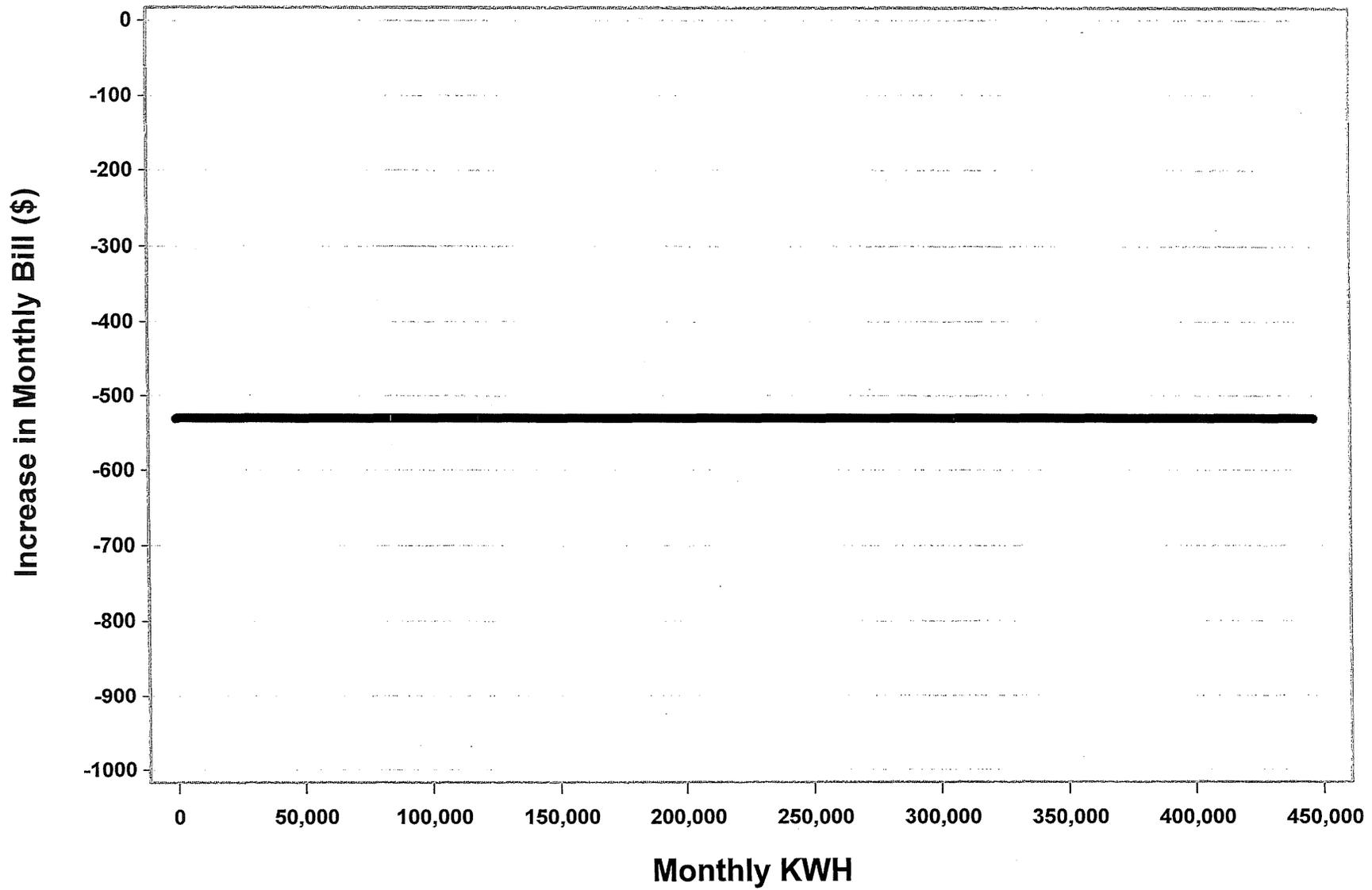
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 2250 KW
 Base Rate (Includes SMR and DSIC)
 Present LP4 Rate and Proposed LP4 Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
KWH				
0	5,209.87	6,096.29	886.42	17.01
56,250	5,209.87	6,096.29	886.42	17.01
112,500	5,209.87	6,096.29	886.42	17.01
168,750	5,209.87	6,096.29	886.42	17.01
225,000	5,209.87	6,096.29	886.42	17.01
281,250	5,209.87	6,096.29	886.42	17.01
337,500	5,209.87	6,096.29	886.42	17.01
393,750	5,209.87	6,096.29	886.42	17.01
450,000	5,209.87	6,096.29	886.42	17.01
506,250	5,209.87	6,096.29	886.42	17.01
562,500	5,209.87	6,096.29	886.42	17.01
618,750	5,209.87	6,096.29	886.42	17.01
675,000	5,209.87	6,096.29	886.42	17.01
731,250	5,209.87	6,096.29	886.42	17.01
787,500	5,209.87	6,096.29	886.42	17.01
843,750	5,209.87	6,096.29	886.42	17.01
900,000	5,209.87	6,096.29	886.42	17.01
956,250	5,209.87	6,096.29	886.42	17.01
1,012,500	5,209.87	6,096.29	886.42	17.01
1,068,750	5,209.87	6,096.29	886.42	17.01
1,125,000	5,209.87	6,096.29	886.42	17.01
1,181,250	5,209.87	6,096.29	886.42	17.01
1,237,500	5,209.87	6,096.29	886.42	17.01
1,293,750	5,209.87	6,096.29	886.42	17.01
1,350,000	5,209.87	6,096.29	886.42	17.01
1,406,250	5,209.87	6,096.29	886.42	17.01
1,462,500	5,209.87	6,096.29	886.42	17.01
1,518,750	5,209.87	6,096.29	886.42	17.01
1,575,000	5,209.87	6,096.29	886.42	17.01
1,631,250	5,209.87	6,096.29	886.42	17.01
1,687,500	5,209.87	6,096.29	886.42	17.01

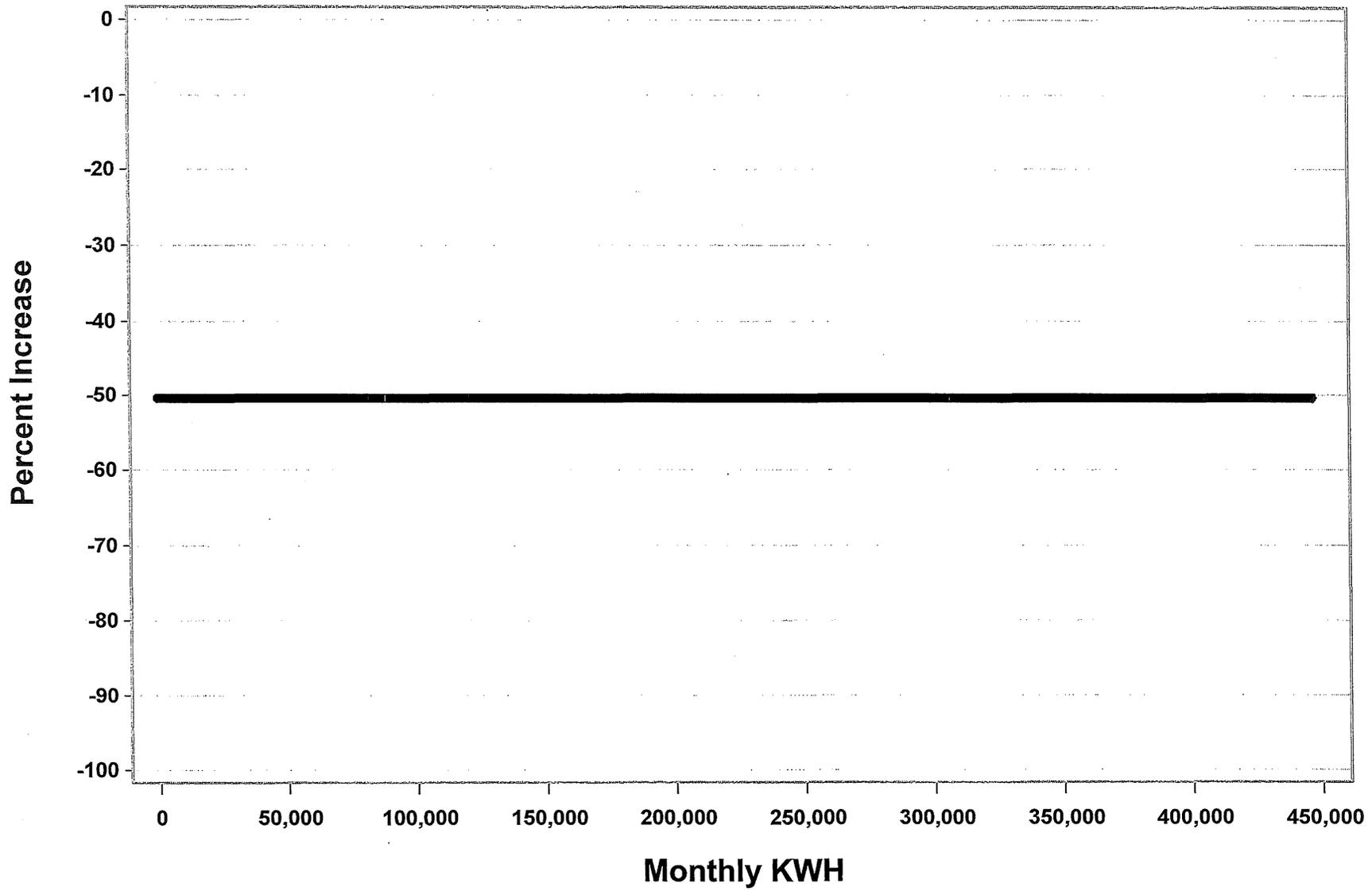
**Proposed LP5 vs Present LP5 Rate
Average Demand 595 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed L vs Present LP5 Rate
Average Demand 595 KW
Base Rate (Includes SMR and DSIC)**



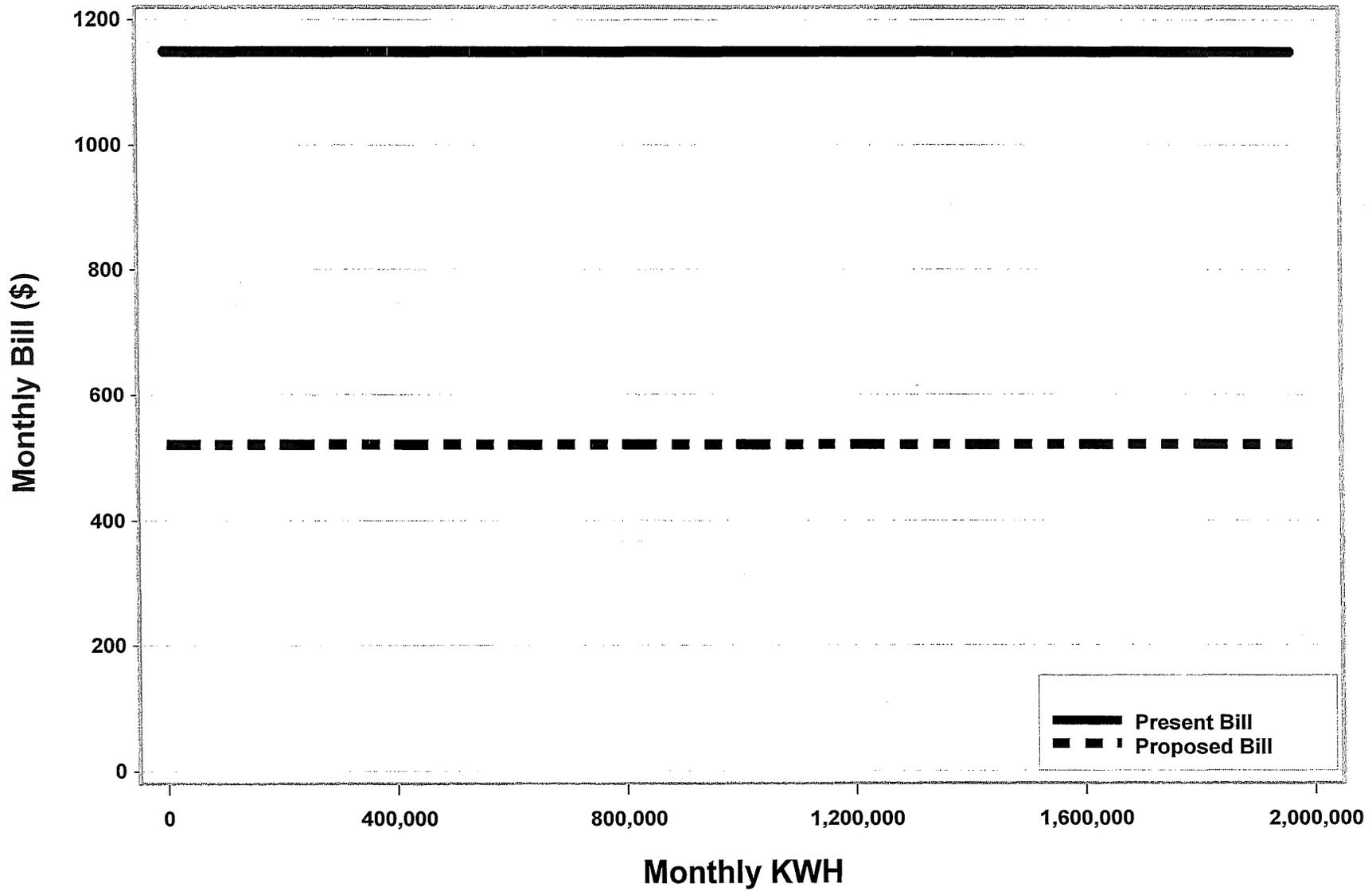
**Percent Increase of Proposed L vs Present LP5 Rate
Average Demand 595 KW
Base Rate (Includes SMR and DSIC)**



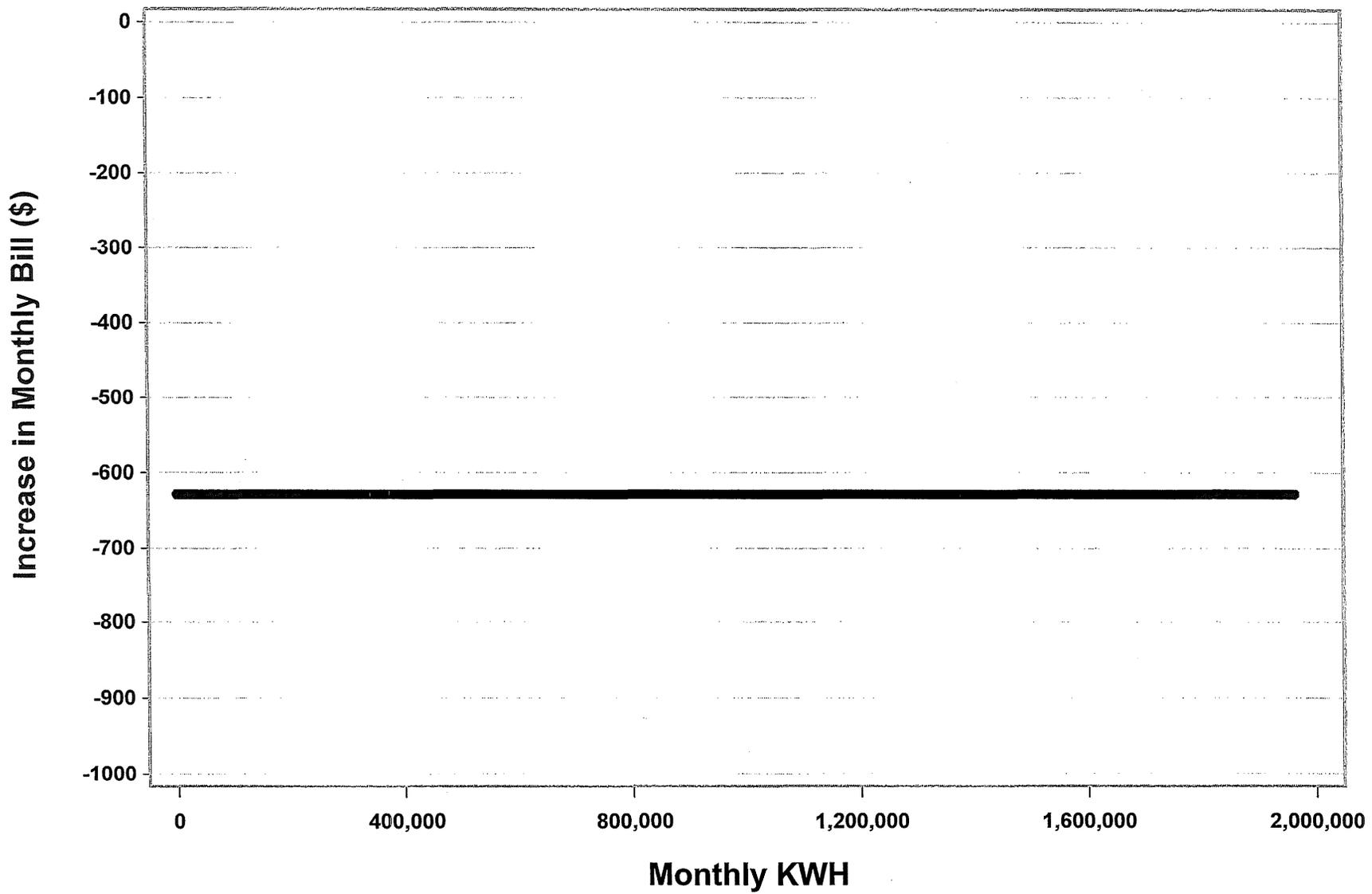
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 595 KW
 Base Rate (Includes SMR and DSIC)
 Present LP5 Rate and Proposed LP5 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	1,052.07	521.89	-530.18	-50.39
14,875	1,052.07	521.89	-530.18	-50.39
29,750	1,052.07	521.89	-530.18	-50.39
44,625	1,052.07	521.89	-530.18	-50.39
59,500	1,052.07	521.89	-530.18	-50.39
74,375	1,052.07	521.89	-530.18	-50.39
89,250	1,052.07	521.89	-530.18	-50.39
104,125	1,052.07	521.89	-530.18	-50.39
119,000	1,052.07	521.89	-530.18	-50.39
133,875	1,052.07	521.89	-530.18	-50.39
148,750	1,052.07	521.89	-530.18	-50.39
163,625	1,052.07	521.89	-530.18	-50.39
178,500	1,052.07	521.89	-530.18	-50.39
193,375	1,052.07	521.89	-530.18	-50.39
208,250	1,052.07	521.89	-530.18	-50.39
223,125	1,052.07	521.89	-530.18	-50.39
238,000	1,052.07	521.89	-530.18	-50.39
252,875	1,052.07	521.89	-530.18	-50.39
267,750	1,052.07	521.89	-530.18	-50.39
282,625	1,052.07	521.89	-530.18	-50.39
297,500	1,052.07	521.89	-530.18	-50.39
312,375	1,052.07	521.89	-530.18	-50.39
327,250	1,052.07	521.89	-530.18	-50.39
342,125	1,052.07	521.89	-530.18	-50.39
357,000	1,052.07	521.89	-530.18	-50.39
371,875	1,052.07	521.89	-530.18	-50.39
386,750	1,052.07	521.89	-530.18	-50.39
401,625	1,052.07	521.89	-530.18	-50.39
416,500	1,052.07	521.89	-530.18	-50.39
431,375	1,052.07	521.89	-530.18	-50.39
446,250	1,052.07	521.89	-530.18	-50.39

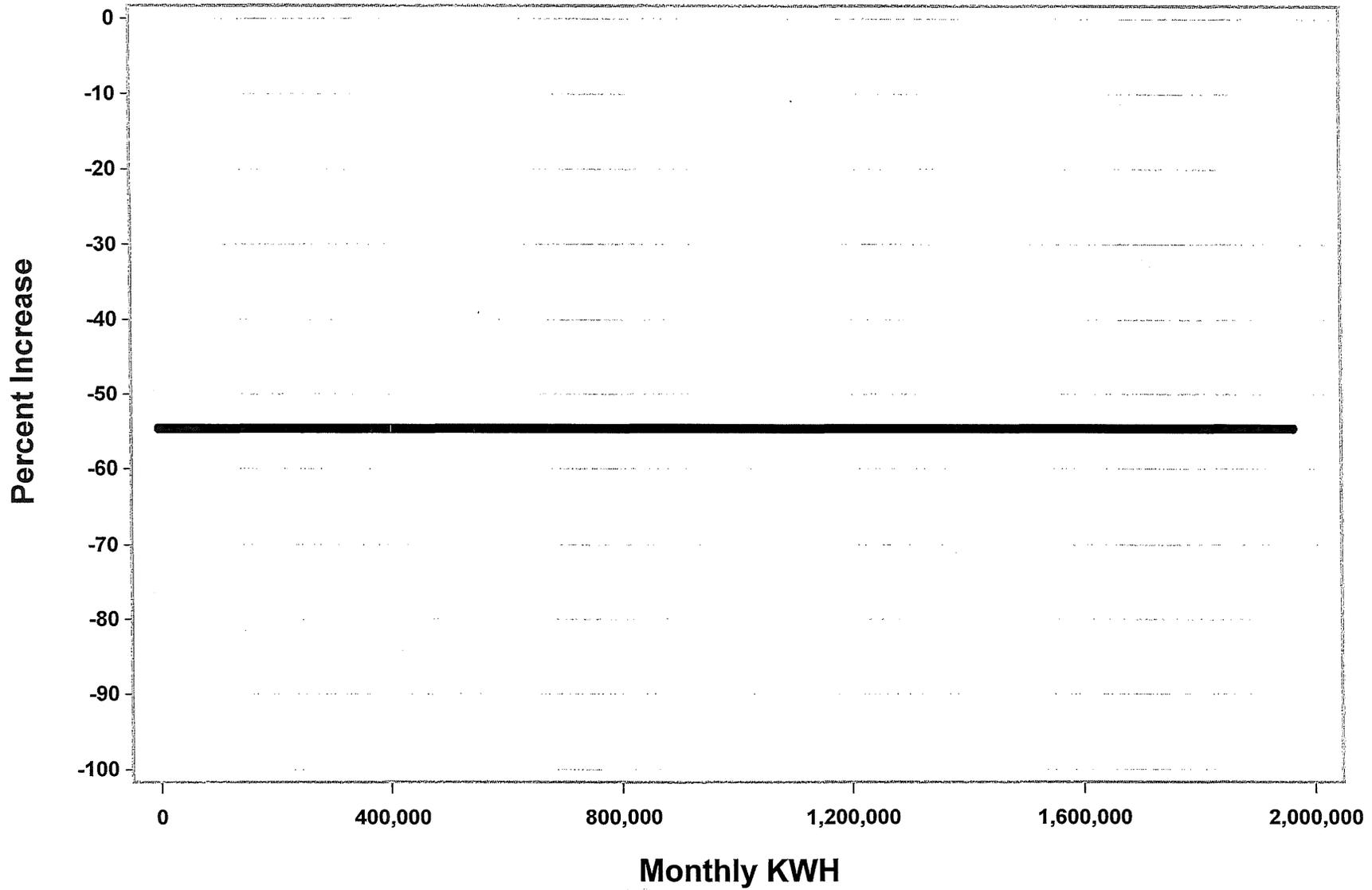
**Proposed LP5 vs Present LP5 Rate
Average Demand 2909 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed LP vs Present LP5 Rate
Average Demand 2909 KW
Base Rate (Includes SMR and DSIC)**



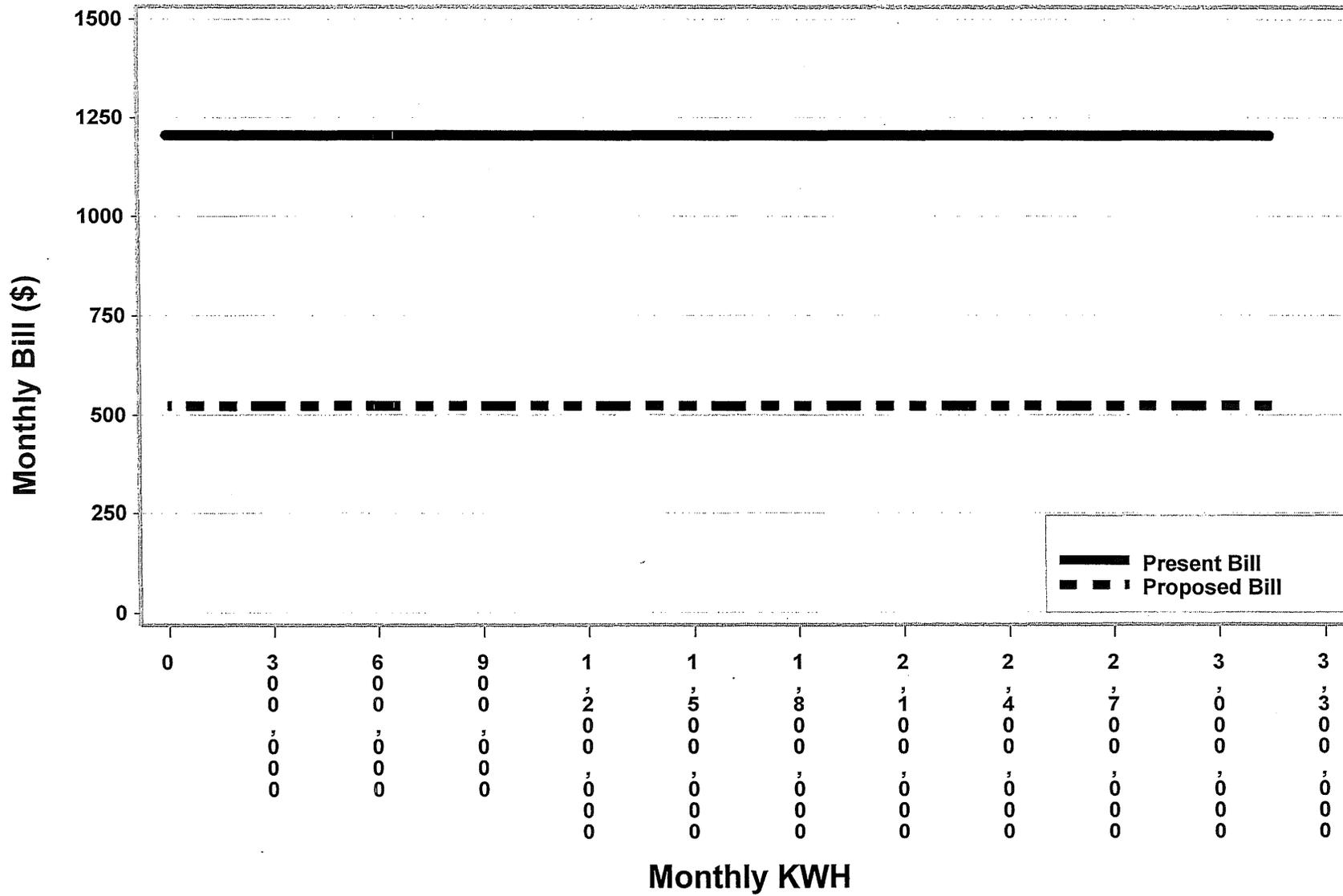
**Percent Increase of Proposed L₅ vs Present LP5 Rate
Average Demand 2909 KW
Base Rate (Includes SMR and DSIC)**



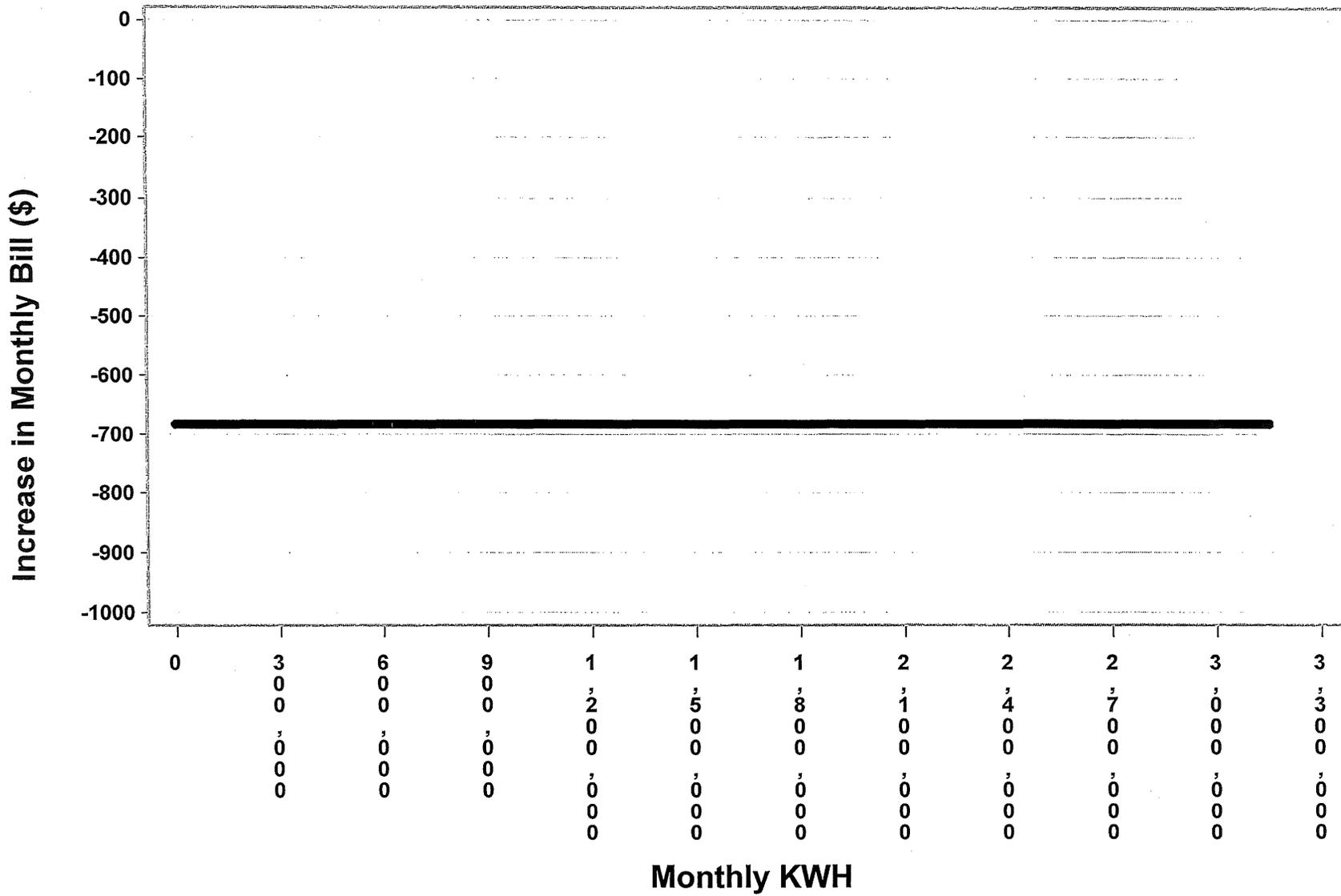
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 2909 KW
 Base Rate (Includes SMR and DSIC)
 Present LP5 Rate and Proposed LP5 Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
KWH				
0	1,149.81	521.89	-627.92	-54.61
72,725	1,149.81	521.89	-627.92	-54.61
145,450	1,149.81	521.89	-627.92	-54.61
218,175	1,149.81	521.89	-627.92	-54.61
290,900	1,149.81	521.89	-627.92	-54.61
363,625	1,149.81	521.89	-627.92	-54.61
436,350	1,149.81	521.89	-627.92	-54.61
509,075	1,149.81	521.89	-627.92	-54.61
581,800	1,149.81	521.89	-627.92	-54.61
654,525	1,149.81	521.89	-627.92	-54.61
727,250	1,149.81	521.89	-627.92	-54.61
799,975	1,149.81	521.89	-627.92	-54.61
872,700	1,149.81	521.89	-627.92	-54.61
945,425	1,149.81	521.89	-627.92	-54.61
1,018,150	1,149.81	521.89	-627.92	-54.61
1,090,875	1,149.81	521.89	-627.92	-54.61
1,163,600	1,149.81	521.89	-627.92	-54.61
1,236,325	1,149.81	521.89	-627.92	-54.61
1,309,050	1,149.81	521.89	-627.92	-54.61
1,381,775	1,149.81	521.89	-627.92	-54.61
1,454,500	1,149.81	521.89	-627.92	-54.61
1,527,225	1,149.81	521.89	-627.92	-54.61
1,599,950	1,149.81	521.89	-627.92	-54.61
1,672,675	1,149.81	521.89	-627.92	-54.61
1,745,400	1,149.81	521.89	-627.92	-54.61
1,818,125	1,149.81	521.89	-627.92	-54.61
1,890,850	1,149.81	521.89	-627.92	-54.61
1,963,575	1,149.81	521.89	-627.92	-54.61
2,036,300	1,149.81	521.89	-627.92	-54.61
2,109,025	1,149.81	521.89	-627.92	-54.61
2,181,750	1,149.81	521.89	-627.92	-54.61

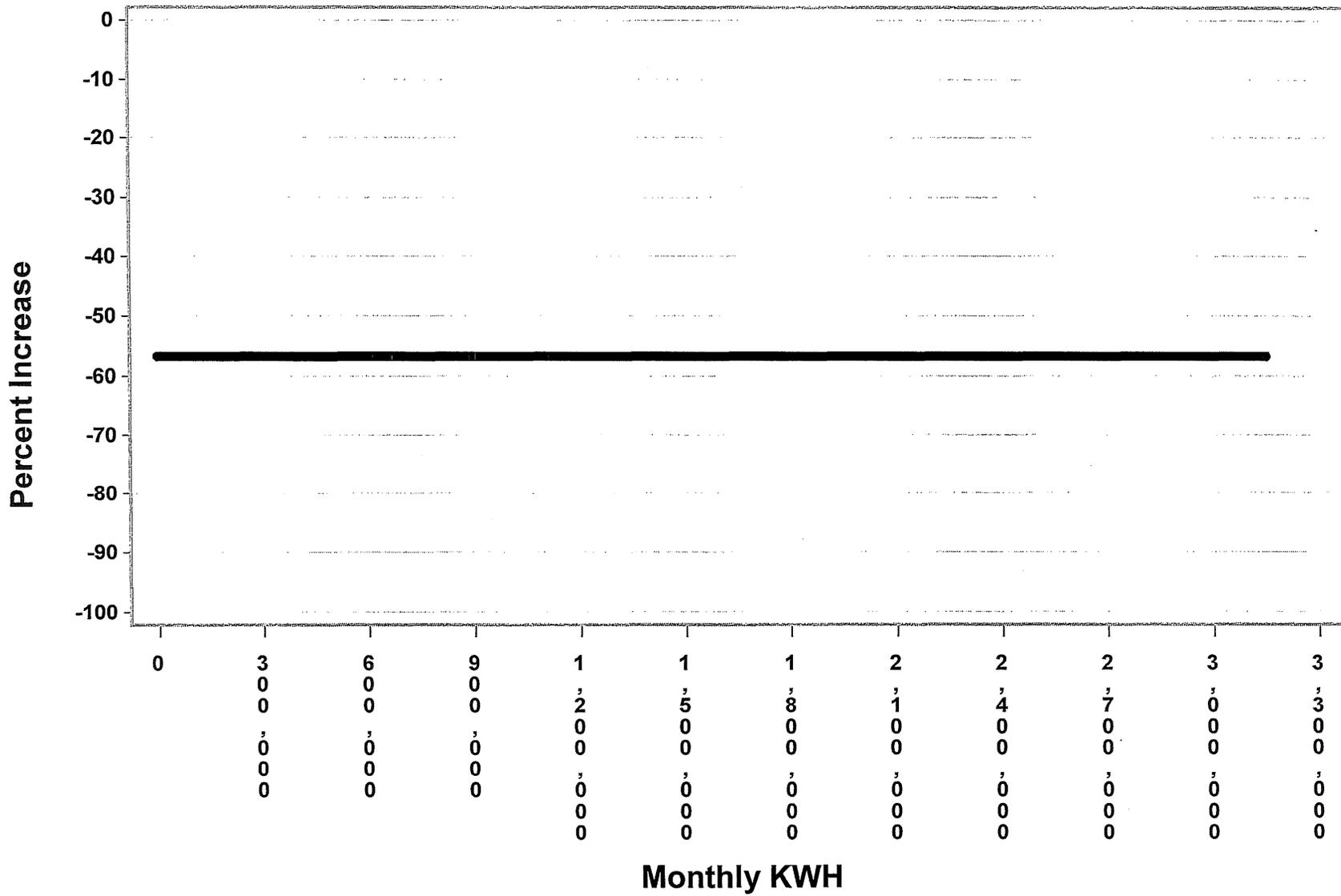
**Proposed LP5 vs Present LP5 Rate
Average Demand 4201 KW
Base Rate (Includes SMR and DSIC)**



**Dollar Difference of Proposed LP vs Present LP5 Rate
Average Demand 4201 KW
Base Rate (Includes SMR and DSIC)**



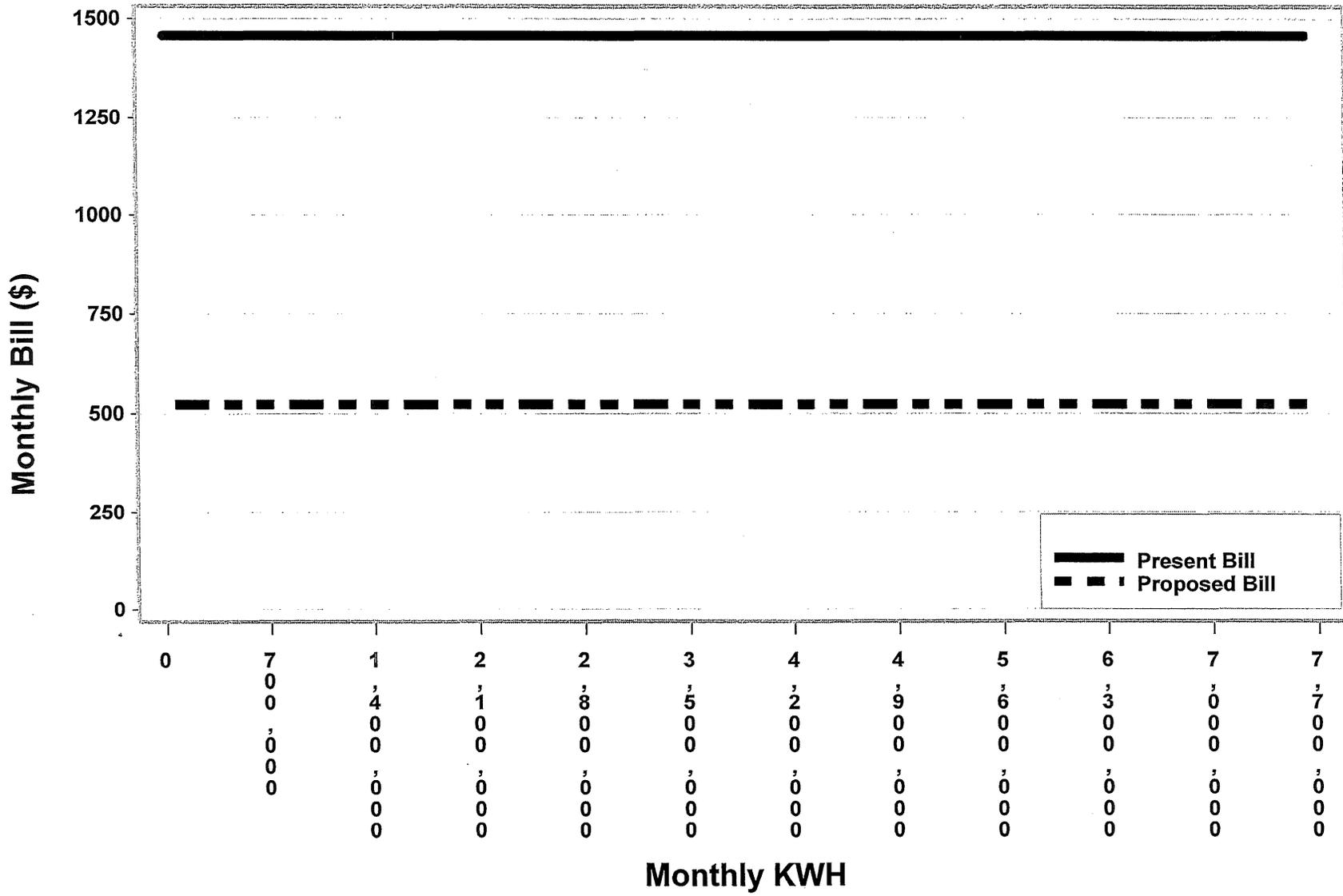
**Percent Increase of Proposed L₅ vs Present LP5 Rate
Average Demand 4201 KW
Base Rate (Includes SMR and DSIC)**



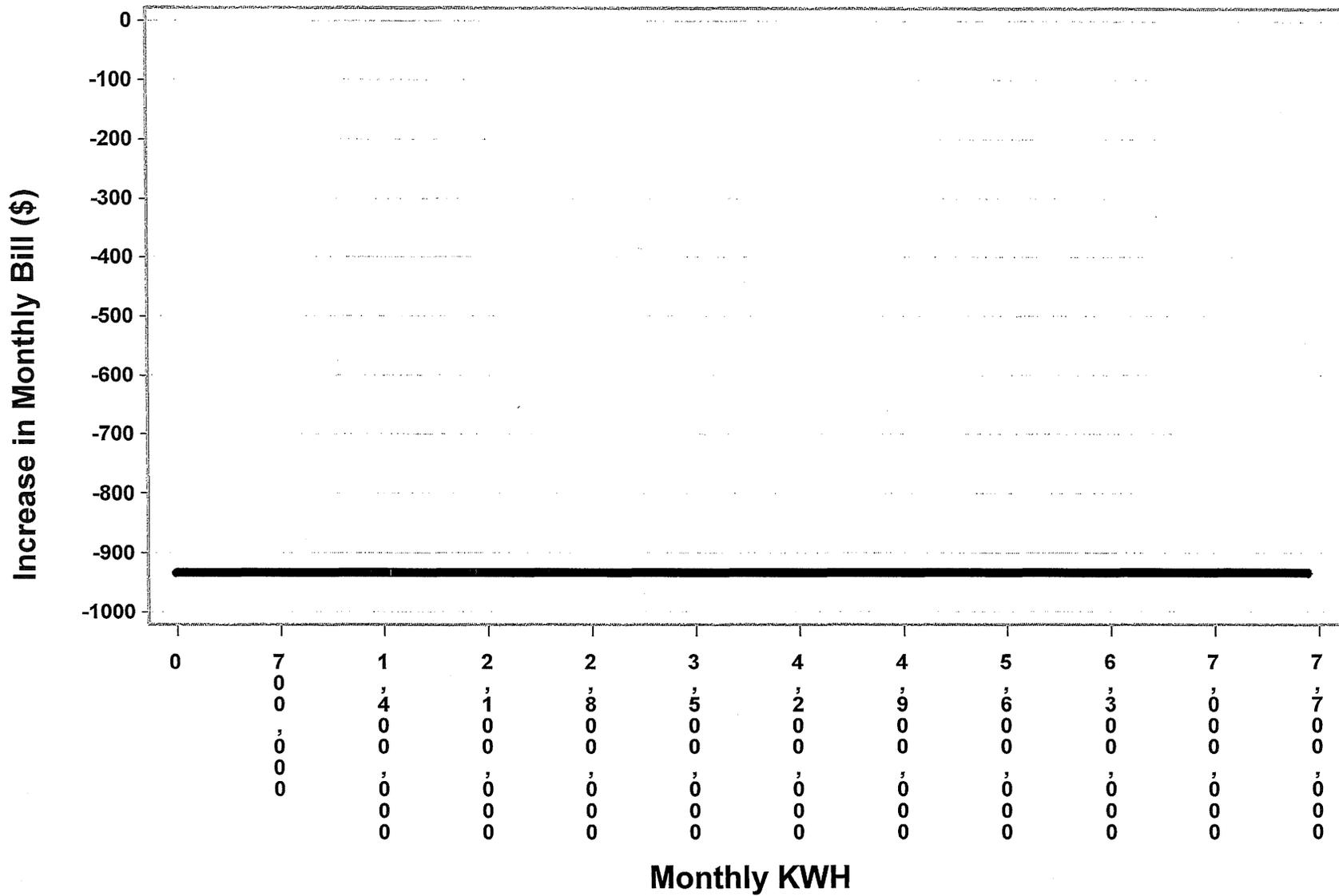
PPL Electric Utilities
 Rate Revenue Comparison
 Average Demand of 4201 KW
 Base Rate (Includes SMR and DSIC)
 Present LP5 Rate and Proposed LP5 Rate

A	B	C	D = C - B	E = D/B
KWH	Present Bill Present (\$)	Proposed Bill Proposed (\$)	Difference (\$)	Percent Difference
0	1,204.39	521.89	-682.50	-56.67
105,025	1,204.39	521.89	-682.50	-56.67
210,050	1,204.39	521.89	-682.50	-56.67
315,075	1,204.39	521.89	-682.50	-56.67
420,100	1,204.39	521.89	-682.50	-56.67
525,125	1,204.39	521.89	-682.50	-56.67
630,150	1,204.39	521.89	-682.50	-56.67
735,175	1,204.39	521.89	-682.50	-56.67
840,200	1,204.39	521.89	-682.50	-56.67
945,225	1,204.39	521.89	-682.50	-56.67
1,050,250	1,204.39	521.89	-682.50	-56.67
1,155,275	1,204.39	521.89	-682.50	-56.67
1,260,300	1,204.39	521.89	-682.50	-56.67
1,365,325	1,204.39	521.89	-682.50	-56.67
1,470,350	1,204.39	521.89	-682.50	-56.67
1,575,375	1,204.39	521.89	-682.50	-56.67
1,680,400	1,204.39	521.89	-682.50	-56.67
1,785,425	1,204.39	521.89	-682.50	-56.67
1,890,450	1,204.39	521.89	-682.50	-56.67
1,995,475	1,204.39	521.89	-682.50	-56.67
2,100,500	1,204.39	521.89	-682.50	-56.67
2,205,525	1,204.39	521.89	-682.50	-56.67
2,310,550	1,204.39	521.89	-682.50	-56.67
2,415,575	1,204.39	521.89	-682.50	-56.67
2,520,600	1,204.39	521.89	-682.50	-56.67
2,625,625	1,204.39	521.89	-682.50	-56.67
2,730,650	1,204.39	521.89	-682.50	-56.67
2,835,675	1,204.39	521.89	-682.50	-56.67
2,940,700	1,204.39	521.89	-682.50	-56.67
3,045,725	1,204.39	521.89	-682.50	-56.67
3,150,750	1,204.39	521.89	-682.50	-56.67

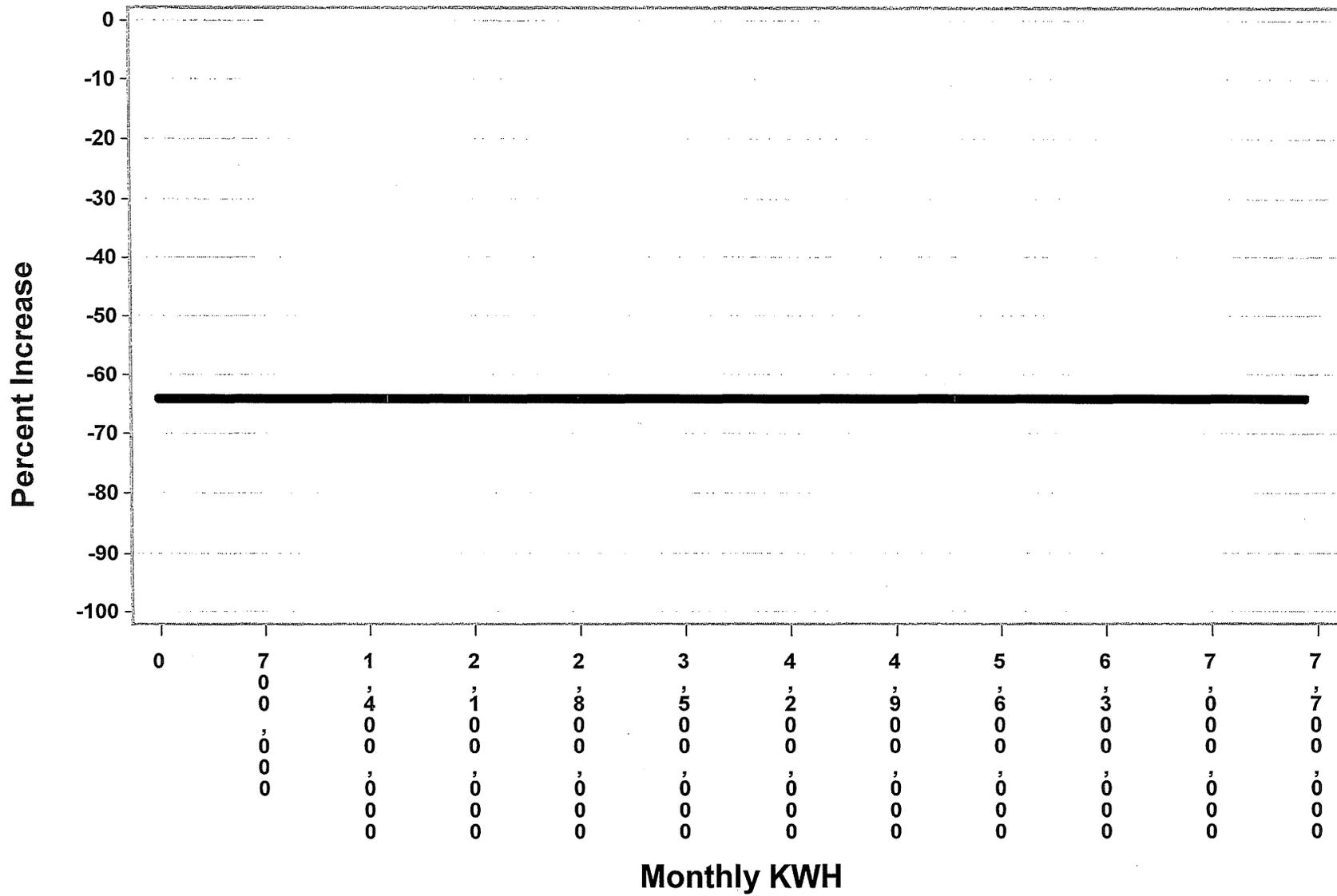
Proposed LP5 vs Present LP5 Rate
 Average Demand 10162 KW
 Base Rate (Includes SMR and DSIC)



**Dollar Difference of Proposed L vs Present LP5 Rate
Average Demand 10162 KW
Base Rate (Includes SMR and DSIC)**



**Percent Increase of Proposed LP vs Present LP5 Rate
Average Demand 10162 KW
Base Rate (Includes SMR and DSIC)**



PPL Electric Utilities
Rate Revenue Comparison
Average Demand of 10162 KW
Base Rate (Includes SMR and DSIC)
Present LP5 Rate and Proposed LP5 Rate

A	B Present Bill Present (\$)	C Proposed Bill Proposed (\$)	D = C - B Difference (\$)	E = D/B Percent Difference
KWH				
0	1,456.19	521.89	-934.30	-64.16
254,050	1,456.19	521.89	-934.30	-64.16
508,100	1,456.19	521.89	-934.30	-64.16
762,150	1,456.19	521.89	-934.30	-64.16
1,016,200	1,456.19	521.89	-934.30	-64.16
1,270,250	1,456.19	521.89	-934.30	-64.16
1,524,300	1,456.19	521.89	-934.30	-64.16
1,778,350	1,456.19	521.89	-934.30	-64.16
2,032,400	1,456.19	521.89	-934.30	-64.16
2,286,450	1,456.19	521.89	-934.30	-64.16
2,540,500	1,456.19	521.89	-934.30	-64.16
2,794,550	1,456.19	521.89	-934.30	-64.16
3,048,600	1,456.19	521.89	-934.30	-64.16
3,302,650	1,456.19	521.89	-934.30	-64.16
3,556,700	1,456.19	521.89	-934.30	-64.16
3,810,750	1,456.19	521.89	-934.30	-64.16
4,064,800	1,456.19	521.89	-934.30	-64.16
4,318,850	1,456.19	521.89	-934.30	-64.16
4,572,900	1,456.19	521.89	-934.30	-64.16
4,826,950	1,456.19	521.89	-934.30	-64.16
5,081,000	1,456.19	521.89	-934.30	-64.16
5,335,050	1,456.19	521.89	-934.30	-64.16
5,589,100	1,456.19	521.89	-934.30	-64.16
5,843,150	1,456.19	521.89	-934.30	-64.16
6,097,200	1,456.19	521.89	-934.30	-64.16
6,351,250	1,456.19	521.89	-934.30	-64.16
6,605,300	1,456.19	521.89	-934.30	-64.16
6,859,350	1,456.19	521.89	-934.30	-64.16
7,113,400	1,456.19	521.89	-934.30	-64.16
7,367,450	1,456.19	521.89	-934.30	-64.16
7,621,500	1,456.19	521.89	-934.30	-64.16

- 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. Exhibits JDT 1 – JDT 4 provide 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.

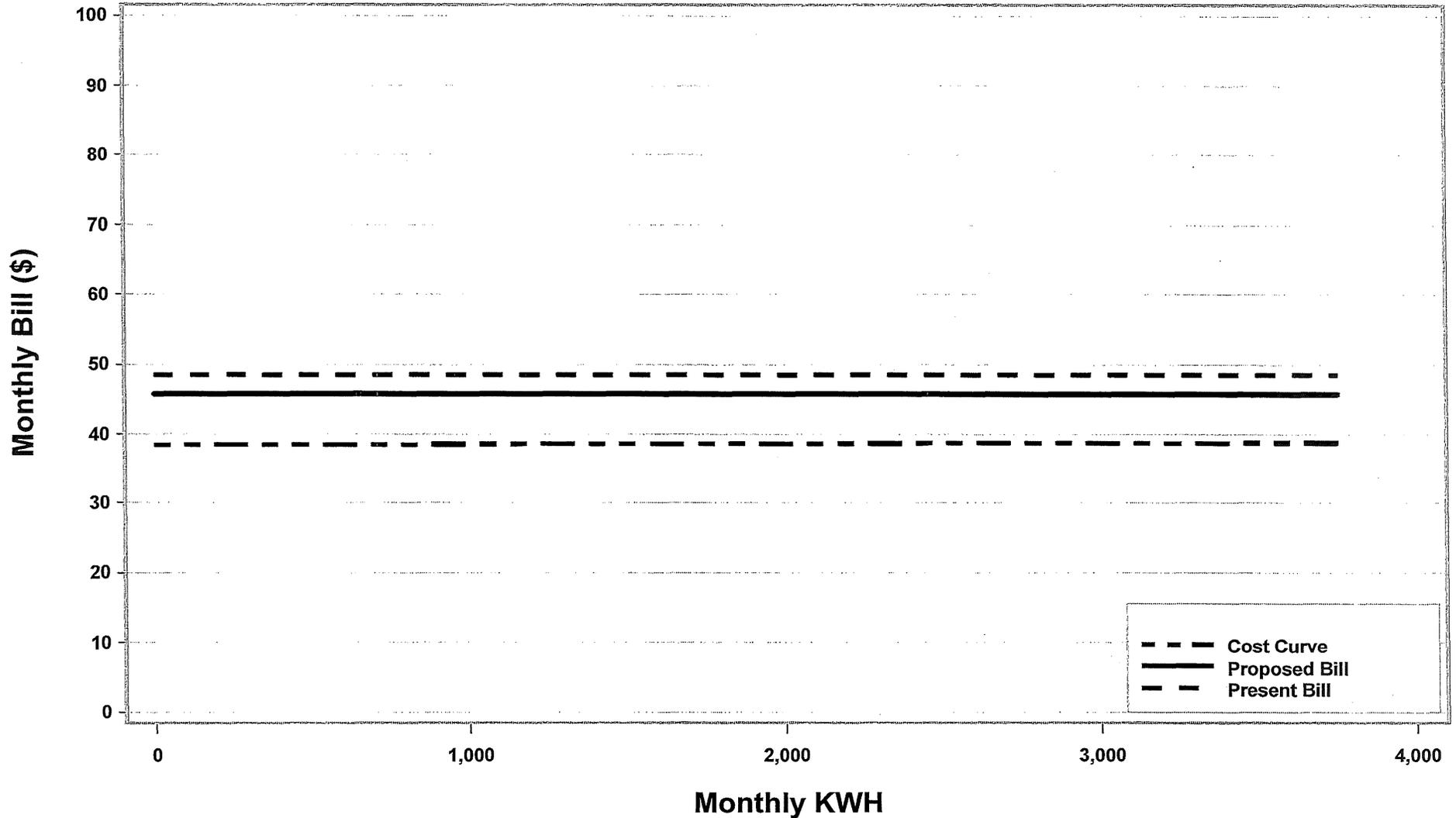
A.2. Attachment IV-E-2 provides cost comparison curves for specific general service rate schedules. The following tabulation shows representative KW loads used for each rate schedule.

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 (Includes SMR and DSIC)**



Present Rate

\$16.00 Customer Charge

4.236 \$/All KW

\$0.00005/KWH SMR

.0315 DSIC

Proposed Rate

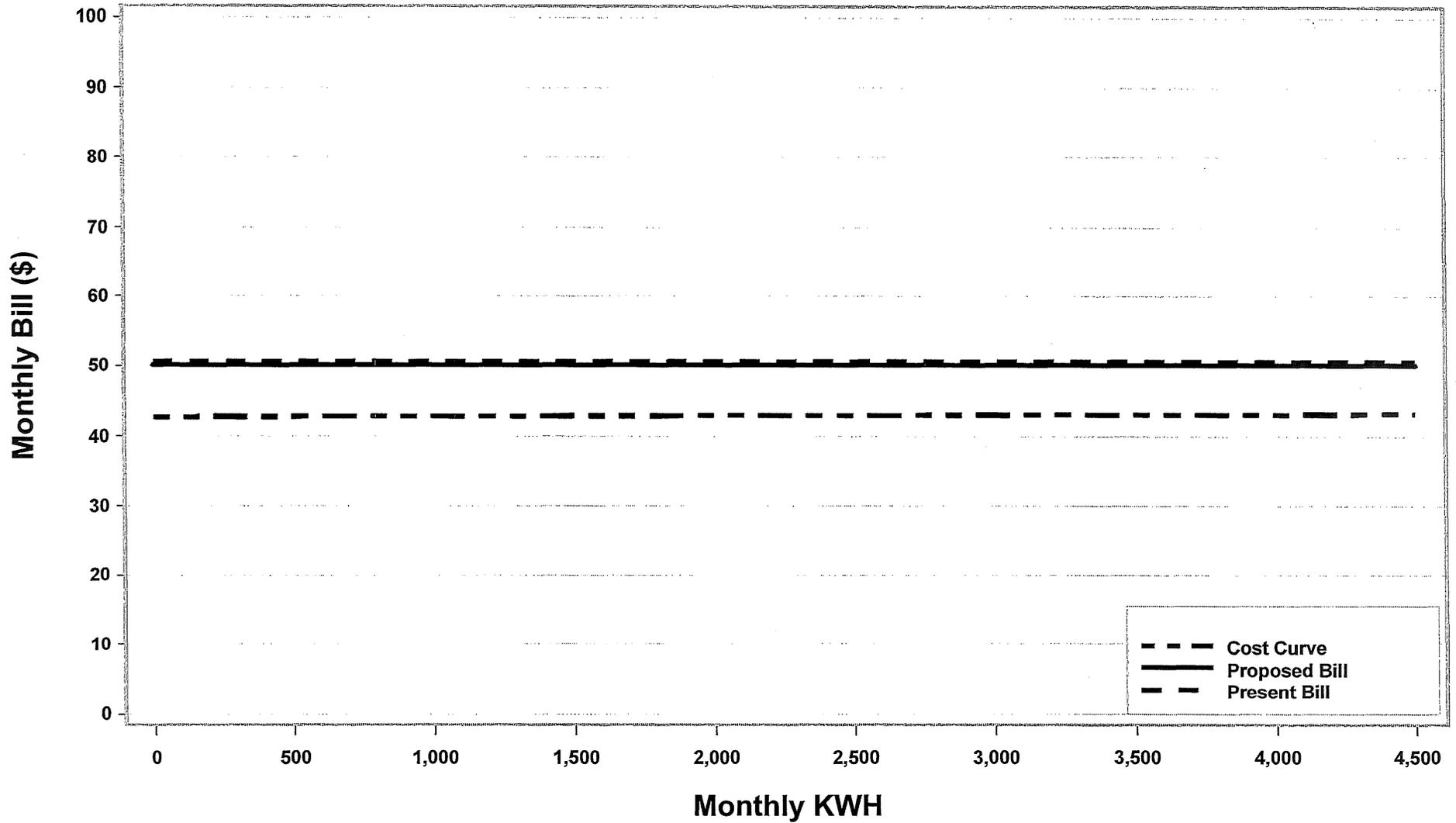
\$0.789 Customer Charge (\$/day)

4.344 \$/All KW

\$0.00000/KWH SMR

.0000 DSIC

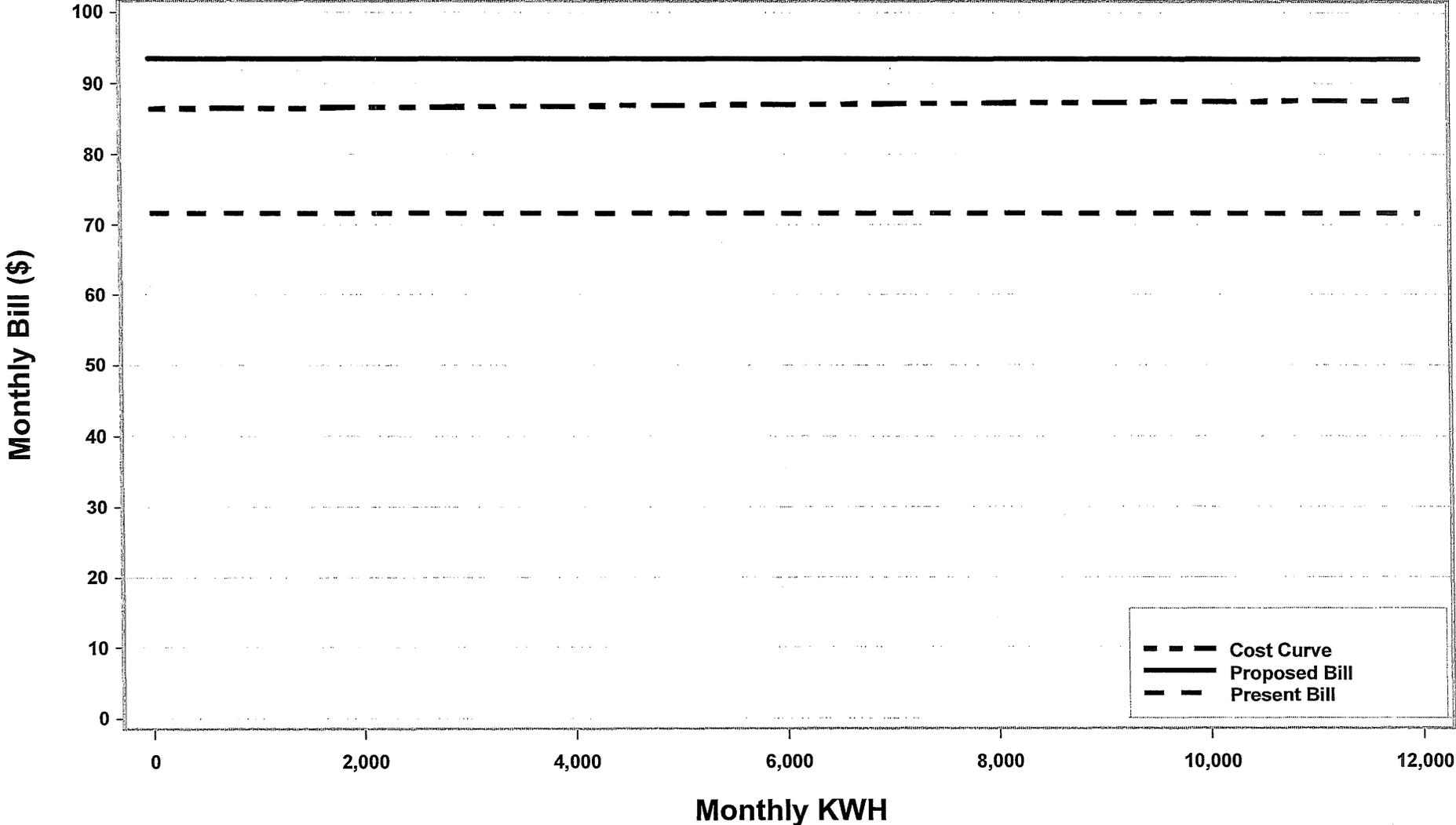
**Proposed GS1 vs Present GS1 Rate
Average Demand 6 KW
Base Rate (Includes SMR and DSIC)**



Present Rate
 \$16.00 Customer Charge
 4.236 \$/All KW
 \$0.00005/KWH SMR
 .0315 DSIC

Proposed Rate
 \$0.789 Customer Charge (\$/day)
 4.344 \$/All KW
 \$0.00000/KWH SMR
 .0000 DSIC

**Proposed GS1 vs Present GS1 Rate
Average Demand 16 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$16.00 Customer Charge

4.236 \$/All KW

\$0.00005/KWH SMR

.0315 DSIC

Proposed Rate

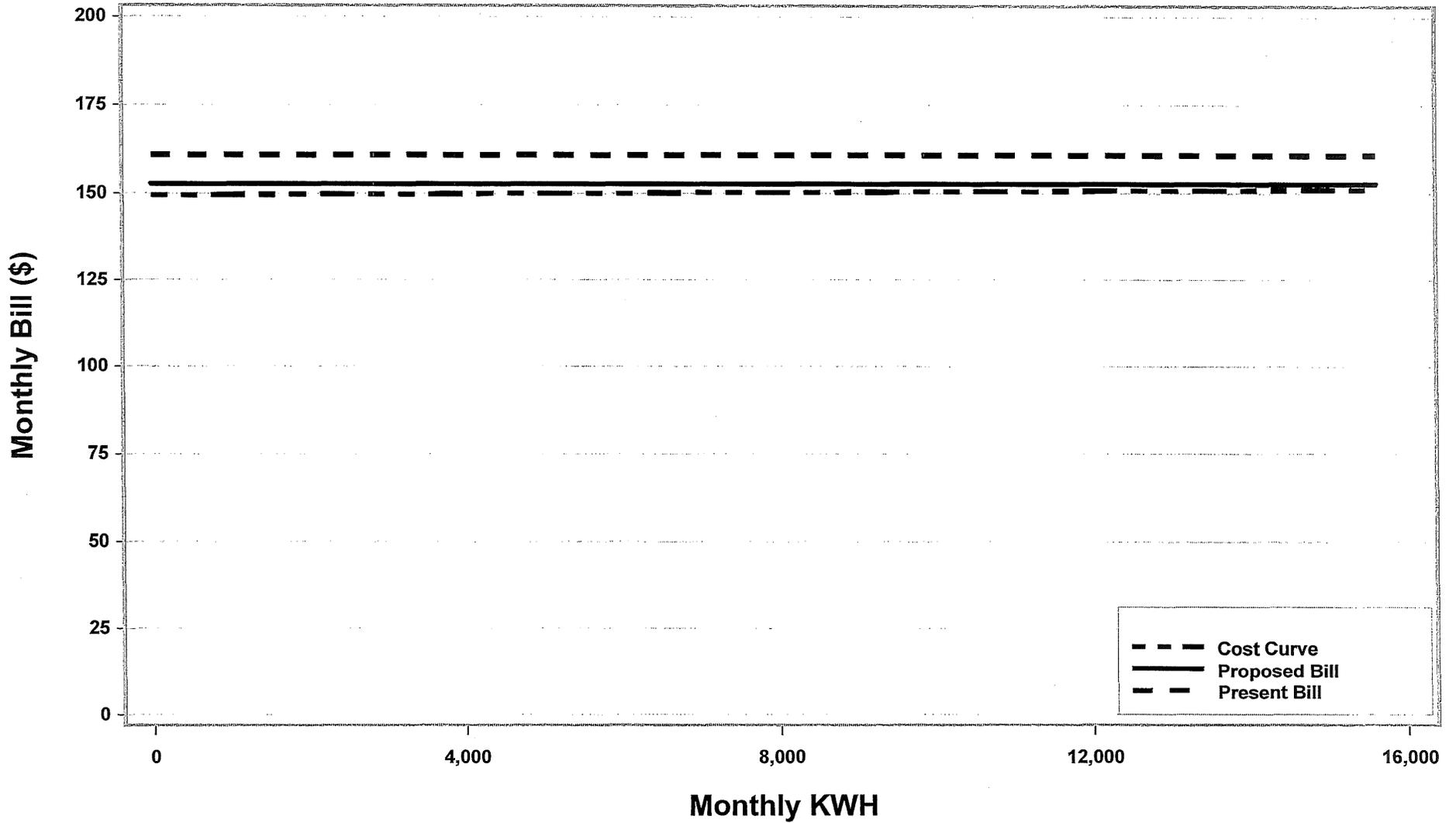
\$0.789 Customer Charge (\$/day)

4.344 \$/All KW

\$0.00000/KWH SMR

.0000 DSIC

**Proposed GS3 vs Present GS3 Rate
Average Demand 25 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$40.00 Customer Charge

4.192 \$/All KW

\$0.00005/KWH SMR

.0315 DSIC

Proposed Rate

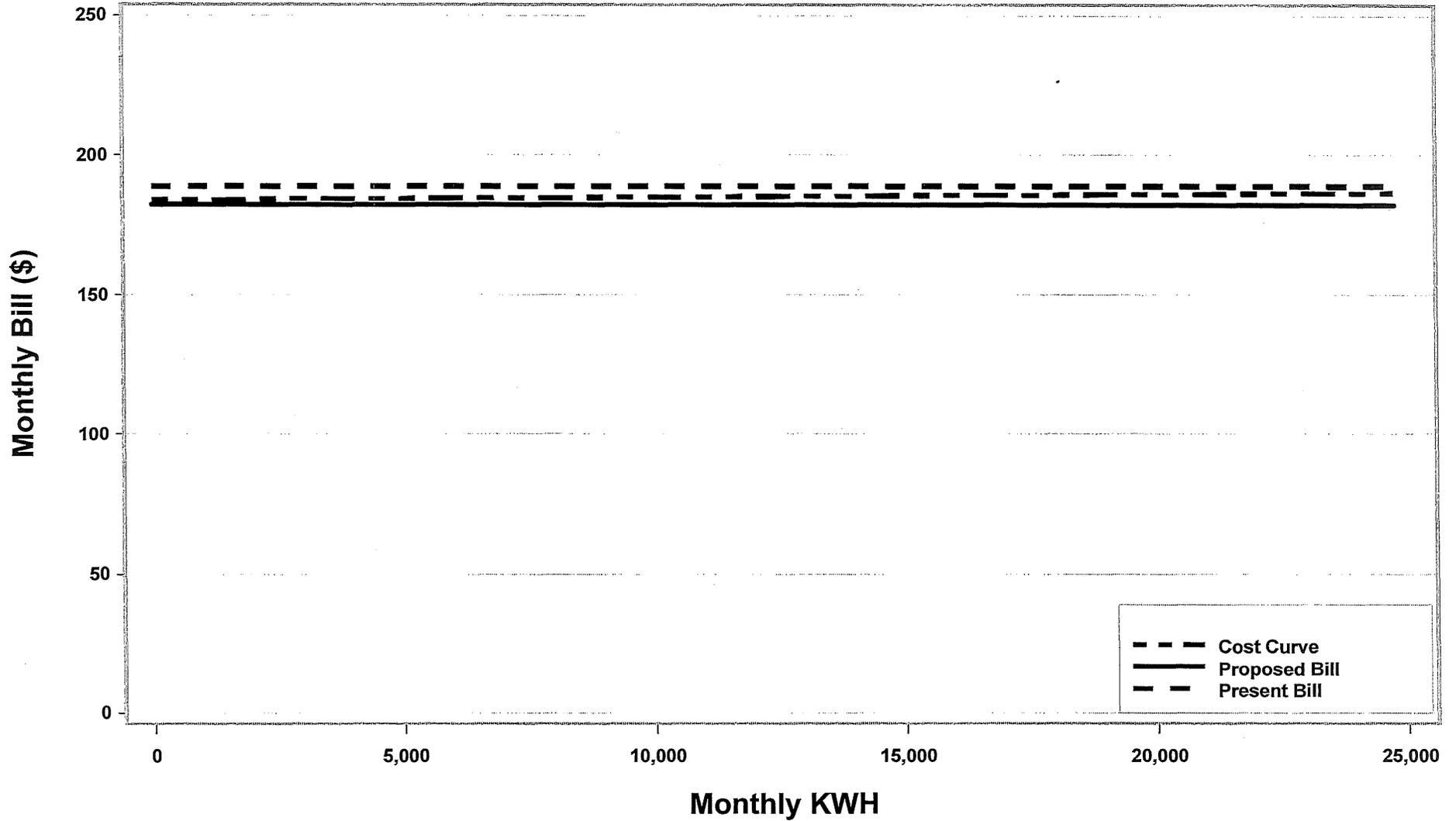
\$1.973 Customer Charge (\$/day)

3.706 \$/All KW

\$0.00000/KWH SMR

.0000 DSIC

**Proposed GS3 vs Present GS3 Rate
Average Demand 33 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$40.00 Customer Charge

4.192 \$/All KW

\$0.00005/KWH SMR

.0315 DSIC

Proposed Rate

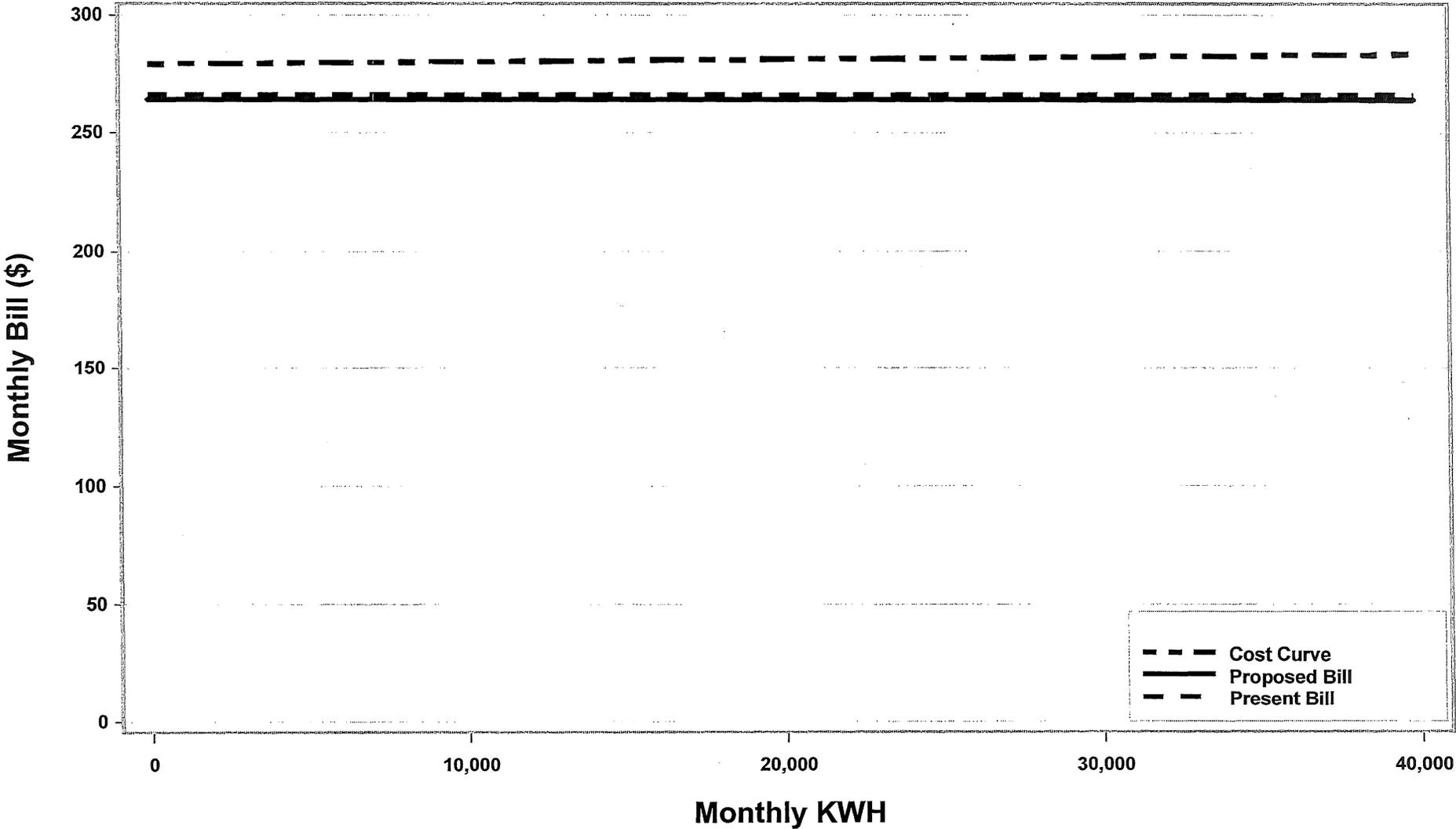
\$1.973 Customer Charge (\$/day)

3.706 \$/All KW

\$0.00000/KWH SMR

.0000 DSIC

**Proposed GS3 vs Present GS3 Rate
Average Demand 55 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$40.00 Customer Charge

4.192 \$/All KW

\$0.00005/KWH SMR

.0315 DSIC

Proposed Rate

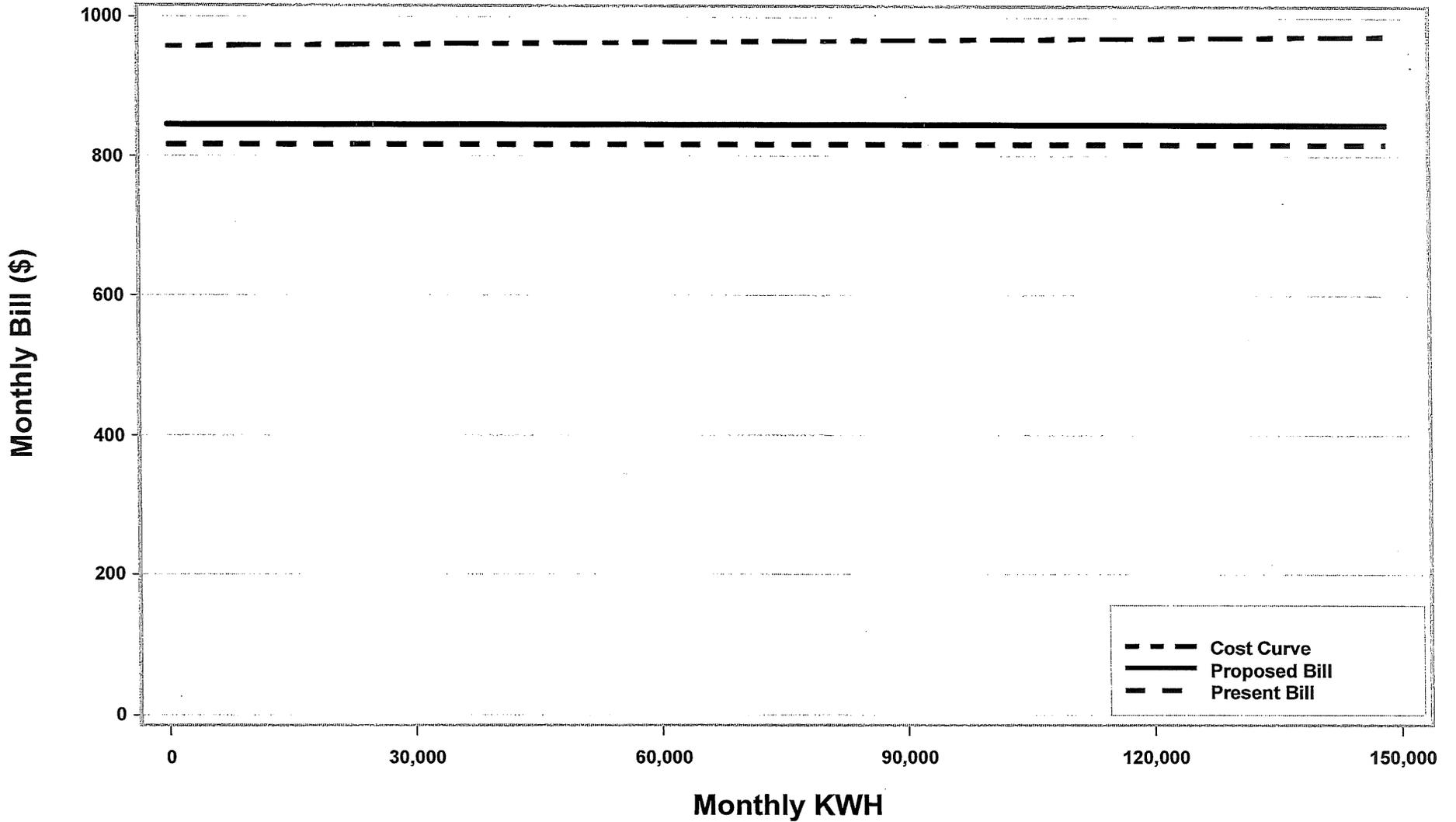
\$1.973 Customer Charge (\$/day)

3.706 \$/All KW

\$0.00000/KWH SMR

.0000 DSIC

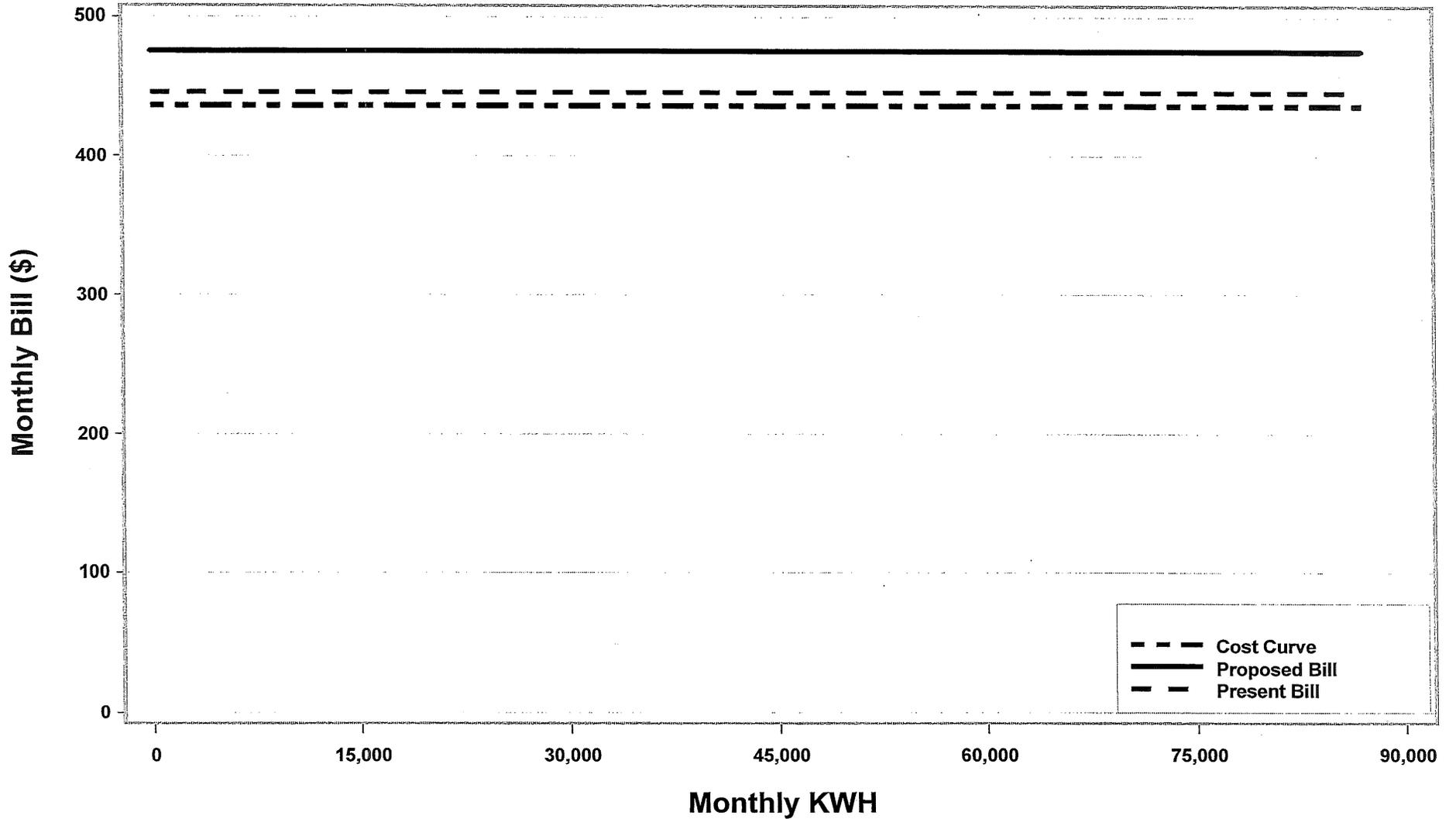
**Proposed GS3 vs Present GS3 Rate
Average Demand 212 KW
Base Rate (Includes SMR and DSIC)**



Present Rate
 \$40.00 Customer Charge
 4.192 \$/All KW
 \$0.00005/KWH SMR
 .0315 DSIC

Proposed Rate
 \$1.973 Customer Charge (\$/day)
 3.706 \$/All KW
 \$0.00000/KWH SMR
 .0000 DSIC

**Proposed LP4 v Present LP4 Rate
Average Demand 116 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$169.80 Customer Charge

2.127 \$/All KW

\$1.57 SMR Charge

.0315 DSIC

Proposed Rate

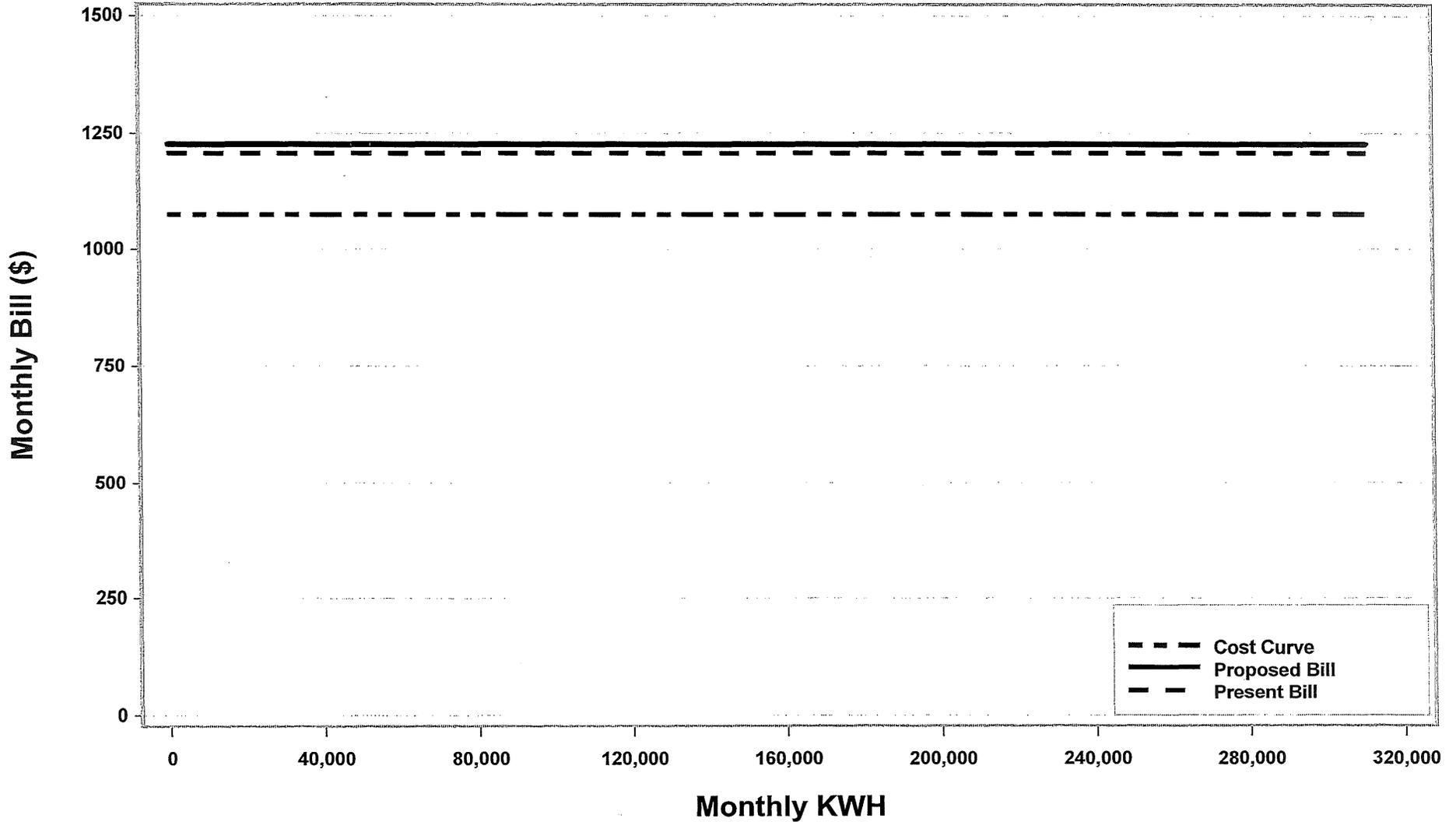
\$5.582 Customer Charge (\$/day)

2.634 \$/All KW

\$0.00 SMR Charge

.0000 DSIC

**Proposed LP4 vs Present LP4 Rate
Average Demand 401 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$169.80 Customer Charge

2.127 \$/All KW

\$1.57 SMR Charge

.0315 DSIC

Proposed Rate

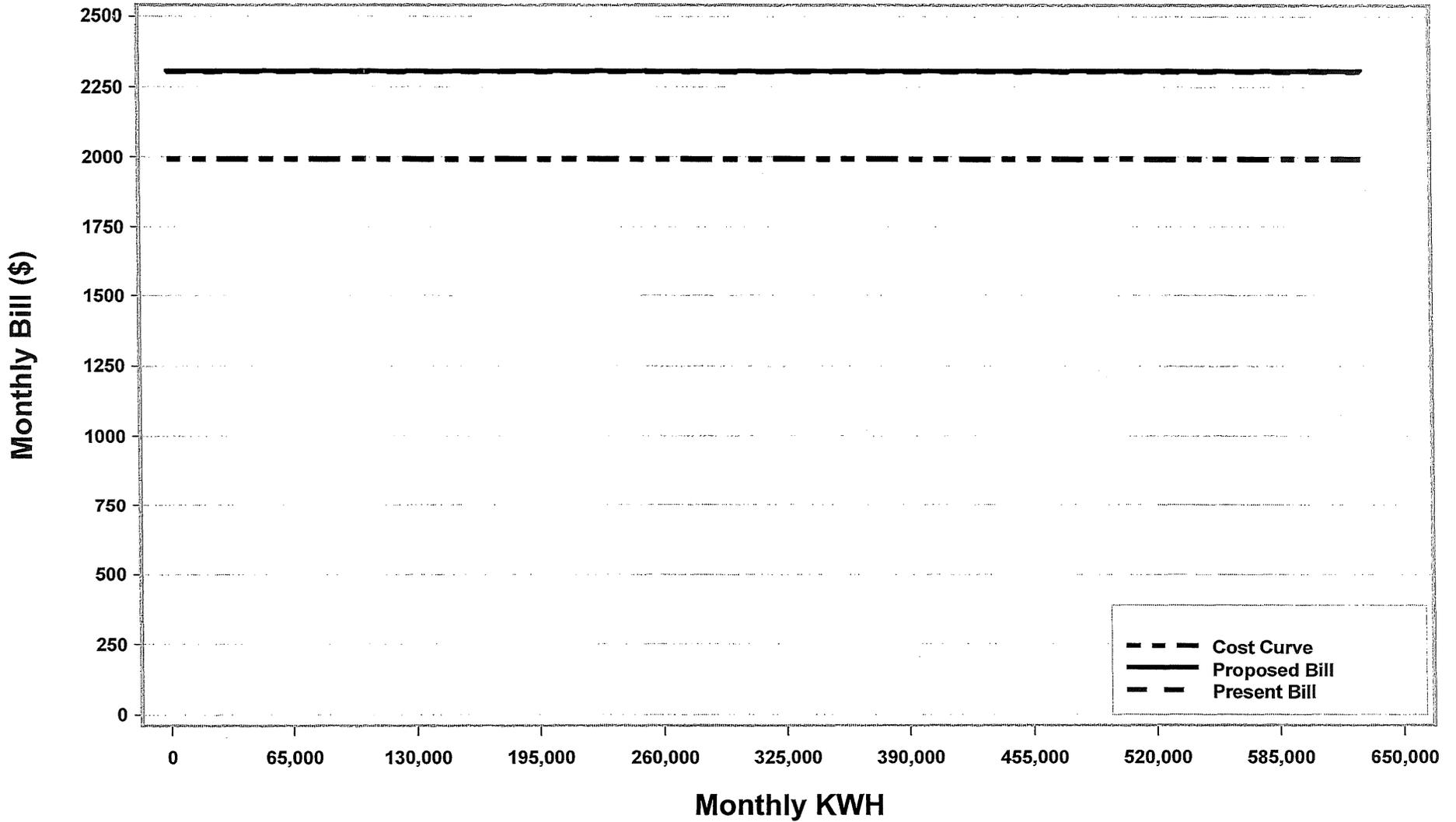
\$5.582 Customer Charge (\$/day)

2.634 \$/All KW

\$0.00 SMR Charge

.0000 DSIC

**Proposed LP4 v Present LP4 Rate
Average Demand 812 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$169.80 Customer Charge

2.127 \$/All KW

\$1.57 SMR Charge

.0315 DSIC

Proposed Rate

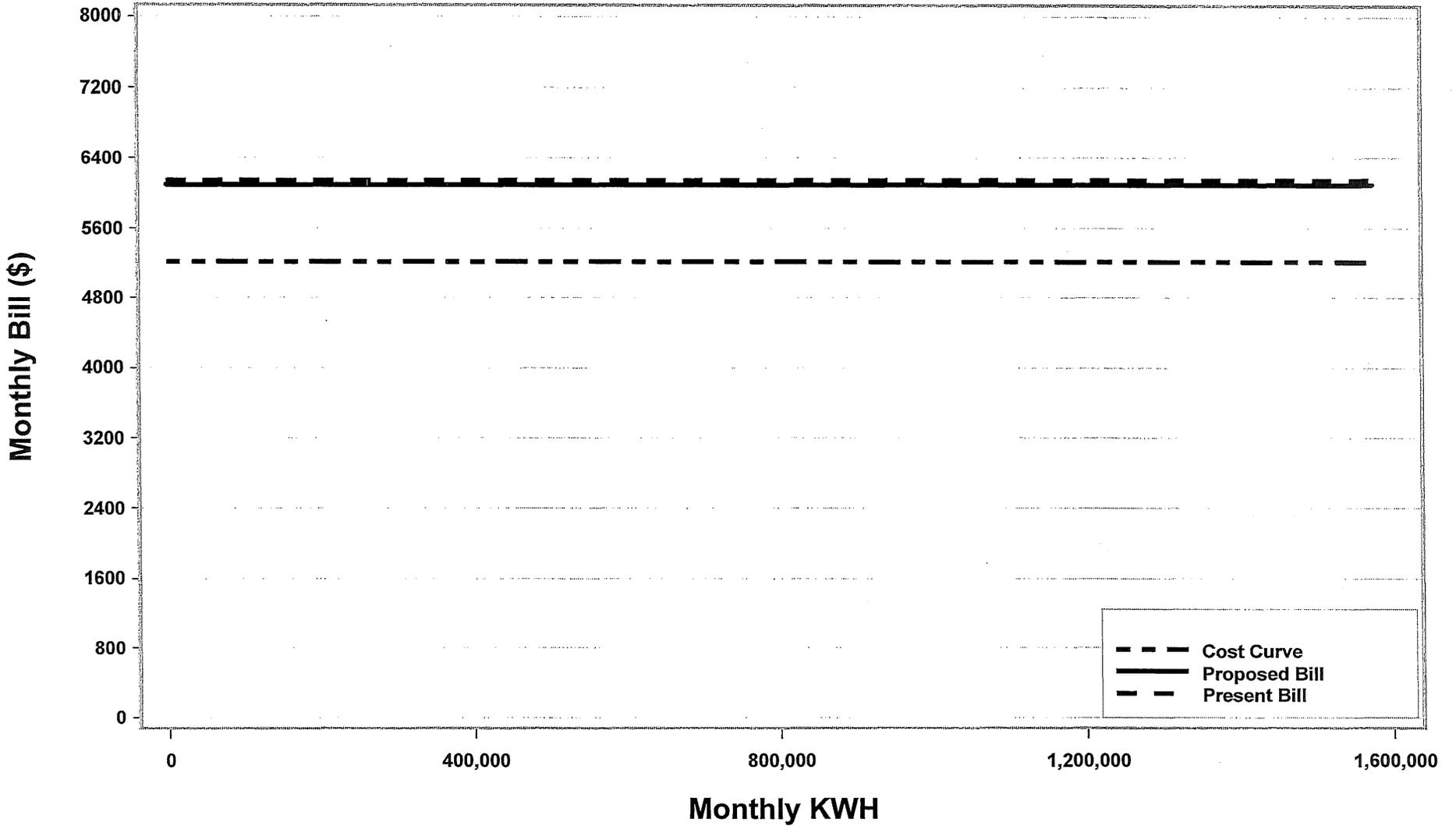
\$5.582 Customer Charge (\$/day)

2.634 \$/All KW

\$0.00 SMR Charge

.0000 DSIC

**Proposed LP4 v Present LP4 Rate
Average Demand 2250 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$169.80 Customer Charge

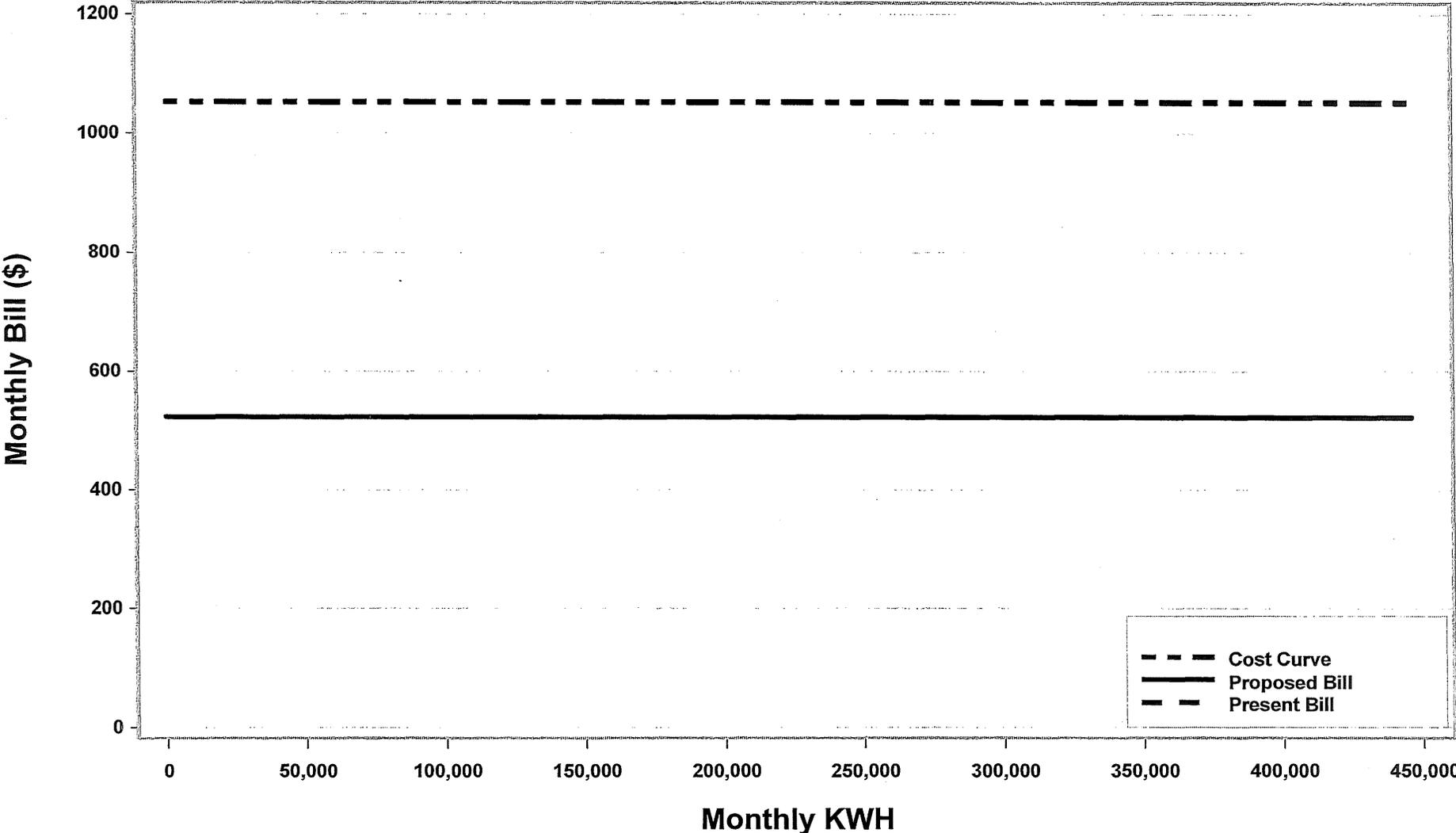
2.127 \$/All KW
\$1.57 SMR Charge
.0315 DSIC

Proposed Rate

\$5.582 Customer Charge (\$/day)

2.634 \$/All KW
\$0.00 SMR Charge
.0000 DSIC

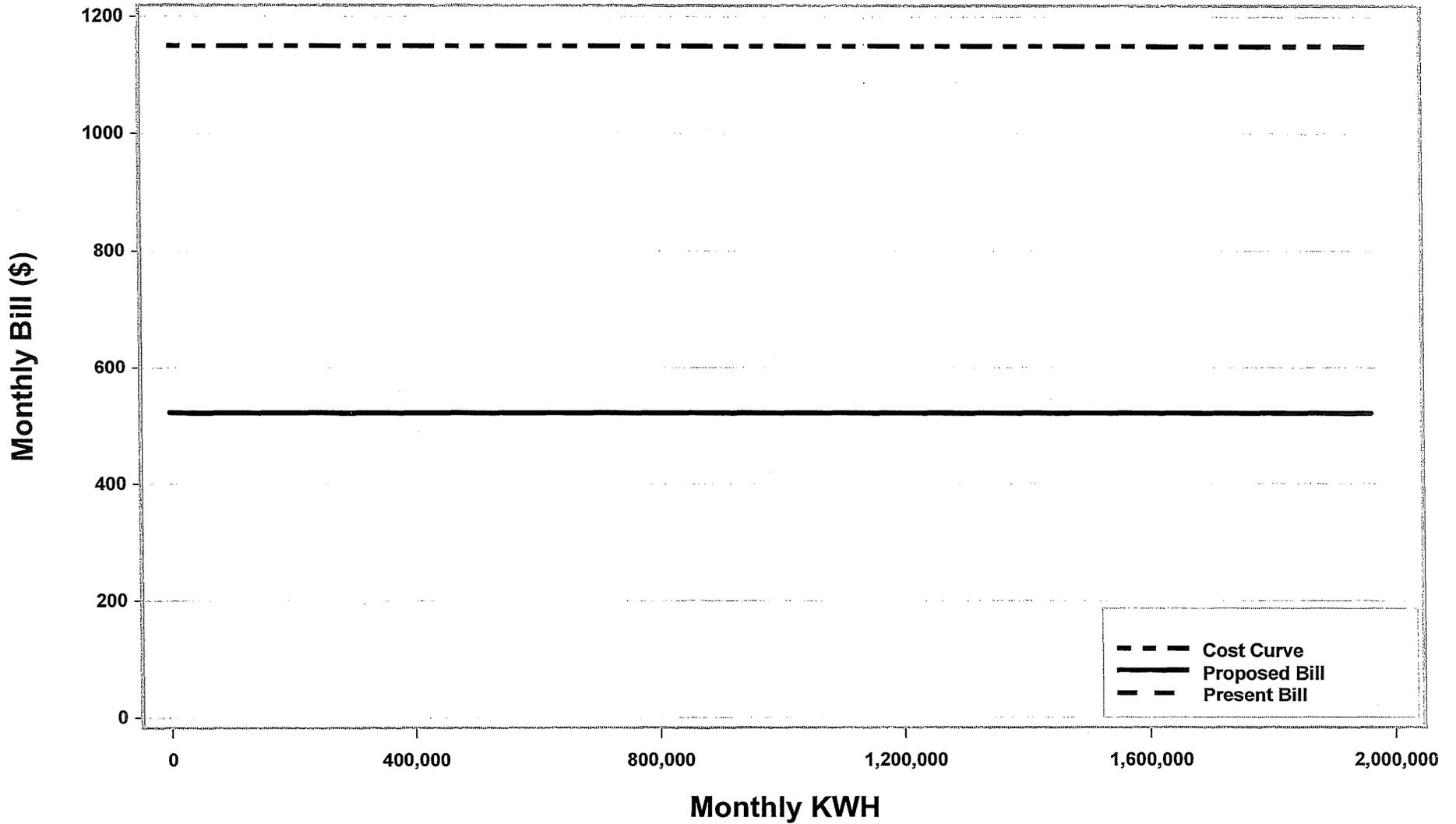
**Proposed LP5 v. Present LP5 Rate
Average Demand 595 KW
Base Rate (Includes SMR and DSIC)**



Present Rate
\$994.00 Customer Charge
\$1.57 SMR Charge
.0315 DSIC

Proposed Rate
\$17.158 Customer Charge (\$/day)
\$0.00 SMR Charge
.0000 DSIC

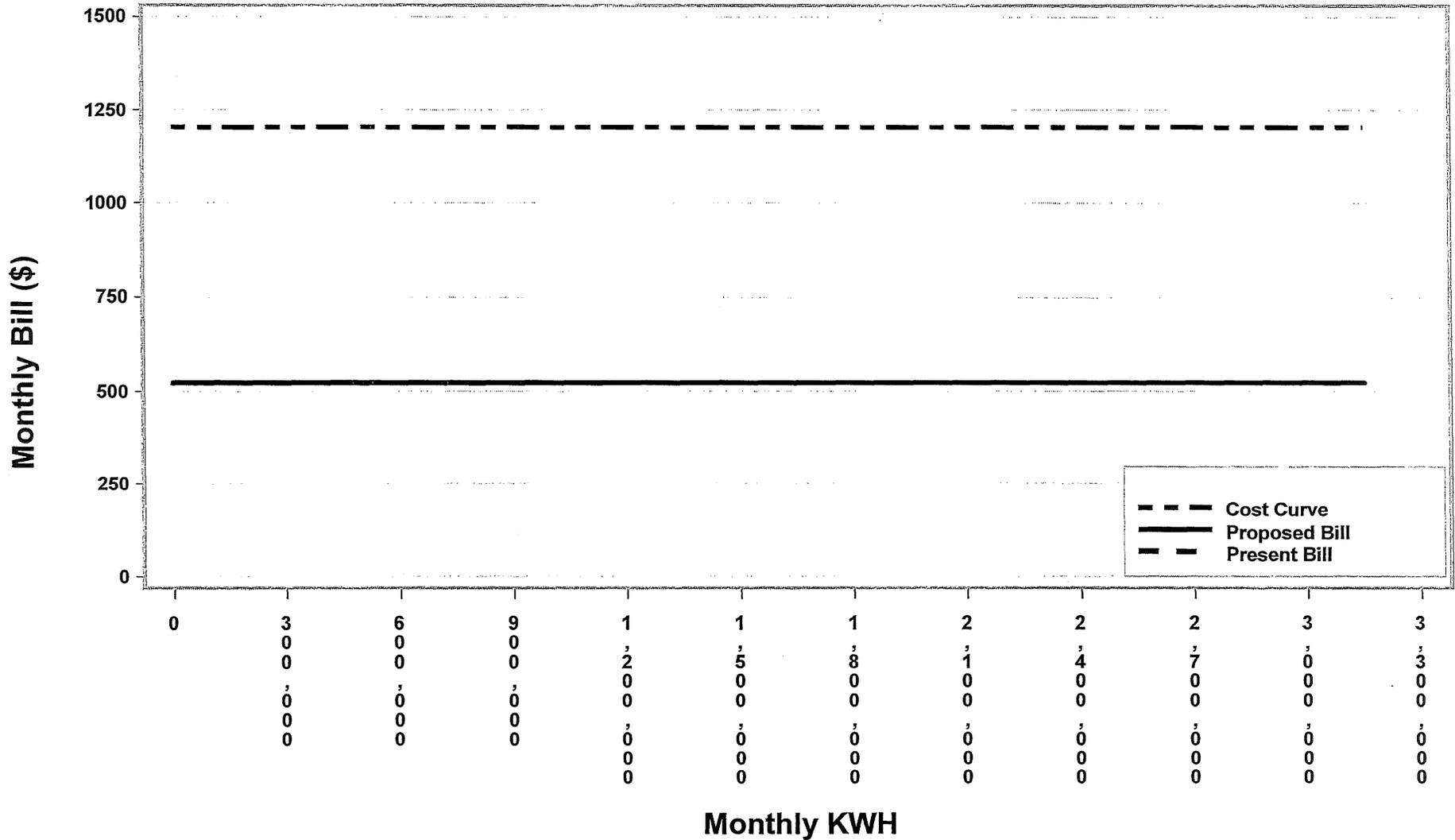
**Proposed LP5 v Present LP5 Rate
Average Demand 2909 KW
Base Rate (Includes SMR and DSIC)**



Present Rate
\$994.00 Customer Charge
\$1.57 SMR Charge
.0315 DSIC

Proposed Rate
\$17.158 Customer Charge (\$/day)
\$0.00 SMR Charge
.0000 DSIC

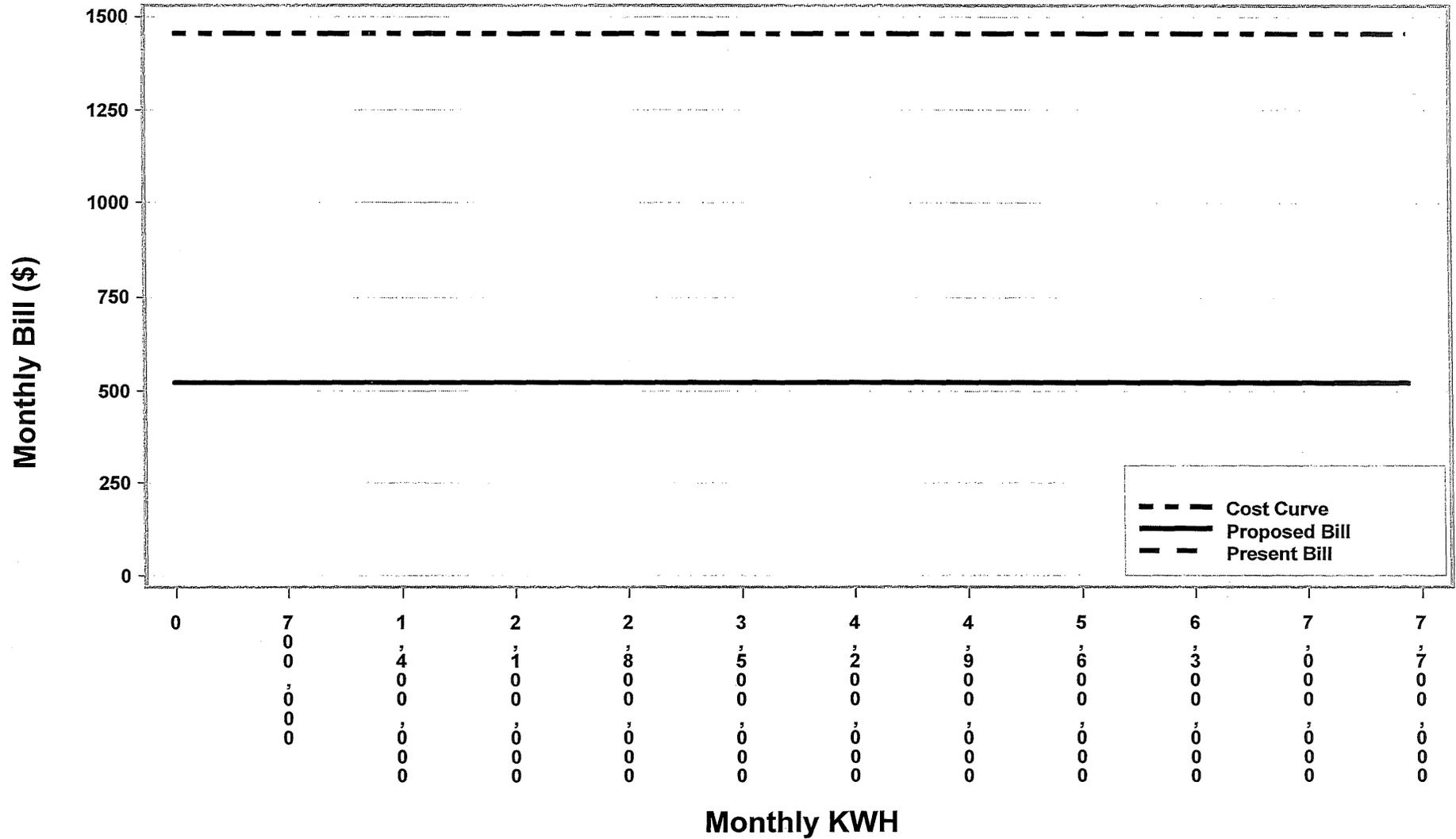
**Proposed LP5 v Present LP5 Rate
Average Demand 4201 KW
Base Rate (Includes SMR and DSIC)**



Present Rate
\$994.00 Customer Charge
\$1.57 SMR Charge
.0315 DSIC

Proposed Rate
\$17.158 Customer Charge (\$/day)
\$0.00 SMR Charge
.0000 DSIC

**Proposed LP5 \ Present LP5 Rate
Average Demand 10162 KW
Base Rate (Includes SMR and DSIC)**



Present Rate

\$994.00 Customer Charge

\$1.57 SMR Charge
.0315 DSIC

Proposed Rate

\$17.158 Customer Charge (\$/day)

\$0.00 SMR Charge
.0000 DSIC

PPL ELECTRIC UTILITIES CORPORATION

Exhibit Regs. § 53.53

**Part V – Plant and Depreciation Supporting Data
Part VI – Unadjusted Comparative Balance Sheets and
Operating Income Statements**

Docket No. R-2015-2469275

This book contains responses to each of the pertinent items contained in § 53.53, Part V (Plant and Depreciation Supporting Data, Including Related Depreciation Study Report) and § 53.53, Part VI (Unadjusted Comparative Balance Sheets and Operating Income Statements) of the Commission's Regulations.

- 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 for the future test year ending December 31, 2015 and the fully projected future test year ending December 31, 2016.

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service
At December 31, 2015
(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	134,190
303.4 Misc Intangible Plant - Other	1,035
303.5 Smart Meter - Computer Software	4,038
Subtotal - Intangible	<u>139,886</u>
 <u>Transmission</u>	
350.2 Land	29,125
350.4 Land Rights	163,256
352.0 Structures and Improvements	81,719
353.0 Station Equipment	970,028
354.0 Towers and Fixtures	777,803
354.2 Clearing Land and R/W - Towers	15,050
355.0 Poles and Fixtures	483,145
355.2 Clearing Land and R/W - Poles	11,843
356.0 Overhead Conductors and Devices	614,053
357.0 Underground Conduit	31,400
358.0 Underground Conductor and Devices	30,224
359.0 Roads and Trails	9,822
Subtotal - Transmission	<u>3,217,468</u>
 <u>Distribution</u>	
360.2 Land	17,806
360.4 Land Rights	74,384
361.0 Structures and Improvements	38,203
362.0 Station Equipment	513,583
364.2 Towers and Fixtures	19,423
364.4 Poles and Fixtures	1,056,877
364.6 Clearing Land and R/W - Towers	154
364.8 Clearing Land and R/W - Poles	38,726
365.0 Overhead Conductors and Devices	936,727
366.0 Underground Conduit	190,694
367.0 Underground Conductor and Devices	559,524
368.2 Transformers - Overhead Type	271,997
368.4 Transformers - Submersible or Pad Mounted	205,475
368.6 Transformers - Non-Network Housing	102
369.0 Services	669,717
370.0 Meters	63,754
370.2 Meters- AMR	231,263
370.4 Smart Metering	3,677
371.2 Installations on Customers Premises	319
371.4 Area Lighting Fixtures	8,753
373.2 Street Lighting and Signal Systems	111,851
Subtotal - Distribution	<u>5,013,009</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service
At December 31, 2015
(Thousands of Dollars)

		<u>Amount</u>
<u>General Plant</u>		
389.0	Land and Land Rights	\$ 10,370
390.2	Structures and Improvements - Buildings	391,534
390.4	Structures and Improvements - Air Cond. Equip	45,025
391.2	Office Furniture and Equipment - Furniture	22,280
391.4	Office Furniture and Equipment - Mech Equip	2,929
391.6	Computer Equipment - General	34,585
391.7	Computer Equipment - Smart Meter Comp Eq	1,408
391.8	Computer Equipment - Power Mgmt System	38,155
392.1	Transportation Equipment - 5 years	8,531
392.2	Transportation Equipment - 8 years	21,430
392.3	Transportation Equipment - 10 years	78,455
392.4	Transportation Equipment - Trailers	7,953
392.5	Transportation Equipment - 15 years	3,706
392.6	Transportation Equipment - 20 years	654
393.0	Stores Equipment	2,264
394.0	Tools & Work Equipment - L&S Line Crews	4,761
394.2	Tools & Work Equipment -Tools	274
394.4	Tools & Work Equipment - Const Dept	1,353
394.6	Tools & Work Equipment - Other	25,517
394.8	Transportation Equipment - Garage Equipment	1,817
395.0	Laboratory Equipment	4,723
396.0	Power Operated Equipment	2,239
397.0	Communication Equipment	6,201
398.0	Miscellaneous Equipment	3,623
	Subtotal - General Plant	<u>719,787</u>
	Total - Electric Plant in Service	<u>\$ 9,090,150</u>
 <u>General Plant - Leasehold Improvements</u>		
390.2	Structures and Improvements - Buildings	\$ 742
	Subtotal - General Plant	<u>742</u>
	Total - Electric Plant in Service - Leasehold Improvements	<u>\$ 742</u>
 <u>RECAP - Electric Plant in Service</u>		
Intangible		\$ 139,886
Transmission		3,217,468
Distribution		5,013,009
General Plant		<u>720,529</u>
	Total - Electric Plant in Service	<u>\$ 9,090,892</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service
At December 31, 2016
(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	144,534
303.4	Misc Intangible Plant - Other	1,035
303.5	Smart Meter - Computer Software	4,038
	Subtotal - Intangible	<u>150,230</u>
 <u>Transmission</u>		
350.2	Land	32,482
350.4	Land Rights	163,256
352.0	Structures and Improvements	107,396
353.0	Station Equipment	1,145,630
354.0	Towers and Fixtures	791,995
354.2	Clearing Land and R/W - Towers	15,056
355.0	Poles and Fixtures	639,286
355.2	Clearing Land and R/W - Poles	11,843
356.0	Overhead Conductors and Devices	699,510
357.0	Underground Conduit	31,400
358.0	Underground Conductor and Devices	30,224
359.0	Roads and Trails	9,849
	Subtotal - Transmission	<u>3,677,927</u>
 <u>Distribution</u>		
360.2	Land	17,806
360.4	Land Rights	76,086
361.0	Structures and Improvements	38,203
362.0	Station Equipment	583,006
364.2	Towers and Fixtures	19,423
364.4	Poles and Fixtures	1,108,986
364.6	Clearing Land and R/W - Towers	154
364.8	Clearing Land and R/W - Poles	39,036
365.0	Overhead Conductors and Devices	1,022,399
366.0	Underground Conduit	200,741
367.0	Underground Conductor and Devices	590,583
368.2	Transformers - Overhead Type	292,667
368.4	Transformers - Submersible or Pad Mounted	217,405
368.6	Transformers - Non-Network Housing	89
369.0	Services	690,773
370.0	Meters	58,872
370.2	Meters- AMR	247,818
370.4	Smart Metering	3,677
371.2	Installations on Customers Premises	319
371.4	Area Lighting Fixtures	9,109
373.2	Street Lighting and Signal Systems	115,370
	Subtotal - Distribution	<u>5,332,522</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service
At December 31, 2016
(Thousands of Dollars)

	<u>Amount</u>
389.0 Land and Land Rights	\$ 10,370
390.2 Structures and Improvements - Buildings	404,108
390.4 Structures and Improvements - Air Cond. Equip	45,528
391.2 Office Furniture and Equipment - Furniture	22,537
391.4 Office Furniture and Equipment - Mech Equip	2,947
391.6 Computer Equipment - General	80,151
391.7 Computer Equipment - Smart Meter Comp Eq	1,408
391.8 Computer Equipment - Power Mgmt System	38,155
392.1 Transportation Equipment - 5 years	9,542
392.2 Transportation Equipment - 8 years	22,523
392.3 Transportation Equipment - 10 years	81,887
392.4 Transportation Equipment - Trailers	8,141
392.5 Transportation Equipment - 15 years	3,948
392.6 Transportation Equipment - 20 years	654
393.0 Stores Equipment	2,206
394.0 Tools & Work Equipment - L&S Line Crews	4,747
394.2 Tools & Work Equipment -Tools	253
394.4 Tools & Work Equipment - Const Dept	1,353
394.6 Tools & Work Equipment - Other	27,868
394.8 Transportation Equipment - Garage Equipment	1,802
395.0 Laboratory Equipment	4,601
396.0 Power Operated Equipment	2,239
397.0 Communication Equipment	5,501
398.0 Miscellaneous Equipment	4,069
Subtotal - General Plant	<u>786,538</u>
Total - Electric Plant in Service	<u>\$ 9,947,217</u>

General Plant - Leasehold Improvements

390.2 Structures and Improvements - Buildings	\$ 742
Subtotal - General Plant	<u>742</u>
Total - Electric Plant in Service - Leasehold Improvements	<u>\$ 742</u>

RECAP - Electric Plant in Service

Intangible	\$ 150,230
Transmission	3,677,927
Distribution	5,332,522
General Plant	<u>787,280</u>
Total - Electric Plant in Service	<u>\$ 9,947,959</u>

- 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. Attachments V-A-2a and V-A-2b provide PPL's calculated depreciation reserve versus book reserve by account for the future test year ending December 31, 2015 and the fully projected future test year ending December 31, 2016.

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION
AND BOOK RESERVE AS OF DECEMBER 31, 2015
(THOUSANDS OF DOLLARS)

DEPRECIABLE GROUP (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
DEPRECIABLE PLANT		
INTANGIBLE PLANT		
303.2 MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	71,412	70,634
303.4 MISCELLANEOUS INTANGIBLE PLANT - FIBER OPTIC	1,035	1,035
303.5 SMART METER SOFTWARE	2,048	1,987
TOTAL INTANGIBLE PLANT	74,495	73,656
TRANSMISSION PLANT		
350.4 LAND RIGHTS	38,368	43,795
352 STRUCTURES AND IMPROVEMENTS	15,560	17,818
353 STATION EQUIPMENT	156,429	186,213
354 TOWERS AND FIXTURES	123,063	149,818
354.2 TOWERS AND FIXTURES - CLEARING R/W	5,544	7,242
355 POLES AND FIXTURES	28,208	31,574
355.2 POLES AND FIXTURES - CLEARING R/W	3,080	4,191
356 OVERHEAD CONDUCTORS AND DEVICES	93,052	90,431
357 UNDERGROUND CONDUIT	3,358	3,442
358 UNDERGROUND CONDUCTORS AND DEVICES	10,245	10,166
359 ROADS AND TRAILS	2,840	3,210
TOTAL TRANSMISSION PLANT	479,747	547,901
DISTRIBUTION PLANT		
360.4 LAND RIGHTS	24,980	32,439
361 STRUCTURES AND IMPROVEMENTS	11,206	14,943
362 STATION EQUIPMENT	104,074	130,883
364.2 POLES, TOWERS AND FIXTURES - TOWERS	6,152	7,193
364.4 POLES, TOWERS AND FIXTURES - POLES	191,898	312,487
364.6 POLES, TOWERS AND FIXTURES - CLEARING TOWERS	51	64
364.8 POLES, TOWERS AND FIXTURES - CLEARING POLES	15,493	20,452
365 OVERHEAD CONDUCTORS AND DEVICES	174,683	262,539
366 UNDERGROUND CONDUIT	51,522	55,707
367 UNDERGROUND CONDUCTORS AND DEVICES	142,714	183,130
368.2 LINE TRANSFORMERS - OVERHEAD	118,299	109,456
368.4 LINE TRANSFORMERS - SUBMERSIBLE & PAD MOUNT	77,432	79,932
368.6 LINE TRANSFORMERS - NON-NETWORK HOUSING	82	80
369 SERVICES	208,879	322,935
370.1 METERS	43,423	41,979
370.2 METERS - AMR	158,799	153,075
370.4 METERS - SMART METERS	792	801
371.2 INSTALLATIONS ON CUSTOMERS' PREMISES	211	63
371.4 AREA LIGHTING FIXTURES	3,065	5,252
373.2 STREET LIGHTING AND SIGNAL SYSTEMS	36,309	55,270
TOTAL DISTRIBUTION PLANT	1,370,065	1,788,679

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION
AND BOOK RESERVE AS OF DECEMBER 31, 2015
(THOUSANDS OF DOLLARS)

DEPRECIABLE GROUP (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
GENERAL PLANT		
389.4 LAND RIGHTS	2	2
390.2 STRUCTURES AND IMPROVEMENTS		
- BUILDINGS - MAJOR	144,336	97,916
- BUILDINGS - MINOR	1,853	1,257
TOTAL ACCOUNT 390.2	<u>146,189</u>	<u>99,173</u>
390.2 STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	482	515
390.4 STRUCTURES AND IMPROVEMENTS - AIR COND.	12,599	13,118
391.2 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	9,727	9,308
391.4 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	1,402	1,313
391.6 OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	7,029	7,233
391.8 OFFICE FURNITURE AND EQUIPMENT - POWER MGMT. SYS.	38,155	38,155
392.1 TRANSPORTATION EQUIPMENT - AUTOMOBILES	5,162	5,741
392.2 TRANSPORTATION EQUIPMENT - LIGHT DUTY TRUCKS	10,150	14,041
392.3 TRANSPORTATION EQUIPMENT - HEAVY DUTY TRUCKS	41,382	44,923
392.4 TRANSPORTATION EQUIPMENT - TRAILERS	2,057	2,933
392.5 TRANSPORTATION EQUIPMENT - LARGE TANKERS/TRACTORS	1,625	1,760
392.6 TRANSPORTATION EQUIPMENT - LARGE CRANE TRUCKS	430	331
393 STORES EQUIPMENT	1,328	1,203
394 TOOLS AND WORK EQUIPMENT - L&S LINE CREWS	2,699	2,421
394.2 TOOLS AND WORK EQUIPMENT - TOOLS	178	161
394.4 TOOLS AND WORK EQUIPMENT - CONST. DEPT.	701	652
394.6 TOOLS AND WORK EQUIPMENT - OTHER	7,542	7,270
394.8 TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT	552	512
395 LABORATORY EQUIPMENT	1,899	1,875
396 POWER OPERATED EQUIPMENT	923	1,400
397 COMMUNICATION EQUIPMENT	2,428	3,587
398 MISCELLANEOUS EQUIPMENT	<u>827</u>	<u>753</u>
TOTAL GENERAL PLANT	295,470	258,378
TOTAL DEPRECIABLE PLANT	<u><u>2,219,777</u></u>	<u><u>2,668,614</u></u>

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION
AND BOOK RESERVE AS OF DECEMBER 31, 2016
(THOUSANDS OF DOLLARS)

DEPRECIABLE GROUP (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
DEPRECIABLE PLANT		
INTANGIBLE PLANT		
303.2 MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	77,514	75,224
303.4 MISCELLANEOUS INTANGIBLE PLANT - FIBER OPTIC	1,035	1,035
303.5 SMART METER SOFTWARE	2,770	2,740
TOTAL INTANGIBLE PLANT	81,319	78,999
TRANSMISSION PLANT		
350.4 LAND RIGHTS	40,491	45,803
352 STRUCTURES AND IMPROVEMENTS	16,649	18,676
353 STATION EQUIPMENT	168,958	199,447
354 TOWERS AND FIXTURES	133,477	161,133
354.2 TOWERS AND FIXTURES - CLEARING R/W	5,726	7,386
355 POLES AND FIXTURES	33,732	39,832
355.2 POLES AND FIXTURES - CLEARING R/W	3,231	4,321
356 OVERHEAD CONDUCTORS AND DEVICES	99,990	94,975
357 UNDERGROUND CONDUIT	3,921	4,011
358 UNDERGROUND CONDUCTORS AND DEVICES	11,024	11,105
359 ROADS AND TRAILS	2,964	3,331
TOTAL TRANSMISSION PLANT	520,162	590,020
DISTRIBUTION PLANT		
360.4 LAND RIGHTS	25,963	33,248
361 STRUCTURES AND IMPROVEMENTS	11,678	15,400
362 STATION EQUIPMENT	110,747	136,107
364.2 POLES, TOWERS AND FIXTURES - TOWERS	6,441	7,486
364.4 POLES, TOWERS AND FIXTURES - POLES	202,264	327,232
364.6 POLES, TOWERS AND FIXTURES - CLEARING TOWERS	54	66
364.8 POLES, TOWERS AND FIXTURES - CLEARING POLES	15,984	20,864
365 OVERHEAD CONDUCTORS AND DEVICES	184,630	272,347
366 UNDERGROUND CONDUIT	54,335	58,562
367 UNDERGROUND CONDUCTORS AND DEVICES	152,191	191,896
368.2 LINE TRANSFORMERS - OVERHEAD	121,996	114,761
368.4 LINE TRANSFORMERS - SUBMERSIBLE & PAD MOUNT	81,309	83,451
368.6 LINE TRANSFORMERS - NON-NETWORK HOUSING	72	70
369 SERVICES	219,257	332,355
370.1 METERS	40,731	39,458
370.2 METERS - AMR	174,769	172,087
370.4 METERS - SMART METERS	1,037	1,045
371.2 INSTALLATIONS ON CUSTOMERS' PREMISES	217	87
371.4 AREA LIGHTING FIXTURES	3,239	5,447
373.2 STREET LIGHTING AND SIGNAL SYSTEMS	38,218	57,265
TOTAL DISTRIBUTION PLANT	1,445,131	1,869,232

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION
AND BOOK RESERVE AS OF DECEMBER 31, 2016
(THOUSANDS OF DOLLARS)

DEPRECIABLE GROUP (1)	CALCULATED ACCRUED DEPRECIATION (2)	BOOK RESERVE (3)
GENERAL PLANT		
389.4 LAND RIGHTS	3	2
390.2 STRUCTURES AND IMPROVEMENTS		
- BUILDINGS - MAJOR	157,401	116,000
- BUILDINGS - MINOR	1,920	1,415
TOTAL ACCOUNT 390.2	159,320	117,415
390.2 STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	556	580
390.4 STRUCTURES AND IMPROVEMENTS - AIR COND.	13,635	14,381
391.2 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	10,752	10,402
391.4 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	1,575	1,502
391.6 OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	17,932	17,853
391.8 OFFICE FURNITURE AND EQUIPMENT - POWER MGMT. SYS.	38,155	38,155
392.1 TRANSPORTATION EQUIPMENT - AUTOMOBILES	6,077	6,727
392.2 TRANSPORTATION EQUIPMENT - LIGHT DUTY TRUCKS	11,199	14,665
392.3 TRANSPORTATION EQUIPMENT - HEAVY DUTY TRUCKS	44,442	47,703
392.4 TRANSPORTATION EQUIPMENT - TRAILERS	2,291	3,172
392.5 TRANSPORTATION EQUIPMENT - LARGE TANKERS/TRACTORS	1,716	1,826
392.6 TRANSPORTATION EQUIPMENT - LARGE CRANE TRUCKS	448	404
393 STORES EQUIPMENT	1,360	1,263
394 TOOLS AND WORK EQUIPMENT - L&S LINE CREWS	2,923	2,686
394.2 TOOLS AND WORK EQUIPMENT - TOOLS	170	161
394.4 TOOLS AND WORK EQUIPMENT - CONST. DEPT.	769	731
394.6 TOOLS AND WORK EQUIPMENT - OTHER	8,577	8,343
394.8 TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT	602	567
395 LABORATORY EQUIPMENT	1,957	1,932
396 POWER OPERATED EQUIPMENT	1,015	1,498
397 COMMUNICATION EQUIPMENT	2,038	3,026
398 MISCELLANEOUS EQUIPMENT	954	891
TOTAL GENERAL PLANT	328,466	295,887
TOTAL DEPRECIABLE PLANT	2,375,078	2,834,138

- 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-3a provides PPL Electric's plant in service as of December 31, 2015 based on actual plant balances as of December 31, 2014, as adjusted for 12 months of projected additions, retirements, and adjustments.

Reserves as of December 31, 2015 are based on actual reserves as of December 31, 2014, as adjusted for 12 months of projected depreciation provisions, retirements, and adjustments.

Attachment V-A-3b provides PPL Electric's plant in service as of December 31, 2016 based on projected plant balances as of December 31, 2015, as adjusted for 12 months of projected additions, retirements, and adjustments.

Reserves as of December 31, 2016 are based on projected reserves as of December 31, 2015, as adjusted for 12 months of projected depreciation provisions, retirements, and adjustments.

Projected additions are based on PPL Electric's capital budget forecast for 2015 and 2016. Capital additions are identified by FERC plant account based on projects expected to be placed in service during the future and fully projected future test periods and retirements are estimated based on historical experience.

Projected depreciation provisions are based on projected plant balances and projected capital additions during the future and fully projected future test periods.

PPL ELECTRIC UTILITIES CORPORATION

Original Plant Costs
Balances As of December 31, 2015
(Thousands of Dollars)

	Original Cost 12/31/14	Projected through 12/31/15			Original Cost 12/31/15
		Additions	Retirements	Transfers	
<u>Intangible</u>					
301.0	Organization	\$ 476	\$ -	\$ -	\$ 476
302.0	Franchises and Consents	147	-	-	147
303.2	Misc Intangible Plant - Computer Software	101,545	36,308	(3,663)	134,190
303.4	Misc Intangible Plant - Other	1,035	-	-	1,035
303.5	Smart Meter - Computer Software	4,038	-	-	4,038
	Subtotal - Intangible	107,241	36,308	(3,663)	139,886
<u>Transmission</u>					
350.2	Land	\$ 15,889	\$ 14,450	\$ (1,214)	\$ 29,125
350.4	Land Rights	161,558	1,698	-	163,256
352.0	Structures and Improvements	49,561	32,870	(712)	81,719
353.0	Station Equipment	783,544	195,108	(8,624)	970,028
354.0	Towers and Fixtures	724,202	54,122	(521)	777,803
354.2	Clearing Land and R/W - Towers	12,581	2,469	-	15,050
355.0	Poles and Fixtures	119,727	368,589	(5,171)	483,145
355.2	Clearing Land and R/W - Poles	10,400	1,443	-	11,843
356.0	Overhead Conductors and Devices	409,755	217,263	(12,965)	614,053
357.0	Underground Conduit	31,400	-	-	31,400
358.0	Underground Conductor and Devices	30,224	-	-	30,224
359.0	Roads and Trails	9,667	155	-	9,822
	Subtotal - Transmission	2,358,508	888,167	(29,207)	3,217,468
<u>Distribution</u>					
360.2	Land	\$ 17,292	\$ 523	\$ (9)	\$ 17,806
360.4	Land Rights	73,082	1,328	(26)	74,384
361.0	Structures and Improvements	36,347	1,880	(24)	38,203
362.0	Station Equipment	462,866	53,172	(2,455)	513,583
364.2	Towers and Fixtures	19,423	-	-	19,423
364.4	Poles and Fixtures	1,010,027	49,876	(3,026)	1,056,877
364.6	Clearing Land and R/W - Towers	154	-	-	154
364.8	Clearing Land and R/W - Poles	38,468	263	(5)	38,726
365.0	Overhead Conductors and Devices	868,916	80,361	(12,550)	936,727
366.0	Underground Conduit	176,022	14,973	(301)	190,694
367.0	Underground Conductor and Devices	528,733	32,435	(1,644)	559,524
368.2	Transformers - Overhead Type	253,805	24,335	(6,143)	271,997
368.4	Transformers - Submersible or Pad Mounted	193,066	12,957	(548)	205,475
368.6	Transformers - Non-Network Housing	130	-	(28)	102

PPL ELECTRIC UTILITIES CORPORATION

Original Plant Costs
Balances As of December 31, 2015
(Thousands of Dollars)

	Original Cost 12/31/14	Projected through 12/31/15			Original Cost 12/31/15
		Additions	Retirements	Transfers	
Distribution					
369.0 Services	\$ 649,185	\$ 21,363	\$ (831)	\$ -	\$ 669,717
370.0 Meters	67,574	-	(3,820)	-	63,754
370.2 Meters - AMR	215,988	15,275	-	-	231,263
370.4 Smart Metering	3,677	-	-	-	3,677
371.2 Installations on Customers Premises	319	-	-	-	319
371.4 Area Lighting Fixtures	8,415	361	(23)	-	8,753
373.2 Street Lighting and Signal Systems	108,423	3,831	(403)	-	111,851
Subtotal - Distribution	<u>4,731,912</u>	<u>312,933</u>	<u>(31,836)</u>	<u>-</u>	<u>5,013,009</u>
General Plant					
389.0 Land and Land Rights	\$ 10,370	\$ -	\$ -	\$ -	\$ 10,370
390.2 Structures and Improvements - Buildings	376,300	16,542	(1,308)	-	391,534
390.4 Structures and Improvements - Air Cond. Equip	42,677	3,656	(1,308)	-	45,025
391.2 Office Furniture and Equipment - Furniture	22,512	393	(625)	-	22,280
391.4 Office Furniture and Equipment - Mech Equip	2,889	41	(1)	-	2,929
391.6 Computer Equipment - General	7,714	27,450	(579)	-	34,585
391.7 Computer Equipment - Smart Meter Comp Eq	1,408	-	-	-	1,408
391.8 Computer Equipment - Power Mgmt System	38,155	-	-	-	38,155
392.1 Transportation Equipment - 5 yr.	7,154	1,514	(137)	-	8,531
392.2 Transportation Equipment - 8 yr.	19,722	2,840	(1,132)	-	21,430
392.3 Transportation Equipment - 10 yr.	74,389	7,795	(3,729)	-	78,455
392.4 Transportation Equipment - Trailers	7,366	612	(25)	-	7,953
392.5 Transportation Equipment - 15 yr.	3,585	198	(77)	-	3,706
392.6 Transportation Equipment - 20 yr.	654	-	-	-	654
393.0 Stores Equipment	2,295	-	(31)	-	2,264
394.0 Tools & Work Equipment - L&S Line Crews	4,762	-	(1)	-	4,761
394.2 Tools & Work Equipment - Tools	285	-	(11)	-	274
394.4 Tools & Work Equipment - Const Dept	1,353	-	-	-	1,353
394.6 Tools & Work Equipment - Other	24,985	2,595	(2,063)	-	25,517
394.8 Transportation Equipment - Garage Equipment	1,993	27	(203)	-	1,817
395.0 Laboratory Equipment	4,718	53	(48)	-	4,723
396.0 Power Operated Equipment	2,239	-	-	-	2,239
397.0 Communication Equipment	7,107	79	(985)	-	6,201
398.0 Miscellaneous Equipment	2,775	1,003	(155)	-	3,623
Subtotal - General Plant	<u>667,407</u>	<u>64,798</u>	<u>(12,418)</u>	<u>-</u>	<u>719,787</u>
Total - Electric Plant in Service	<u>\$ 7,865,068</u>	<u>\$ 1,302,206</u>	<u>\$ (77,124)</u>	<u>\$ -</u>	<u>\$ 9,090,150</u>

PPL ELECTRIC UTILITIES CORPORATION

Original Plant Costs
Balances As of December 31, 2015
(Thousands of Dollars)

	Original Cost 12/31/14	Projected through 12/31/15			Original Cost 12/31/15
		Additions	Retirements	Transfers	
<u>General Plant - Leasehold Improvements</u>					
390.2 Structures and Improvements - Buildings	\$ 742	\$ -	\$ -	\$ -	\$ 742
Subtotal - General Plant	<u>742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>742</u>
Total - Electric Plant in Service - Leasehold Improvements	<u>\$ 742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742</u>
	Original Cost 12/31/14	Projected through 12/31/15			Original Cost 12/31/15
		Additions	Retirements	Transfers	
<u>RECAP</u>					
Intangible	\$ 107,241	\$ 36,308	\$ (3,663)	\$ -	\$ 139,886
Transmission	2,358,508	888,167	(29,207)	-	3,217,468
Distribution	4,731,912	312,933	(31,836)	-	5,013,009
General Plant	<u>668,149</u>	<u>64,798</u>	<u>(12,418)</u>	<u>-</u>	<u>720,529</u>
Total - Electric Plant in Service	<u>\$ 7,865,810</u>	<u>\$ 1,302,206</u>	<u>\$ (77,124)</u>	<u>\$ -</u>	<u>\$ 9,090,892</u>

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2015
(Thousands of Dollars)

	Book Reserve 12/31/14	Projected through 12/31/15				Book Reserve 12/31/15
		Provisions	Retirements	Transfers	COR/Salvage	
Intangible						
301.0 Organization	Non-Depreciable	\$ -	\$ -	\$ -	\$ -	Non-Depreciable
302.0 Franchises and Consents	Non-Depreciable	-	-	-	-	Non-Depreciable
303.2 Misc Intangible Plant Computer Software	53,706	20,591	(3,663)	-	-	70,634
303.4 Misc Intangible Plant - Other	1,035	-	-	-	-	1,035
303.5 Misc Intangible Plant Smart Meter Software	1,143	844	-	-	-	1,987
Subtotal - Intangible	55,884	21,435	(3,663)	-	-	73,656
Transmission						
350.2 Land	Non-Depreciable					Non-Depreciable
350.4 Land Rights	41,798	1,997	-	-	-	43,795
352.0 Structures and Improvements	17,640	953	(712)	-	(64)	17,817
353.0 Station Equipment	178,187	18,203	(8,624)	-	(1,552)	186,214
354.0 Towers and Fixtures	140,161	10,652	(521)	-	(474)	149,818
354.2 Clearing Land and R/W - Towers	7,119	123	-	-	-	7,242
355.0 Poles and Fixtures	35,230	6,480	(5,171)	-	(4,964)	31,575
355.2 Clearing Land and R/W - Poles	4,073	118	-	-	-	4,191
356.0 Overhead Conductors and Devices	104,513	10,423	(12,965)	-	(11,539)	90,432
357.0 Underground Conduit	2,874	568	-	-	-	3,442
358.0 Underground Conductor and Devices	9,233	933	-	-	-	10,166
359.0 Roads and Trails	3,091	120	-	-	-	3,211
Subtotal - Transmission	543,919	50,570	(27,993)	-	(18,593)	547,903
Distribution						
360.2 Land	Non-Depreciable					Non-Depreciable
360.4 Land Rights	31,640	826	(26)	-	(1)	32,439
361.0 Structures and Improvements	14,527	442	(24)	-	(2)	14,943
362.0 Station Equipment	125,525	8,820	(2,455)	-	(1,007)	130,883
364.2 Towers and Fixtures	6,900	293	-	-	-	7,193
364.4 Poles and Fixtures	290,126	27,477	(3,026)	-	(9,532)	305,045
364.5 Poles - Insurance Proceeds	7,442	-	-	-	-	7,442
364.6 Clearing Land and R/W - Towers	61	2	-	-	-	63
364.8 Clearing Land and R/W - Poles	20,042	411	(5)	-	4	20,452
365.0 Overhead Conductors and Devices	260,002	15,715	(12,550)	-	(627)	262,540
366.0 Underground Conduit	53,245	3,007	(301)	-	(244)	55,707
367.0 Underground Conductor and Devices	175,034	10,086	(1,644)	-	(345)	183,131
368.2 Transformers - Overhead Type	107,164	12,120	(6,143)	-	(3,686)	109,455
368.4 Transformers - Submersible or Pad Mounted	76,738	4,120	(548)	-	(378)	79,932
368.6 Transformers - Non-Network Housing	104	4	(28)	-	-	80
369.0 Services	313,886	10,387	(831)	-	(507)	322,935

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2015

(Thousands of Dollars)

	Book Reserve 12/31/14	Projected through 12/31/15				Book Reserve 12/31/15
		Provisions	Retirements	Transfers	COR/Salvage	
Distribution						
370.0 Meters	43,111	3,032	(3,820)	-	(344)	41,979
370.2 Meters - AMR	135,051	18,023	-	-	-	153,074
370.4 Smart Meter Assets	557	244	-	-	-	801
371.2 Installations on Customers Premises	37	25	-	-	-	62
371.4 Area Lighting Fixtures	5,069	209	(23)	-	(3)	5,252
373.2 Street Lighting and Signal Systems	53,362	2,412	(403)	-	(101)	55,270
Subtotal - Distribution	1,719,623	117,655	(31,827)	-	(16,773)	1,788,678
General Plant						
389.0 Land and Land Rights	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 2
390.2 Structures and Improvements - Buildings	82,080	18,624	(1,308)	-	(222)	99,174
390.4 Structures and Improvements - Air Cond. Equip	13,135	1,501	(1,308)	-	(209)	13,119
391.2 Office Furniture and Equipment - Furniture	8,731	1,202	(625)	-	-	9,308
391.4 Office Furniture and Equipment - Mech Equip	1,103	210	(1)	-	-	1,312
391.6 Computer Equipment - General	1,245	6,043	(579)	-	-	6,709
391.7 Computer Equipment - Smart Meters	523	-	-	-	-	523
391.8 Computer Equipment - Power Mgmt System	38,155	-	-	-	-	38,155
392.1 Vehicles- 5 years	4,947	915	(137)	-	15	5,740
392.2 Vehicles- 8 years	13,821	775	(1,132)	-	577	14,041
392.3 Vehicles- 10 years	42,853	4,680	(3,729)	-	1,119	44,923
392.4 Transportation Equipment - Trailers	2,687	218	(25)	-	52	2,932
392.5 Vehicles- 15 years	1,632	200	(77)	-	5	1,760
392.6 Vehicles- 20 years	245	86	-	-	-	331
393.0 Stores Equipment	1,113	121	(31)	-	-	1,203
394.0 Tools & Work Equipment - L&S Line Crews	2,143	279	(1)	-	-	2,421
394.2 Tools/Support	150	22	(11)	-	-	161
394.4 Tools & Work Equipment - Const Dept	573	78	-	-	-	651
394.6 Tools & Work Equipment - Other	7,898	1,353	(2,063)	-	83	7,271
394.8 Transportation Equipment - Garage Equipment	604	111	(203)	-	-	512
395.0 Laboratory Equipment	1,683	240	(48)	-	-	1,875
396.0 Power Operated Equip	1,296	103	-	-	-	1,399
397.0 Communication Equipment	4,362	210	(985)	-	-	3,587
398.0 Miscellaneous Equipment	713	191	(155)	-	3	752
Subtotal - General Plant	231,694	37,162	(12,418)	-	1,423	257,861
Total - Accumulated Depreciation - Electric Plant in Service	\$ 2,551,120	\$ 226,822	\$ (75,901)	\$ -	\$ (33,943)	\$ 2,668,098

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2015
(Thousands of Dollars)

	Book Reserve	Projected through 12/31/15				Book Reserve
	12/31/14	Provisions	Retirements	Transfers	COR/Salvage	12/31/15
General Plant - Leasehold Improvements						
390.2 Structures and Improvements - Buildings	\$ 450	\$ 65	\$ -	\$ -	\$ -	\$ 515
Subtotal - General Plant	<u>450</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515</u>
Total - Accumulated Amortization - Leasehold Improvements	<u>\$ 450</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515</u>
	Book Reserve	Projected through 12/31/15				Book Reserve
	12/31/14	Provisions	Retirements	Transfers	COR/Salvage	12/31/15
RECAP - Accumulated Depreciation and Amortization						
Intangible	\$ 55,884	\$ 21,435	\$ (3,663)	\$ -	\$ -	\$ 73,656
Transmission	543,919	50,570	(27,993)	-	(18,593)	547,903
Distribution	1,719,623	117,655	(31,827)	-	(16,773)	1,788,678
General Plant	<u>232,144</u>	<u>37,227</u>	<u>(12,418)</u>	<u>-</u>	<u>1,423</u>	<u>258,376</u>
Total - Accumulated Depreciation and Amortization	<u>\$ 2,551,570</u>	<u>\$ 226,887</u>	<u>\$ (75,901)</u>	<u>\$ -</u>	<u>\$ (33,943)</u>	<u>\$ 2,668,613</u>

PPL ELECTRIC UTILITIES CORPORATION

Original Plant Costs
Balances As of December 31, 2016
(Thousands of Dollars)

	Original Cost 12/31/15	Projected through 12/31/16			Original Cost 12/31/16	
		Additions	Retirements	Transfers		
Intangible						
301.0	Organization	\$ 476	\$ -	\$ -	\$ -	\$ 476
302.0	Franchises and Consents	147	-	-	-	147
303.2	Misc Intangible Plant - Computer Software	134,190	28,735	(18,391)	-	144,534
303.4	Misc Intangible Plant - Other	1,035	-	-	-	1,035
303.5	Smart Meter - Computer Software	4,038	-	-	-	4,038
	Subtotal - Intangible	139,886	28,735	(18,391)	-	150,230
Transmission						
350.2	Land	\$ 29,125	\$ 3,665	\$ (308)	\$ -	\$ 32,482
350.4	Land Rights	163,256	-	-	-	163,256
352.0	Structures and Improvements	81,719	26,245	(568)	-	107,396
353.0	Station Equipment	970,028	183,723	(8,121)	-	1,145,630
354.0	Towers and Fixtures	777,803	14,330	(138)	-	791,995
354.2	Clearing Land and R/W - Towers	15,050	6	-	-	15,056
355.0	Poles and Fixtures	483,145	158,363	(2,222)	-	639,286
355.2	Clearing Land and R/W - Poles	11,843	-	-	-	11,843
356.0	Overhead Conductors and Devices	614,053	90,880	(5,423)	-	699,510
357.0	Underground Conduit	31,400	-	-	-	31,400
358.0	Underground Conductor and Devices	30,224	-	-	-	30,224
359.0	Roads and Trails	9,822	27	-	-	9,849
	Subtotal - Transmission	3,217,468	477,239	(16,780)	-	3,677,927
Distribution						
360.2	Land	\$ 17,806	\$ -	\$ -	\$ -	\$ 17,806
360.4	Land Rights	74,384	1,736	(34)	-	76,086
361.0	Structures and Improvements	38,203	-	-	-	38,203
362.0	Station Equipment	513,583	72,784	(3,361)	-	583,006
364.2	Towers and Fixtures	19,423	-	-	-	19,423
364.4	Poles and Fixtures	1,056,877	55,475	(3,366)	-	1,108,986
364.6	Clearing Land and R/W - Towers	154	-	-	-	154
364.8	Clearing Land and R/W - Poles	38,726	315	(5)	-	39,036
365.0	Overhead Conductors and Devices	936,727	92,928	(7,256)	-	1,022,399
366.0	Underground Conduit	190,694	10,253	(206)	-	200,741
367.0	Underground Conductor and Devices	559,524	32,718	(1,659)	-	590,583
368.2	Transformers - Overhead Type	271,997	25,276	(4,606)	-	292,667
368.4	Transformers - Submersible or Pad Mounted	205,475	12,458	(528)	-	217,405
368.6	Transformers - Non-Network Housing	102	-	(13)	-	89

PPL ELECTRIC UTILITIES CORPORATION

Original Plant Costs
Balances As of December 31, 2016
(Thousands of Dollars)

	Original Cost 12/31/15	Projected through 12/31/16			Original Cost 12/31/16
		Additions	Retirements	Transfers	
<u>Distribution</u>					
369.0 Services	\$ 669,717	\$ 21,908	\$ (852)	\$ -	\$ 690,773
370.0 Meters	63,754	-	(4,882)	-	58,872
370.2 Meters - AMR	231,263	16,555	-	-	247,818
370.4 Smart Metering	3,677	-	-	-	3,677
371.2 Installations on Customers Premises	319	-	-	-	319
371.4 Area Lighting Fixtures	8,753	380	(24)	-	9,109
373.2 Street Lighting and Signal Systems	111,851	3,933	(414)	-	115,370
Subtotal - Distribution	<u>5,013,009</u>	<u>346,719</u>	<u>(27,206)</u>	<u>-</u>	<u>5,332,522</u>
<u>General Plant</u>					
389.0 Land and Land Rights	\$ 10,370	\$ -	\$ -	\$ -	\$ 10,370
390.2 Structures and Improvements - Buildings	391,534	13,653	(1,079)	-	404,108
390.4 Structures and Improvements - Air Cond. Equip	45,025	783	(280)	-	45,528
391.2 Office Furniture and Equipment - Furniture	22,280	353	(96)	-	22,537
391.4 Office Furniture and Equipment - Mech Equip	2,929	41	(23)	-	2,947
391.6 Computer Equipment - General	34,585	46,419	(853)	-	80,151
391.7 Computer Equipment - Smart Meter Comp Eq	1,408	-	-	-	1,408
391.8 Computer Equipment - Power Mgmt System	38,155	-	-	-	38,155
392.1 Transportation Equipment - 5 yr.	8,531	1,112	(101)	-	9,542
392.2 Transportation Equipment - 8 yr.	21,430	1,818	(725)	-	22,523
392.3 Transportation Equipment - 10 yr.	78,455	6,580	(3,148)	-	81,887
392.4 Transportation Equipment - Trailers	7,953	196	(8)	-	8,141
392.5 Transportation Equipment - 15 yr.	3,706	398	(156)	-	3,948
392.6 Transportation Equipment - 20 yr.	654	-	-	-	654
393.0 Stores Equipment	2,264	-	(58)	-	2,206
394.0 Tools & Work Equipment - L&S Line Crews	4,761	-	(14)	-	4,747
394.2 Tools & Work Equipment - Tools	274	-	(21)	-	253
394.4 Tools & Work Equipment - Const Dept	1,353	-	-	-	1,353
394.6 Tools & Work Equipment - Other	25,517	2,651	(300)	-	27,868
394.8 Transportation Equipment - Garage Equipment	1,817	27	(42)	-	1,802
395.0 Laboratory Equipment	4,723	54	(176)	-	4,601
396.0 Power Operated Equipment	2,239	-	-	-	2,239
397.0 Communication Equipment	6,201	81	(781)	-	5,501
398.0 Miscellaneous Equipment	3,623	511	(65)	-	4,069
Subtotal - General Plant	<u>719,787</u>	<u>74,677</u>	<u>(7,926)</u>	<u>-</u>	<u>786,538</u>
Total - Electric Plant in Service	<u>\$ 9,090,150</u>	<u>\$ 927,370</u>	<u>\$ (70,303)</u>	<u>\$ -</u>	<u>\$ 9,947,217</u>

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2016
(Thousands of Dollars)

		Book Reserve	Projected through 12/31/16				Book Reserve
		12/31/15	Provisions	Retirements	Transfers	COR/Salvage	12/31/16
<u>Intangible</u>							
301.0	Organization	Non-Depreciable	\$ -	\$ -	\$ -	\$ -	Non-Depreciable
302.0	Franchises and Consents	Non-Depreciable	-	-	-	-	Non-Depreciable
303.2	Misc Intangible Plant Computer Software		70,634	22,981	(18,391)	-	75,224
303.4	Misc Intangible Plant - Other		1,035	-	-	-	1,035
303.5	Misc Intangible Plant Smart Meter Software		1,987	753	-	-	2,740
	Subtotal - Intangible		73,656	23,734	(18,391)	-	78,999
<u>Transmission</u>							
350.2	Land	Non-Depreciable					Non-Depreciable
350.4	Land Rights		43,795	2,008	-	-	45,803
352.0	Structures and Improvements		17,817	1,477	(568)	(51)	18,675
353.0	Station Equipment		186,214	22,817	(8,121)	(1,462)	199,448
354.0	Towers and Fixtures		149,818	11,579	(138)	(126)	161,133
354.2	Clearing Land and R/W - Towers		7,242	145	-	-	7,387
355.0	Poles and Fixtures		31,575	12,612	(2,222)	(2,133)	39,832
355.2	Clearing Land and R/W - Poles		4,191	130	-	-	4,321
356.0	Overhead Conductors and Devices		90,432	14,794	(5,423)	(4,827)	94,976
357.0	Underground Conduit		3,442	568	-	-	4,010
358.0	Underground Conductor and Devices		10,166	938	-	-	11,104
359.0	Roads and Trails		3,211	121	-	-	3,332
	Subtotal - Transmission		547,903	67,189	(16,472)	(8,599)	590,021
<u>Distribution</u>							
360.2	Land	Non-Depreciable					Non-Depreciable
360.4	Land Rights		32,439	843	(34)	(1)	33,247
361.0	Structures and Improvements		14,943	457	-	-	15,400
362.0	Station Equipment		130,883	9,963	(3,361)	(1,378)	136,107
364.2	Towers and Fixtures		7,193	293	-	-	7,486
364.4	Poles and Fixtures		305,045	28,712	(3,366)	(10,602)	319,789
364.5	Poles - Insurance Proceeds		7,442	-	-	-	7,442
364.6	Clearing Land and R/W - Towers		63	2	-	-	65
364.8	Clearing Land and R/W - Poles		20,452	414	(5)	4	20,865
365.0	Overhead Conductors and Devices		262,540	17,427	(7,256)	(363)	272,348
366.0	Underground Conduit		55,707	3,227	(206)	(167)	58,561
367.0	Underground Conductor and Devices		183,131	10,772	(1,659)	(348)	191,896
368.2	Transformers - Overhead Type		109,455	12,675	(4,606)	(2,764)	114,760
368.4	Transformers - Submersible or Pad Mounted		79,932	4,412	(528)	(364)	83,452
368.6	Transformers - Non-Network Housing		80	3	(13)	-	70
369.0	Services		322,935	10,792	(852)	(520)	332,355

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2016

(Thousands of Dollars)

	Book Reserve 12/31/15	Projected through 12/31/16				Book Reserve 12/31/16
		Provisions	Retirements	Transfers	COR/Salvage	
Distribution						
370.0 Meters	41,979	2,799	(4,882)	-	(439)	39,457
370.2 Meters - AMR	153,074	19,013	-	-	-	172,087
370.4 Smart Meter Assets	801	244	-	-	-	1,045
371.2 Installations on Customers Premises	62	24	-	-	-	86
371.4 Area Lighting Fixtures	5,252	222	(24)	-	(3)	5,447
373.2 Street Lighting and Signal Systems	55,270	2,513	(414)	-	(104)	57,265
Subtotal - Distribution	1,788,678	124,807	(27,206)	-	(17,049)	1,869,230
General Plant						
389.0 Land and Land Rights	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 2
390.2 Structures and Improvements - Buildings	99,174	19,505	(1,079)	-	(183)	117,417
390.4 Structures and Improvements - Air Cond. Equip	13,119	1,588	(280)	-	(45)	14,382
391.2 Office Furniture and Equipment - Furniture	9,308	1,190	(96)	-	-	10,402
391.4 Office Furniture and Equipment - Mech Equip	1,312	212	(23)	-	-	1,501
391.6 Computer Equipment - General	6,709	11,473	(853)	-	-	17,329
391.7 Computer Equipment - Smart Meters	523	-	-	-	-	523
391.8 Computer Equipment - Power Mgmt System	38,155	-	-	-	-	38,155
392.1 Vehicles- 5 years	5,740	1,076	(101)	-	11	6,726
392.2 Vehicles- 8 years	14,041	979	(725)	-	370	14,665
392.3 Vehicles- 10 years	44,923	4,984	(3,148)	-	944	47,703
392.4 Transportation Equipment - Trailers	2,932	231	(8)	-	17	3,172
392.5 Vehicles- 15 years	1,760	211	(156)	-	11	1,826
392.6 Vehicles- 20 years	331	74	-	-	-	405
393.0 Stores Equipment	1,203	117	(58)	-	1	1,263
394.0 Tools & Work Equipment - L&S Line Crews	2,421	280	(14)	-	-	2,687
394.2 Tools/Support	161	20	(21)	-	-	160
394.4 Tools & Work Equipment - Const Dept	651	79	-	-	-	730
394.6 Tools & Work Equipment - Other	7,271	1,361	(300)	-	12	8,344
394.8 Transportation Equipment - Garage Equipment	512	97	(42)	-	-	567
395.0 Laboratory Equipment	1,875	233	(176)	-	-	1,932
396.0 Power Operated Equip	1,399	98	-	-	-	1,497
397.0 Communication Equipment	3,587	220	(781)	-	-	3,026
398.0 Miscellaneous Equipment	752	202	(65)	-	1	890
Subtotal - General Plant	257,861	44,230	(7,926)	-	1,139	295,304
Total - Accumulated Depreciation - Electric Plant in Service	\$ 2,668,098	\$ 259,960	\$ (69,995)	\$ -	\$ (24,509)	\$ 2,833,554

PPL ELECTRIC UTILITIES CORPORATION

Reserve Balances As of December 31, 2016

(Thousands of Dollars)

	Book Reserve	Projected through 12/31/16				Book Reserve
	12/31/15	Provisions	Retirements	Transfers	COR/Salvage	12/31/16
<u>General Plant - Leasehold Improvements</u>						
390.2 Structures and Improvements - Buildings	\$ 515	\$ 65	\$ -	\$ -	\$ -	\$ 580
Subtotal - General Plant	<u>515</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580</u>
Total - Accumulated Amortization - Leasehold Improvements	<u>\$ 515</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 580</u>

	Book Reserve	Projected through 12/31/16				Book Reserve
	12/31/15	Provisions	Retirements	Transfers	COR/Salvage	12/31/16
<u>RECAP - Accumulated Depreciation and Amortization</u>						
Intangible	\$ 73,656	\$ 23,734	\$ (18,391)	\$ -	\$ -	\$ 78,999
Transmission	547,903	67,189	(16,472)	-	(8,599)	590,021
Distribution	1,788,678	124,807	(27,206)	-	(17,049)	1,869,230
General Plant	<u>258,376</u>	<u>44,295</u>	<u>(7,926)</u>	<u>-</u>	<u>1,139</u>	<u>295,884</u>
Total - Accumulated Depreciation and Amortization	<u>\$ 2,668,613</u>	<u>\$ 260,025</u>	<u>\$ (69,995)</u>	<u>\$ -</u>	<u>\$ (24,509)</u>	<u>\$ 2,834,134</u>

- 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. Attachments V-B-1a and V-B-1b provide PPL Electric's calculated and book accruals by function and by account for the future test year ending December 31, 2015 and the fully projected future test year ending December 31, 2016.

PPL ELECTRIC UTILITIES CORPORATION
COMPARISON OF CALCULATED AND BOOK
DEPRECIATION ACCRUALS AS OF DECEMBER 31, 2015
(THOUSANDS OF DOLLARS)

<u>DEPRECIABLE GROUP</u> (1)	<u>CALCULATED DEPRECIATION ACCRUALS</u> (2)	<u>BOOK DEPRECIATION ACCRUALS</u> (3)
DEPRECIABLE PLANT		
INTANGIBLE PLANT		
303.2 MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	20,591	22,127
303.4 MISCELLANEOUS INTANGIBLE PLANT - FIBER OPTIC	0	0
303.5 SMART METER SOFTWARE	844	753
TOTAL INTANGIBLE PLANT	21,436	22,880
TRANSMISSION PLANT		
350.4 LAND RIGHTS	1,998	2,014
352 STRUCTURES AND IMPROVEMENTS	945	1,264
353 STATION EQUIPMENT	16,922	19,078
354 TOWERS AND FIXTURES	9,913	10,364
354.2 TOWERS AND FIXTURES - CLEARING R/W	123	145
355 POLES AND FIXTURES	4,853	8,688
355.2 POLES AND FIXTURES - CLEARING R/W	118	130
356 OVERHEAD CONDUCTORS AND DEVICES	7,986	10,329
357 UNDERGROUND CONDUIT	568	568
358 UNDERGROUND CONDUCTORS AND DEVICES	889	872
359 ROADS AND TRAILS	120	121
TOTAL TRANSMISSION PLANT	44,434	53,572
DISTRIBUTION PLANT		
360.4 LAND RIGHTS	826	835
361 STRUCTURES AND IMPROVEMENTS	440	455
362 STATION EQUIPMENT	8,105	8,628
364.2 POLES, TOWERS AND FIXTURES - TOWERS	293	293
364.4 POLES, TOWERS AND FIXTURES - POLES	17,465	17,806
364.6 POLES, TOWERS AND FIXTURES - CLEARING TOWERS	2	2
364.8 POLES, TOWERS AND FIXTURES - CLEARING POLES	413	413
365 OVERHEAD CONDUCTORS AND DEVICES	15,258	16,227
366 UNDERGROUND CONDUIT	2,897	3,028
367 UNDERGROUND CONDUCTORS AND DEVICES	9,794	10,190
368.2 LINE TRANSFORMERS - OVERHEAD	9,570	9,632
368.4 LINE TRANSFORMERS - SUBMERSIBLE & PAD MOUNT	3,926	4,081
368.6 LINE TRANSFORMERS - NON-NETWORK HOUSING	4	3
369 SERVICES	9,892	10,130
370.1 METERS	2,784	2,638
370.2 METERS - AMR	17,733	18,052
370.4 METERS - SMART METERS	244	244
371.2 INSTALLATIONS ON CUSTOMERS' PREMISES	25	24
371.4 AREA LIGHTING FIXTURES	205	214
373.2 STREET LIGHTING AND SIGNAL SYSTEMS	2,291	2,345
TOTAL DISTRIBUTION PLANT	102,167	105,241

PPL ELECTRIC UTILITIES CORPORATION
 COMPARISON OF CALCULATED AND BOOK
 DEPRECIATION ACCRUALS AS OF DECEMBER 31, 2015
 (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	18,122	18,693
- BUILDINGS - MINOR	152	149
TOTAL ACCOUNT 390.2	<u>18,274</u>	<u>18,842</u>
390.2 STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	65	65
390.4 STRUCTURES AND IMPROVEMENTS - AIR COND.	1,394	1,468
391.2 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,203	1,183
391.4 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	210	211
391.6 OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	6,043	7,025
391.8 OFFICE FURNITURE AND EQUIPMENT - POWER MGMT. SYS.	0	0
392.1 TRANSPORTATION EQUIPMENT - 5 YEARS	925	1,026
392.2 TRANSPORTATION EQUIPMENT - 8 YEARS	1,119	1,309
392.3 TRANSPORTATION EQUIPMENT - 10 YEARS	5,479	5,706
392.4 TRANSPORTATION EQUIPMENT - TRAILERS	262	274
392.5 TRANSPORTATION EQUIPMENT - 15 YEARS	204	209
392.6 TRANSPORTATION EQUIPMENT - 20 YEARS	86	74
393 STORES EQUIPMENT	122	120
394 TOOLS AND WORK EQUIPMENT - L&S LINE CREWS	279	280
394.2 TOOLS AND WORK EQUIPMENT - TOOLS	22	21
394.4 TOOLS AND WORK EQUIPMENT - CONST. DEPT.	78	79
394.6 TOOLS AND WORK EQUIPMENT - OTHER	1,364	1,311
394.8 TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT	111	96
395 LABORATORY EQUIPMENT	240	236
396 POWER OPERATED EQUIPMENT	103	98
397 COMMUNICATION EQUIPMENT	210	233
398 MISCELLANEOUS EQUIPMENT	<u>194</u>	<u>192</u>
TOTAL GENERAL PLANT	37,986	40,059
TOTAL DEPRECIABLE PLANT	<u>206,024</u>	<u>221,751</u>

PPL ELECTRIC UTILITIES CORPORATION
COMPARISON OF CALCULATED AND BOOK
DEPRECIATION ACCRUALS AS OF DECEMBER 31, 2016
(THOUSANDS OF DOLLARS)

DEPRECIABLE GROUP (1)	CALCULATED DEPRECIATION ACCRUALS (2)	BOOK DEPRECIATION ACCRUALS (3)
DEPRECIABLE PLANT		
INTANGIBLE PLANT		
303.2 MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	22,981	24,094
303.4 MISCELLANEOUS INTANGIBLE PLANT - FIBER OPTIC	0	0
303.5 SMART METER SOFTWARE	753	691
TOTAL INTANGIBLE PLANT	23,733	24,785
TRANSMISSION PLANT		
350.4 LAND RIGHTS	2,008	2,015
352 STRUCTURES AND IMPROVEMENTS	1,466	1,705
353 STATION EQUIPMENT	20,839	22,725
354 TOWERS AND FIXTURES	10,439	10,545
354.2 TOWERS AND FIXTURES - CLEARING R/W	145	145
355 POLES AND FIXTURES	10,102	11,456
355.2 POLES AND FIXTURES - CLEARING R/W	130	130
356 OVERHEAD CONDUCTORS AND DEVICES	11,034	11,835
357 UNDERGROUND CONDUIT	568	567
358 UNDERGROUND CONDUCTORS AND DEVICES	870	853
359 ROADS AND TRAILS	121	121
TOTAL TRANSMISSION PLANT	57,722	62,098
DISTRIBUTION PLANT		
360.4 LAND RIGHTS	843	860
361 STRUCTURES AND IMPROVEMENTS	455	454
362 STATION EQUIPMENT	9,211	9,965
364.2 POLES, TOWERS AND FIXTURES - TOWERS	293	293
364.4 POLES, TOWERS AND FIXTURES - POLES	18,193	18,709
364.6 POLES, TOWERS AND FIXTURES - CLEARING TOWERS	2	2
364.8 POLES, TOWERS AND FIXTURES - CLEARING POLES	416	417
365 OVERHEAD CONDUCTORS AND DEVICES	16,946	17,967
366 UNDERGROUND CONDUIT	3,112	3,192
367 UNDERGROUND CONDUCTORS AND DEVICES	10,466	10,849
368.2 LINE TRANSFORMERS - OVERHEAD	9,995	10,013
368.4 LINE TRANSFORMERS - SUBMERSIBLE & PAD MOUNT	4,208	4,341
368.6 LINE TRANSFORMERS - NON-NETWORK HOUSING	3	3
369 SERVICES	10,272	10,552
370.1 METERS	2,538	2,431
370.2 METERS - AMR	18,708	16,102
370.4 METERS - SMART METERS	244	244
371.2 INSTALLATIONS ON CUSTOMERS' PREMISES	24	23
371.4 AREA LIGHTING FIXTURES	218	226
373.2 STREET LIGHTING AND SIGNAL SYSTEMS	2,386	2,436
TOTAL DISTRIBUTION PLANT	108,533	109,079

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF CALCULATED AND BOOK
DEPRECIATION ACCRUALS AS OF DECEMBER 31, 2016
(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	18,980	19,672
- BUILDINGS - MINOR	155	153
TOTAL ACCOUNT 390.2	<u>19,135</u>	<u>19,824</u>
390.2 STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	65	65
390.4 STRUCTURES AND IMPROVEMENTS - AIR COND.	1,476	1,469
391.2 OFFICE FURNITURE AND EQUIPMENT - FURNITURE	1,190	1,193
391.4 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	212	210
391.6 OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	11,473	16,135
391.8 OFFICE FURNITURE AND EQUIPMENT - POWER MGMT. SYS.	0	0
392.1 TRANSPORTATION EQUIPMENT - 5 YEARS	1,087	1,041
392.2 TRANSPORTATION EQUIPMENT - 8 YEARS	1,343	1,441
392.3 TRANSPORTATION EQUIPMENT - 10 YEARS	5,828	5,935
392.4 TRANSPORTATION EQUIPMENT - TRAILERS	277	280
392.5 TRANSPORTATION EQUIPMENT - 15 YEARS	216	228
392.6 TRANSPORTATION EQUIPMENT - 20 YEARS	74	62
393 STORES EQUIPMENT	118	114
394 TOOLS AND WORK EQUIPMENT - L&S LINE CREWS	280	280
394.2 TOOLS AND WORK EQUIPMENT - TOOLS	20	16
394.4 TOOLS AND WORK EQUIPMENT - CONST. DEPT.	79	77
394.6 TOOLS AND WORK EQUIPMENT - OTHER	1,372	1,423
394.8 TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT	96	97
395 LABORATORY EQUIPMENT	233	233
396 POWER OPERATED EQUIPMENT	98	92
397 COMMUNICATION EQUIPMENT	220	242
398 MISCELLANEOUS EQUIPMENT	<u>204</u>	<u>210</u>
TOTAL GENERAL PLANT	45,096	50,666
TOTAL DEPRECIABLE PLANT	<u><u>235,085</u></u>	<u><u>246,628</u></u>

- Q. 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.
- a) Attachment V-B-2a, columns 4 & 5, provides PPL Electric's survivor curve and annual estimated accrual rate for the future test year. Attachment V-B-2b, columns 4 & 5, provides PPL Electric's survivor curve and annual estimated accrual rate for the fully projected future test year.
 - b) Attachments V-B-2a and V-B-2b, columns 2 & 3, provide PPL Electric's survivor curve and annual estimated accrual rate for the most recent filing with the Commission.
 - c) Attachments V-B-2a and V-B-2b, column 6, provide an explanation for any change in annual accrual rate by account. Changes reflect plant and reserve activity, life 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, "Service Life Statistics," beginning on page VI-2.

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF EXISTING SURVIVOR CURVE AND DEPRECIATION RATE
AS OF DECEMBER 31, 2015

DEPRECIABLE GROUP		MOST RECENT FILING		CURRENT FILING		REASON FOR
(1)		CURVE	RATE	CURVE	RATE	ACCRUAL CHANGE
		(2)	(3)	(4)	(5)	(6)
INTANGIBLE PLANT						
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	5-SQ	18.76	5-SQ	16.49	c
303.4	MISCELLANEOUS INTANGIBLE PLANT - FIBER OPTIC	15-SQ	1.31	15-SQ	-	c
303.5	SMART METER SOFTWARE	5-SQ	32.40	5-SQ	18.64	c
TRANSMISSION PLANT						
350.4	LAND RIGHTS	70-S4	1.27	75-S4	1.23	a
352	STRUCTURES AND IMPROVEMENTS	55-R4	1.65	60-R4	1.55	a
353	STATION EQUIPMENT	47-R1	1.89	48-R1	1.97	a
354	TOWERS AND FIXTURES	65-R3	1.32	70-R3	1.33	a
354.2	TOWERS AND FIXTURES - CLEARING R/W	70-R4	1.05	75-R4	0.96	a
355	POLES AND FIXTURES	55-R1	1.57	55-R0.5	1.80	a
355.2	POLES AND FIXTURES - CLEARING R/W	70-R4	1.06	75-R4	1.10	a
356	OVERHEAD CONDUCTORS AND DEVICES	55-R3	1.39	60-R3	1.68	a
357	UNDERGROUND CONDUIT	50-R4	2.11	55-S4	1.81	a
358	UNDERGROUND CONDUCTORS AND DEVICES	40-R3	2.17	35-S4	2.88	a
359	ROADS AND TRAILS	70-R4	1.39	75-R4	1.23	a
DISTRIBUTION PLANT						
360.4	LAND RIGHTS	65-R3	1.21	70-R4	1.12	a
361	STRUCTURES AND IMPROVEMENTS	65-R2.5	1.14	67-R2.5	1.19	a
362	STATION EQUIPMENT	50-R2	1.83	54-S0.5	1.68	a
364.2	POLES, TOWERS AND FIXTURES - TOWERS	55-R3	1.71	60-R3	1.51	a
364.4	POLES, TOWERS AND FIXTURES - POLES	44-O1	1.89	49-O1	1.68	a
364.6	POLES, TOWERS AND FIXTURES - CLEARING TOWERS	55-S3	1.79	60-S3	1.47	a
364.8	POLES, TOWERS AND FIXTURES - CLEARING POLES	65-R3	1.07	65-R3	1.07	a
365	OVERHEAD CONDUCTORS AND DEVICES	45-R1	1.86	49-R0.5	1.73	a
366	UNDERGROUND CONDUIT	55-R3	1.81	60-R3	1.59	a
367	UNDERGROUND CONDUCTORS AND DEVICES	43-S1.5	2.06	48-S1.5	1.82	a
368.2	LINE TRANSFORMERS - OVERHEAD	34-SQ	3.41	34-SQ	3.54	b, c
368.4	LINE TRANSFORMERS - SUBMERSIBLE & PAD MOUNT	48-SQ	1.93	48-SQ	1.99	b, c
368.6	LINE TRANSFORMERS - NON-NETWORK HOUSING	35-SQ	2.24	35-SQ	3.29	b, c
369	SERVICES	42-R1.5	1.62	45-R1.5	1.51	a
370.1	METERS	28-SQ	4.02	28-SQ	4.14	b, c
370.2	METERS - AMR	15-SQ	7.64	15-SQ	7.81	b, c
370.4	METERS - SMART METERS	15-SQ	6.92	15-SQ	6.64	b, c
371.2	INSTALLATIONS ON CUSTOMERS' PREMISES	35-R3	8.03	35-S3	7.61	a
371.4	AREA LIGHTING FIXTURES	19-L0.5	2.75	21-L0.5	2.44	a
373.2	STREET LIGHTING AND SIGNAL SYSTEMS	30-L1.5	2.19	33-L1.5	2.10	a

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF EXISTING SURVIVOR CURVE AND DEPRECIATION RATE
AS OF DECEMBER 31, 2015

	DEPRECIABLE GROUP (1)	MOST RECENT FILING		CURRENT FILING		REASON FOR ACCRUAL CHANGE (6)
		CURVE (2)	RATE (3)	CURVE (4)	RATE (5)	
	GENERAL PLANT					
389.4	LAND RIGHTS	65-R4	2.82	70-R4	2.18	a
390.2	STRUCTURES AND IMPROVEMENTS					
	- BUILDINGS - MAJOR	55-S0	4.26	55-S0	4.83	c
	- BUILDINGS - MINOR	45-R3	3.09	45-R3	3.05	c
390.21	STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	10-SQ	9.30	10-SQ	8.73	b
390.4	STRUCTURES AND IMPROVEMENTS - AIR COND.	30-R2	2.83	30-S1	3.26	a
391.2	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	5.51	20-SQ	5.31	b
391.4	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	7.19	15-SQ	7.21	b
391.6	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	27.81	5-SQ	19.52	b
391.8	OFFICE FURNITURE AND EQUIPMENT - POWER MGMT. SYS.	7-SQ	-	7-SQ	-	
392.1	TRANSPORTATION EQUIPMENT - AUTOMOBILES	5-SQ	12.45	5-L4	12.03	a
392.2	TRANSPORTATION EQUIPMENT - LIGHT DUTY TRUCKS	8-SQ	4.72	8-R1	6.11	a
392.3	TRANSPORTATION EQUIPMENT - HEAVY DUTY TRUCKS	10-SQ	8.76	11-R4	7.27	a
392.4	TRANSPORTATION EQUIPMENT -TRAILERS	19-L0.5	4.30	24-L1.5	3.44	a
392.5	TRANSPORTATION EQUIPMENT - LARGE TANKERS/TRACTORS	15-SQ	7.06	16-L4	5.64	a
392.6	TRANSPORTATION EQUIPMENT - LARGE CRANE TRUCKS	20-SQ	7.03	13-L3	11.29	a
393	STORES EQUIPMENT	25-SQ	5.22	25-SQ	5.28	b
394	TOOLS AND WORK EQUIPMENT - L&S LINE CREWS	20-SQ	5.98	20-SQ	5.88	b
394.2	TOOLS AND WORK EQUIPMENT - TOOLS	20-SQ	24.81	20-SQ	7.66	b
394.4	TOOLS AND WORK EQUIPMENT - CONST. DEPT.	20-SQ	5.91	20-SQ	5.84	b
394.6	TOOLS AND WORK EQUIPMENT - OTHER	20-SQ	5.48	20-SQ	5.14	b
394.8	TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT	20-SQ	5.86	20-SQ	5.29	b
395	LABORATORY EQUIPMENT	20-SQ	5.10	20-SQ	5.00	b
396	POWER OPERATED EQUIPMENT	15-SQ	4.41	13-S0	4.38	a
397	COMMUNICATION EQUIPMENT	15-SQ	1.74	15-SQ	3.76	b
398	MISCELLANEOUS EQUIPMENT	20-SQ	7.20	20-SQ	5.31	b

LEGEND:

- a - NEW LIFE STUDY CHARACTERISTICS
- b - AMORTIZATION ACCOUNT
- c - PLANT AND RESERVE ACTIVITY

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF EXISTING SURVIVOR CURVE AND DEPRECIATION RATE
AS OF DECEMBER 31, 2016

DEPRECIABLE GROUP		MOST RECENT FILING		CURRENT FILING		REASON FOR
(1)		CURVE	RATE	CURVE	RATE	ACCRUAL CHANGE
		(2)	(3)	(4)	(5)	(6)
INTANGIBLE PLANT						
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	5-SQ	18.76	5-SQ	16.67	c
303.4	MISCELLANEOUS INTANGIBLE PLANT - FIBER OPTIC	15-SQ	1.31	15-SQ	-	c
303.5	SMART METER SOFTWARE	5-SQ	32.40	5-SQ	17.11	c
TRANSMISSION PLANT						
350.4	LAND RIGHTS	70-S4	1.27	75-S4	1.23	a
352	STRUCTURES AND IMPROVEMENTS	55-R4	1.65	60-R4	1.59	a
353	STATION EQUIPMENT	47-R1	1.89	48-R1	1.98	a
354	TOWERS AND FIXTURES	65-R3	1.32	70-R3	1.33	a
354.2	TOWERS AND FIXTURES - CLEARING R/W	70-R4	1.05	75-R4	0.96	a
355	POLES AND FIXTURES	55-R1	1.57	55-R0.5	1.79	a
355.2	POLES AND FIXTURES - CLEARING R/W	70-R4	1.06	75-R4	1.10	a
356	OVERHEAD CONDUCTORS AND DEVICES	55-R3	1.39	60-R3	1.69	a
357	UNDERGROUND CONDUIT	50-R4	2.11	55-S4	1.81	a
358	UNDERGROUND CONDUCTORS AND DEVICES	40-R3	2.17	35-S4	2.82	a
359	ROADS AND TRAILS	70-R4	1.39	75-R4	1.23	a
DISTRIBUTION PLANT						
360.4	LAND RIGHTS	65-R3	1.21	70-R4	1.13	a
361	STRUCTURES AND IMPROVEMENTS	65-R2.5	1.14	67-R2.5	1.19	a
362	STATION EQUIPMENT	50-R2	1.83	54-S0.5	1.71	a
364.2	POLES, TOWERS AND FIXTURES - TOWERS	55-R3	1.71	60-R3	1.51	a
364.4	POLES, TOWERS AND FIXTURES - POLES	44-O1	1.89	49-O1	1.69	a
364.6	POLES, TOWERS AND FIXTURES - CLEARING TOWERS	55-S3	1.79	60-S3	1.47	a
364.8	POLES, TOWERS AND FIXTURES - CLEARING POLES	65-R3	1.07	65-R3	1.07	a
365	OVERHEAD CONDUCTORS AND DEVICES	45-R1	1.86	49-R0.5	1.76	a
366	UNDERGROUND CONDUIT	55-R3	1.81	60-R3	1.59	a
367	UNDERGROUND CONDUCTORS AND DEVICES	43-S1.5	2.06	48-S1.5	1.84	a
368.2	LINE TRANSFORMERS - OVERHEAD	34-SQ	3.41	34-SQ	3.42	b, c
368.4	LINE TRANSFORMERS - SUBMERSIBLE & PAD MOUNT	48-SQ	1.93	48-SQ	2.00	b, c
368.6	LINE TRANSFORMERS - NON-NETWORK HOUSING	35-SQ	2.24	35-SQ	3.27	b, c
369	SERVICES	42-R1.5	1.62	45-R1.5	1.53	a
370.1	METERS	28-SQ	4.02	28-SQ	4.13	b, c
370.2	METERS - AMR	15-SQ	7.64	15-SQ	6.50	b, c
370.4	METERS - SMART METERS	15-SQ	6.92	15-SQ	6.65	b, c
371.2	INSTALLATIONS ON CUSTOMERS' PREMISES	35-R3	8.03	35-S3	7.24	a
371.4	AREA LIGHTING FIXTURES	19-L0.5	2.75	21-L0.5	2.48	a
373.2	STREET LIGHTING AND SIGNAL SYSTEMS	30-L1.5	2.19	33-L1.5	2.11	a

PPL ELECTRIC UTILITIES CORPORATION

COMPARISON OF EXISTING SURVIVOR CURVE AND DEPRECIATION RATE
AS OF DECEMBER 31, 2016

	DEPRECIABLE GROUP (1)	MOST RECENT FILING		CURRENT FILING		REASON FOR ACCRUAL CHANGE (6)
		CURVE (2)	RATE (3)	CURVE (4)	RATE (5)	
	GENERAL PLANT					
389.4	LAND RIGHTS	65-R4	2.82	70-R4	2.11	a
390.2	STRUCTURES AND IMPROVEMENTS					
	- BUILDINGS - MAJOR	55-S0	4.26	55-S0	4.93	c
	- BUILDINGS - MINOR	45-R3	3.09	45-R3	2.89	c
390.21	STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	10-SQ	9.30	10-SQ	8.72	b
390.4	STRUCTURES AND IMPROVEMENTS - AIR COND.	30-R2	2.83	30-S1	3.23	a
391.2	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	5.51	20-SQ	5.29	b
391.4	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	7.19	15-SQ	7.11	b
391.6	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	27.81	5-SQ	19.78	b
391.8	OFFICE FURNITURE AND EQUIPMENT - POWER MGMT. SYS.	7-SQ	-	7-SQ	-	
392.1	TRANSPORTATION EQUIPMENT - AUTOMOBILES	5-SQ	12.45	5-L4	10.91	a
392.2	TRANSPORTATION EQUIPMENT - LIGHT DUTY TRUCKS	8-SQ	4.72	8-R1	6.40	a
392.3	TRANSPORTATION EQUIPMENT - HEAVY DUTY TRUCKS	10-SQ	8.76	11-R4	7.25	a
392.4	TRANSPORTATION EQUIPMENT -TRAILERS	19-L0.5	4.30	24-L1.5	3.44	a
392.5	TRANSPORTATION EQUIPMENT - LARGE TANKERS/TRACTORS	15-SQ	7.06	16-L4	5.77	a
392.6	TRANSPORTATION EQUIPMENT - LARGE CRANE TRUCKS	20-SQ	7.03	13-L3	9.41	a
393	STORES EQUIPMENT	25-SQ	5.22	25-SQ	5.16	b
394	TOOLS AND WORK EQUIPMENT - L&S LINE CREWS	20-SQ	5.98	20-SQ	5.90	b
394.2	TOOLS AND WORK EQUIPMENT - TOOLS	20-SQ	24.81	20-SQ	6.29	b
394.4	TOOLS AND WORK EQUIPMENT - CONST. DEPT.	20-SQ	5.91	20-SQ	5.72	b
394.6	TOOLS AND WORK EQUIPMENT - OTHER	20-SQ	5.48	20-SQ	5.11	b
394.8	TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT	20-SQ	5.86	20-SQ	5.39	b
395	LABORATORY EQUIPMENT	20-SQ	5.10	20-SQ	5.06	b
396	POWER OPERATED EQUIPMENT	15-SQ	4.41	13-S0	4.12	a
397	COMMUNICATION EQUIPMENT	15-SQ	1.74	15-SQ	4.40	b
398	MISCELLANEOUS EQUIPMENT	20-SQ	7.20	20-SQ	5.17	b

LEGEND:

- a - NEW LIFE STUDY CHARACTERISTICS
- b - AMORTIZATION ACCOUNT
- c - PLANT AND RESERVE ACTIVITY

- 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 and JJS 3 provide 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 customer advances for construction.
 - d) No claim is being made in this rate case filing for construction work in progress.

PPL ELECTRIC UTILITIES CORPORATION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2015

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	ORIGINAL COST AT DECEMBER 31, 2015 (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	ANNUAL ACCRUAL AMOUNT (6)	COMPOSITE REMAINING LIFE (7)	ANNUAL ACCRUAL RATE, PERCENT (8)	
DEPRECIABLE PLANT								
INTANGIBLE PLANT								
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	5-SQ	134,189,733.01	71,440,592	62,749,141	21,600,856	2.9	16.10
303.4	MISCELLANEOUS INTANGIBLE PLANT - FIBER OPTIC	15-SQ	1,035,137.10	1,035,137	0	0	-	-
303.5	SMART METER SOFTWARE	5-SQ	4,038,091.97	1,981,864	2,056,228	755,618	2.7	18.71
TOTAL INTANGIBLE PLANT			139,262,962.08	74,457,593	64,805,369	22,356,474	2.9	16.05
TRANSMISSION PLANT								
350.4	LAND RIGHTS	75-S4	163,256,411.23	44,875,393	118,381,018	1,982,852	59.7	1.21
352	STRUCTURES AND IMPROVEMENTS	60-R4	81,719,069.83	17,954,749	63,764,321	1,258,044	50.7	1.54
353	STATION EQUIPMENT	48-R1	970,027,161.55	191,601,205	778,425,957	18,876,047	41.2	1.95
354	TOWERS AND FIXTURES	70-R3	777,803,030.55	152,905,617	624,897,414	10,281,740	60.8	1.32
354.2	TOWERS AND FIXTURES - CLEARING R/W	75-R4	15,050,591.51	7,449,913	7,600,679	139,361	54.5	0.93
355	POLES AND FIXTURES	55-R0.5	483,145,270.60	29,484,181	453,661,090	8,747,742	51.9	1.81
355.2	POLES AND FIXTURES - CLEARING R/W	75-R4	11,842,528.53	4,235,107	7,607,422	128,642	59.1	1.09
356	OVERHEAD CONDUCTORS AND DEVICES	60-R3	614,053,194.33	91,204,155	522,849,039	10,301,334	50.8	1.68
357	UNDERGROUND CONDUIT	55-S4	31,400,117.66	3,572,933	27,827,185	562,241	49.5	1.79
358	UNDERGROUND CONDUCTORS AND DEVICES	35-S4	30,224,004.04	10,635,571	19,588,433	816,026	24.0	2.70
359	ROADS AND TRAILS	75-R4	9,821,586.46	3,306,617	6,514,969	118,657	54.9	1.21
TOTAL TRANSMISSION PLANT			3,188,342,966.29	557,225,441	2,631,117,527	53,212,686	49.4	1.67
DISTRIBUTION PLANT								
360.4	LAND RIGHTS	70-R4	74,384,504.91	32,585,564	41,798,941	830,459	50.3	1.12
361	STRUCTURES AND IMPROVEMENTS	67-R2.5	38,203,494.43	14,985,966	23,217,528	453,329	51.2	1.19
362	STATION EQUIPMENT	54-S0.5	513,582,571.54	130,973,361	382,609,211	8,624,762	44.4	1.68
364.2	POLES, TOWERS AND FIXTURES - TOWERS	60-R3	19,422,913.66	7,227,855	12,195,059	292,491	41.7	1.51
364.4	POLES, TOWERS AND FIXTURES - POLES	49-O1	1,056,876,518.26	313,157,760	743,718,758	17,786,034	41.8	1.68
364.6	POLES, TOWERS AND FIXTURES - CLEARING TOWERS	60-S3	153,514.04	63,288	90,226	2,258	40.0	1.47
364.8	POLES, TOWERS AND FIXTURES - CLEARING POLES	65-R3	38,726,546.91	20,560,641	18,165,906	410,214	44.3	1.06
365	OVERHEAD CONDUCTORS AND DEVICES	49-R0.5	936,726,402.47	263,573,748	673,152,654	16,193,679	41.6	1.73
366	UNDERGROUND CONDUIT	60-R3	190,694,266.52	55,857,984	134,836,283	3,022,724	44.6	1.59
367	UNDERGROUND CONDUCTORS AND DEVICES	48-S1.5	559,523,764.29	183,863,743	375,660,021	10,163,864	37.0	1.82
368.2	LINE TRANSFORMERS - OVERHEAD	34-SQ	271,996,204.77	108,173,108	163,823,097	9,878,853	16.6	3.63
368.4	LINE TRANSFORMERS - SUBMERSIBLE & PAD MOUNT	48-SQ	205,475,674.75	79,995,138	125,480,537	4,076,761	30.8	1.98
368.6	LINE TRANSFORMERS - NON-NETWORK HOUSING	35-SQ	101,807.75	81,923	19,885	2,688	7.4	2.64
369	SERVICES	45-R1.5	669,717,331.51	324,628,192	345,089,140	10,065,210	34.3	1.50
370.1	METERS	28-SQ	63,754,556.69	42,230,059	21,524,498	2,559,794	8.4	4.02
370.2	METERS - AMR	15-SQ	231,262,902.82	152,125,144	79,137,759	18,488,474	4.3	7.99
370.4	METERS - SMART METERS	15-SQ	3,676,828.42	813,670	2,863,158	243,175	11.8	6.61
371.2	INSTALLATIONS ON CUSTOMERS' PREMISES	35-S3	319,228.36	62,464	256,764	24,353	10.5	7.63
371.4	AREA LIGHTING FIXTURES	21-L0.5	8,753,314.66	5,302,086	3,451,229	209,860	16.4	2.40
373.2	STREET LIGHTING AND SIGNAL SYSTEMS	33-L1.5	111,850,652.74	55,590,112	56,260,541	2,328,475	24.2	2.08
TOTAL DISTRIBUTION PLANT			4,995,202,999.50	1,791,851,806	3,203,351,195	105,657,457	30.3	2.12

PPL ELECTRIC UTILITIES CORPORATION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2015

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	ORIGINAL COST AT DECEMBER 31, 2015 (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	ANNUAL ACCRUAL AMOUNT (6)	COMPOSITE REMAINING LIFE (7)	ANNUAL ACCRUAL RATE, PERCENT (8)	
GENERAL PLANT								
389.4	LAND RIGHTS	70-R4	4,398.53	1,683	2,716	100	27.2	2.27
390.2	STRUCTURES AND IMPROVEMENTS							
	- BUILDINGS - MAJOR	55-S0 *	386,631,854.10	88,857,718	297,774,137	19,499,553	15.3	5.04
	- BUILDINGS - MINOR	45-R3	4,903,172.80	1,140,776	3,762,397	157,450	23.9	3.21
	TOTAL ACCOUNT 390.2		391,535,026.90	89,998,494	301,536,534	19,657,003	15.3	5.02
390.21	STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	10-SQ	741,657.92	450,414	291,244	83,213	3.5	11.22
390.4	STRUCTURES AND IMPROVEMENTS - AIR COND.	30-S1	45,025,200.46	13,210,241	31,814,959	1,461,902	21.8	3.25
391.2	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	22,279,388.67	9,366,733	12,912,656	1,173,354	11.0	5.27
391.4	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	2,929,174.30	1,313,650	1,615,524	211,046	7.7	7.20
391.6	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	35,993,422.03	2,473,492	33,519,930	9,086,419	3.7	25.24
391.8	OFFICE FURNITURE AND EQUIPMENT - POWER MGMT. SYS.	7-SQ	38,155,394.44	38,155,394	0	0	-	-
392.1	TRANSPORTATION EQUIPMENT - AUTOMOBILES	5-L4	8,530,748.99	6,031,128	2,499,621	811,214	3.1	9.51
392.2	TRANSPORTATION EQUIPMENT - LIGHT DUTY TRUCKS	8-R1	21,429,879.01	15,156,638	6,273,241	1,053,050	6.0	4.91
392.3	TRANSPORTATION EQUIPMENT - HEAVY DUTY TRUCKS	11-R4	78,454,857.42	46,745,698	31,709,159	5,082,766	6.2	6.48
392.4	TRANSPORTATION EQUIPMENT -TRAILERS	24-L1.5	7,952,512.74	2,962,927	4,989,586	271,903	18.4	3.42
392.5	TRANSPORTATION EQUIPMENT - LARGE TANKERS/TRACTORS	16-L4	3,705,614.99	1,831,503	1,874,112	197,121	9.5	5.32
392.6	TRANSPORTATION EQUIPMENT - LARGE CRANE TRUCKS	13-L3	653,798.58	331,988	321,811	73,493	4.4	11.24
393.0	STORES EQUIPMENT	25-SQ	2,264,140.41	1,202,559	1,061,581	119,635	8.9	5.28
394.0	TOOLS AND WORK EQUIPMENT - L&S LINE CREWS	20-SQ	4,761,532.47	2,439,006	2,322,526	277,020	8.4	5.82
394.2	TOOLS AND WORK EQUIPMENT - TOOLS	20-SQ	274,669.06	161,921	112,748	20,743	5.4	7.55
394.4	TOOLS AND WORK EQUIPMENT - CONST. DEPT.	20-SQ	1,353,413.69	648,791	704,623	79,641	8.8	5.88
394.6	TOOLS AND WORK EQUIPMENT - OTHER	20-SQ	25,517,596.81	7,243,876	18,273,721	1,314,734	13.9	5.15
394.8	TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT	20-SQ	1,816,701.72	598,580	1,218,122	84,775	14.4	4.67
395.0	LABORATORY EQUIPMENT	20-SQ	4,722,932.70	1,890,955	2,831,978	233,305	12.1	4.94
396.0	POWER OPERATED EQUIPMENT	13-S0	2,238,834.57	1,452,455	786,380	90,234	8.7	4.03
397.0	COMMUNICATION EQUIPMENT	15-SQ	6,200,712.65	3,867,080	2,333,633	203,025	11.5	3.27
398.0	MISCELLANEOUS EQUIPMENT	20-SQ	3,622,401.89	736,365	2,886,037	195,046	14.8	5.38
	TOTAL GENERAL PLANT		710,164,010.95	248,271,571	461,892,442	41,780,742	11.1	5.88
	TOTAL DEPRECIABLE PLANT		<u>9,032,972,938.82</u>	<u>2,671,806,411</u>	<u>6,361,166,533</u>	<u>223,007,359</u>		
	NONDEPRECIABLE PLANT							
301.0	ORGANIZATION		476,251.80					
302.0	FRANCHISES AND CONSENTS		147,083.87					
350.2	LAND		29,125,486.34					
360.2	LAND		17,806,278.25					
389.2	LAND		10,365,419.90					
	TOTAL NONDEPRECIABLE PLANT		57,920,520.16					
	TOTAL UTILITY PLANT		<u>9,090,893,458.98</u>					

* LIFE SPAN PROCEDURE USED. CURVES SHOWN AS INTERIM SURVIVOR CURVES.

PPL ELECTRIC UTILITIES CORPORATION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2016

DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AT DECEMBER 31, 2016	BOOK RESERVE	FUTURE ACCRUALS	ANNUAL ACCRUAL AMOUNT	COMPOSITE REMAINING LIFE	ANNUAL ACCRUAL RATE, PERCENT	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
DEPRECIABLE PLANT								
INTANGIBLE PLANT								
303.2	MISCELLANEOUS INTANGIBLE PLANT - SOFTWARE	5-SQ	144,533,713.46	77,022,572	67,511,141	22,822,918	3.0	15.79
303.4	MISCELLANEOUS INTANGIBLE PLANT - FIBER OPTIC	15-SQ	1,035,137.10	1,035,137	0	0	-	-
303.5	SMART METER SOFTWARE	5-SQ	4,038,091.97	2,921,864	1,116,228	584,580	1.9	14.48
TOTAL INTANGIBLE PLANT			149,606,942.53	80,979,573	68,627,369	23,407,498	2.9	15.65
TRANSMISSION PLANT								
350.4	LAND RIGHTS	75-S4	163,256,411.23	48,603,877	114,652,534	1,934,392	59.3	1.18
352	STRUCTURES AND IMPROVEMENTS	60-R4	107,395,929.67	18,657,270	88,738,660	1,705,318	52.0	1.59
353	STATION EQUIPMENT	48-R1	1,145,628,999.82	211,021,595	934,607,405	22,295,748	41.9	1.95
354	TOWERS AND FIXTURES	70-R3	791,995,061.42	169,531,103	622,463,958	10,322,907	60.3	1.30
354.2	TOWERS AND FIXTURES - CLEARING R/W	75-R4	15,056,591.51	7,850,910	7,205,682	132,481	54.4	0.88
355	POLES AND FIXTURES	55-R0.5	639,286,637.90	30,986,662	608,299,976	11,698,549	52.0	1.83
355.2	POLES AND FIXTURES - CLEARING R/W	75-R4	11,842,528.53	4,431,107	7,411,422	127,173	58.3	1.07
356	OVERHEAD CONDUCTORS AND DEVICES	60-R3	699,509,875.00	95,325,582	604,184,293	11,822,823	51.1	1.69
357	UNDERGROUND CONDUIT	55-S4	31,400,117.66	4,419,933	26,980,185	551,366	48.9	1.76
358	UNDERGROUND CONDUCTORS AND DEVICES	35-S4	30,224,004.04	12,348,612	17,875,392	723,705	24.7	2.39
359	ROADS AND TRAILS	75-R4	9,848,586.46	3,568,617	6,279,969	115,151	54.5	1.17
TOTAL TRANSMISSION PLANT			3,645,444,743.24	606,745,268	3,038,699,476	61,429,613	49.5	1.69
DISTRIBUTION PLANT								
360.4	LAND RIGHTS	70-R4	76,086,837.06	33,639,077	42,447,760	848,496	50.0	1.12
361	STRUCTURES AND IMPROVEMENTS	67-R2.5	38,203,494.43	15,529,159	22,674,335	449,898	50.4	1.18
362	STATION EQUIPMENT	54-S0.5	583,005,671.69	136,166,404	446,839,268	9,962,890	44.9	1.71
364.2	POLES, TOWERS AND FIXTURES - TOWERS	60-R3	19,422,913.66	7,594,545	11,828,369	289,850	40.8	1.49
364.4	POLES, TOWERS AND FIXTURES - POLES	49-O1	1,108,985,776.21	330,027,112	778,958,664	18,624,613	41.8	1.68
364.6	POLES, TOWERS AND FIXTURES - CLEARING TOWERS	60-S3	153,514.04	66,288	87,226	2,238	39.0	1.46
364.8	POLES, TOWERS AND FIXTURES - CLEARING POLES	65-R3	39,036,083.72	21,142,322	17,893,762	409,128	43.7	1.05
365	OVERHEAD CONDUCTORS AND DEVICES	49-R0.5	1,022,398,144.53	274,687,252	747,710,893	17,892,538	41.8	1.75
366	UNDERGROUND CONDUIT	60-R3	200,741,273.41	59,015,559	141,725,714	3,177,408	44.6	1.58
367	UNDERGROUND CONDUCTORS AND DEVICES	48-S1.5	590,583,173.98	193,957,242	396,625,932	10,773,865	36.8	1.82
368.2	LINE TRANSFORMERS - OVERHEAD	34-SQ	292,665,952.96	112,767,440	179,898,513	10,425,854	17.3	3.56
368.4	LINE TRANSFORMERS - SUBMERSIBLE & PAD MOUNT	48-SQ	217,405,591.24	83,775,594	133,629,997	4,315,057	31.0	1.98
368.6	LINE TRANSFORMERS - NON-NETWORK HOUSING	35-SQ	89,269.58	76,385	12,885	1,489	8.7	1.67
369	SERVICES	45-R1.5	690,773,057.53	336,755,176	354,017,882	10,379,904	34.1	1.50
370.1	METERS	28-SQ	58,873,050.90	40,569,963	18,303,088	2,087,413	8.8	3.55
370.2	METERS - AMR	15-SQ	247,817,902.82	171,233,753	76,584,150	16,695,170	4.6	6.74
370.4	METERS - SMART METERS	15-SQ	3,676,828.48	1,101,670	2,575,158	238,885	10.8	6.50
371.2	INSTALLATIONS ON CUSTOMERS' PREMISES	35-S3	319,228.36	90,464	228,764	22,759	10.1	7.13
371.4	AREA LIGHTING FIXTURES	21-L0.5	9,109,353.17	5,564,597	3,544,756	216,907	16.3	2.38
373.2	STREET LIGHTING AND SIGNAL SYSTEMS	33-L1.5	115,369,564.39	58,124,662	57,244,902	2,390,023	24.0	2.07
TOTAL DISTRIBUTION PLANT			5,314,716,682.10	1,881,884,664	3,432,832,018	109,204,385	31.4	2.05

PPL ELECTRIC UTILITIES CORPORATION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2016

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	ORIGINAL COST AT DECEMBER 31, 2016 (3)	BOOK RESERVE (4)	FUTURE ACCRUALS (5)	ANNUAL ACCRUAL AMOUNT (6)	COMPOSITE REMAINING LIFE (7)	ANNUAL ACCRUAL RATE, PERCENT (8)	
GENERAL PLANT								
389.4	LAND RIGHTS	70-R4	4,398.53	1,683	2,716	103	26.4	2.34
390.2	STRUCTURES AND IMPROVEMENTS							
	- BUILDINGS - MAJOR	55-S0 *	398,828,327.57	98,103,361	300,724,964	21,478,353	14.0	5.39
	- BUILDINGS - MINOR	45-R3	5,280,383.31	1,196,611	4,083,772	167,889	24.3	3.18
	TOTAL ACCOUNT 390.2		404,108,710.88	99,299,972	304,808,736	21,646,242	14.1	5.36
390.21	STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	10-SQ	741,657.92	450,414	291,244	116,498	2.5	15.71
390.4	STRUCTURES AND IMPROVEMENTS - AIR COND.	30-S1	45,528,013.37	14,663,495	30,864,518	1,451,187	21.3	3.19
391.2	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	20-SQ	22,536,496.69	10,683,675	11,852,822	1,134,799	10.4	5.04
391.4	OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT	15-SQ	2,947,652.78	1,528,128	1,419,525	203,926	7.0	6.92
391.6	OFFICE FURNITURE AND EQUIPMENT - COMPUTERS	5-SQ	81,559,744.11	3,059,814	78,499,930	21,811,605	3.6	26.74
391.8	OFFICE FURNITURE AND EQUIPMENT - POWER MGMT. SYS.	7-SQ	38,155,394.44	38,155,394	0	0	-	-
392.1	TRANSPORTATION EQUIPMENT - AUTOMOBILES	5-L4	9,541,921.99	7,292,517	2,249,405	647,411	3.5	6.78
392.2	TRANSPORTATION EQUIPMENT - LIGHT DUTY TRUCKS	8-R1	22,523,297.32	16,941,479	5,581,818	876,429	6.4	3.89
392.3	TRANSPORTATION EQUIPMENT - HEAVY DUTY TRUCKS	11-R4	81,887,321.93	51,877,591	30,009,731	4,400,556	6.8	5.37
392.4	TRANSPORTATION EQUIPMENT -TRAILERS	24-L1.5	8,140,434.36	3,252,585	4,887,849	274,811	17.8	3.38
392.5	TRANSPORTATION EQUIPMENT - LARGE TANKERS/TRACTORS	16-L4	3,947,897.46	1,991,156	1,956,741	199,397	9.8	5.05
392.6	TRANSPORTATION EQUIPMENT - LARGE CRANE TRUCKS	13-L3	653,798.58	429,988	223,811	54,980	4.1	8.41
393.0	STORES EQUIPMENT	25-SQ	2,206,160.62	1,279,433	926,728	109,152	8.5	4.95
394.0	TOOLS AND WORK EQUIPMENT - L&S LINE CREWS	20-SQ	4,747,210.23	2,757,684	1,989,526	266,872	7.5	5.62
394.2	TOOLS AND WORK EQUIPMENT - TOOLS	20-SQ	253,914.15	166,166	87,748	12,832	6.8	5.05
394.4	TOOLS AND WORK EQUIPMENT - CONST. DEPT.	20-SQ	1,353,413.69	733,161	620,253	76,735	8.1	5.67
394.6	TOOLS AND WORK EQUIPMENT - OTHER	20-SQ	27,868,796.56	8,442,643	19,426,154	1,408,899	13.8	5.06
394.8	TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT	20-SQ	1,801,809.21	777,528	1,024,281	73,334	14.0	4.07
395.0	LABORATORY EQUIPMENT	20-SQ	4,601,328.79	2,002,351	2,598,978	224,299	11.6	4.87
396.0	POWER OPERATED EQUIPMENT	13-S0	2,238,834.57	1,626,455	612,380	71,816	8.5	3.21
397.0	COMMUNICATION EQUIPMENT	15-SQ	5,501,142.96	3,635,623	1,865,520	169,987	11.0	3.09
398.0	MISCELLANEOUS EQUIPMENT	20-SQ	4,068,604.24	869,681	3,198,923	212,695	15.0	5.23
TOTAL GENERAL PLANT			776,917,955.38	271,918,616	504,999,337	55,444,565	9.1	7.14
TOTAL DEPRECIABLE PLANT			<u>9,886,686,323.25</u>	<u>2,841,528,121</u>	<u>7,045,158,200</u>	<u>249,486,061</u>		
NONDEPRECIABLE PLANT								
301.0	ORGANIZATION		476,251.80					
302.0	FRANCHISES AND CONSENTS		147,083.87					
350.2	LAND		32,482,698.45					
360.2	LAND		17,806,278.25					
389.2	LAND		10,365,419.90					
TOTAL NONDEPRECIABLE PLANT			61,277,732.27					
TOTAL UTILITY PLANT			<u>9,947,964,055.52</u>					

* 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 --12/31/2015	\$	91
2	Total Distribution Plant Annual Accrual	\$	102,167
3	Total Depreciable Distribution Plant	\$	4,714,620
4	Composite Distribution Plant Annual Accrual Rate (line 2 / line 3)		2.167%
5	Adjustment to Total Annual Depreciation Expense (line 1 x line 4)	\$	2

PPL ELECTRIC UTILITIES CORPORATION

Customer Advances for Construction
(Thousands of Dollars)

Line No.

1	Balance -- Account 252 --12/31/2016	\$	80
2	Total Distribution Plant Annual Accrual	\$	108,533
3	Total Depreciable Distribution Plant	\$	4,995,203
4	Composite Distribution Plant Annual Accrual Rate (line 2 / line 3)		2.173%
5	Adjustment to Total Annual Depreciation Expense (line 1 x line 4)	\$	2

- Q. 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. Examples of detailed depreciation calculations by vintage within account at December 31, 2014 are set forth on pages III-2 through III-122 of Exhibit JJS 1; at December 31, 2015 are set forth on pages VII-2 through VII-120 of Exhibit JJS 2; and at December 31, 2016 are set forth on pages III-2 through III-120 of Exhibit JJS 3.

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, "Calculation of Annual and Accrued Depreciation," beginning on page IV-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	2012	2013	2014	2015	2016
Utility Plant						
101	Plant in service	\$ 6,132,756	\$ 6,471,064	\$ 6,862,258	\$ 8,173,667	\$ 9,375,167
105	Plant held for future use	40,353	42,908	47,962	47,962	47,962
106	Completed construction not classified	369,132	660,176	1,003,553	1,003,553	1,003,553
107	Construction work in progress	382,541	613,584	749,902	568,683	525,627
	Gross utility plant	6,924,782	7,787,732	8,663,675	9,793,865	10,952,309
108	Accumulated provision for depreciation	(2,299,249)	(2,369,630)	(2,452,334)	(2,661,886)	(2,901,169)
111	Accumulated provision for amortization	(45,309)	(51,520)	(56,047)	(56,047)	(56,047)
	Net utility plant	4,580,224	5,366,582	6,155,294	7,075,932	7,995,093
Other Property and Investments						
121	Nonutility property	3,558	3,545	3,545	1,693	1,693
122	Accumulated provision for depreciation of nonutility property	(822)	(865)	(908)	(572)	(572)
	Net nonutility property	2,736	2,680	2,637	1,121	1,121
123	Investment in subsidiary companies	7,276	150,187	180,342	0	0
124	Other investments	1,012	443	344	344	344
128	Other special funds	10,669	0	0	0	0
	Total Other Property and Investments	21,693	153,310	183,323	1,465	1,465
Current and Accrued Assets						
131	Cash	8,977	4,867	3,846	0	0
132	Interest special deposits	0	0	0	0	0
134	Other special deposits	0	0	0	0	0
135	Working funds	9	0	0	0	0
136	Temporary cash investments	123,346	19,602	29,979	28,678	24,385
Notes and accounts receivable						
141	Notes receivable	0	0	0	0	0
142	Customer accounts receivable	255,836	286,797	309,087	321,613	326,930
143	Other accounts receivable	18,984	24,077	49,567	44,412	45,898
144	Accumulated provision for uncollectible accounts-credit	(22,292)	(23,089)	(21,863)	(21,863)	(21,863)
	Total notes and accounts receivable	252,528	287,785	336,791	344,162	350,965
145	Notes receivable from associated companies	0	0	0	0	0
146	Accounts receivable from associated companies	51,327	4,001	2,304	0	0
Materials and supplies						
154	Plant materials and operating supplies	36,105	32,753	39,742	33,601	33,601
163	Stores expense undistributed	2,838	2,721	3,087	2,571	2,571
	Total materials and supplies	38,943	35,474	42,829	36,172	36,172
165	Prepayments	53,621	40,071	9,795	11,792	11,051
Other current and accrued assets						
171	Interest and dividends receivable	14	3	10	10	10
172	Rents receivable	6,183	6,309	6,551	6,551	6,551
173	Accrued utility revenues	106,352	111,353	108,200	109,494	106,617
174	Miscellaneous current and accrued assets	4,269	16,985	11,228	12,802	12,802
190	Accumulated deferred income taxes (current)	56,607	87,440	74,261	67,223	61,248
	Total other current and accrued assets	173,425	222,090	200,250	196,080	187,228
	Total Current and Accrued Assets	702,176	613,890	625,794	616,884	609,801

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at December 31,
Assets and Other Debits (Continued)
(Thousands of Dollars)

Acct. No.	Title of Account	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Deferred Debits						
181	Unamortized debt expense	\$ 18,271	\$ 20,475	\$ 22,541	\$ 25,415	\$ 27,889
182.3	Other regulatory assets	719,541	624,273	746,458	739,260	734,905
183	Preliminary survey and investigation charges	0	0	17	17	17
184	Clearing accounts	0	0	0	0	0
185	Temporary facilities	46	347	0	0	0
186	Miscellaneous deferred debits	25,362	14,341	2,358	783	783
189	Unamortized loss on reacquired debt	65,452	56,594	49,404	42,261	35,390
190	Accumulated deferred income taxes (noncurrent)	392,405	314,600	365,835	360,868	336,596
	Total Deferred Debits	<u>1,221,077</u>	<u>1,030,630</u>	<u>1,186,613</u>	<u>1,168,604</u>	<u>1,135,580</u>
	Total Assets and Other Debits	<u>\$6,525,170</u>	<u>\$7,164,412</u>	<u>\$8,151,024</u>	<u>\$8,862,885</u>	<u>\$9,741,939</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at December 31,
Liabilities and Other Credits
(Thousands of Dollars)

Acct. No.	Title of Account	2012	2013	2014	2015	2016
Proprietary Capital						
201	Common stock issued	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833
204	Preferred stock issued	0	0	0	0	0
207	Premium on capital stock	0	0	0	0	0
211	Miscellaneous paid-in capital	1,141,263	1,346,263	1,609,263	1,884,262	2,184,262
214	Capital stock expense	(6,291)	(6,283)	(6,283)	(6,283)	(6,283)
216	Unappropriated retained earnings	561,463	651,095	749,944	842,862	949,718
216.1	Unappropriated undistributed subsidiary earnings	0	62	54	0	0
217	Reacquired capital stock	0	0	0	0	0
219	Other comprehensive income	102	8	31	31	31
	Total Proprietary Capital	<u>2,060,370</u>	<u>2,354,978</u>	<u>2,716,842</u>	<u>3,084,705</u>	<u>3,491,561</u>
Long-Term Debt						
221	Bonds	1,974,040	2,324,040	2,613,750	2,923,750	3,308,750
224	Other long-term debt	0	0	0	0	0
225	Unamortized premium on long-term debt	0	0	0	0	0
226	Unamortized discount on long-term debt-debit	(6,624)	(8,312)	(11,253)	(10,645)	(10,030)
		<u>1,967,416</u>	<u>2,315,728</u>	<u>2,602,497</u>	<u>2,913,105</u>	<u>3,298,720</u>
Less amount due within one year						
221	Bonds	0	0	0	0	0
	Total Long-Term Debt	<u>1,967,416</u>	<u>2,315,728</u>	<u>2,602,497</u>	<u>2,913,105</u>	<u>3,298,720</u>
Other Noncurrent Liabilities						
227	Obligations under capital leases (noncurrent)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current and Accrued Liabilities						
224	Long-term debt due within one year-other	0	0	0	0	0
231	Notes payable	0	20,000	0	0	0
232	Accounts payable	263,915	300,111	331,749	319,370	325,472
233	Notes payable to associated companies	0	0	0	0	0
234	Accounts payable to associated companies	64,915	58,862	71,607	40,226	44,751
235	Customer deposits	13,279	14,266	16,445	14,663	15,125
236	Taxes accrued	13,128	30,648	67,419	72,206	72,256
237	Interest accrued	25,778	33,633	33,646	41,366	41,366
238	Dividends declared	0	0	0	0	0
240	Matured interest	0	0	0	0	0
241	Tax collections payable	972	739	985	1,127	1,129
242	Miscellaneous current and accrued liabilities	62,820	59,007	58,611	78,534	78,542
243	Obligations under capital-leases - current	0	0	0	0	0
283	Accumulated deferred income taxes-other (current)	6,007	8,050	16,274	16,274	16,274
	Total Current and Accrued Liabilities	<u>450,814</u>	<u>525,316</u>	<u>596,736</u>	<u>583,766</u>	<u>594,915</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at December 31,
Liabilities and Other Credits (Continued)
(Thousands of Dollars)

Acct. No.	Title of Account	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Deferred Credits						
228.3	Accumulated provision for pensions and benefits	\$ 297,761	\$ 136,518	\$ 252,008	\$ 252,008	\$ 252,008
229	Accumulated provision for rate refunds	0	0	0	0	0
252	Customer advances for construction	125	80	68	91	80
253	Other deferred credits	38,598	36,289	38,930	17,855	11,111
254	Other regulatory liabilities	62,053	79,963	94,571	93,970	93,972
255	Accumulated deferred investment tax credits	3,377	2,282	847	438	328
281	Accumulated deferred income taxes - accelerated amortization property	0	0	0	0	0
282	Accumulated deferred income taxes - other property	1,244,143	1,365,204	1,451,991	1,526,235	1,613,314
283	Accumulated deferred income taxes - other (noncurrent)	400,513	348,054	396,534	390,712	385,930
	Total Deferred Credits	<u>2,046,570</u>	<u>1,968,390</u>	<u>2,234,949</u>	<u>2,281,309</u>	<u>2,356,743</u>
	Total Liabilities and Other Credits	<u>\$6,525,170</u>	<u>\$7,164,412</u>	<u>\$8,151,024</u>	<u>\$8,862,885</u>	<u>\$9,741,939</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, 2012, 2013, 2014, 2015 and 2016.

PPL ELECTRIC UTILITIES CORPORATION

Statement of Income
Twelve Months Ended December 31
(Thousands of Dollars)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>OPERATING REVENUES</u>	<u>\$1,824,722</u>	<u>\$ 1,956,262</u>	<u>\$2,120,429</u>	<u>\$ 2,123,192</u>	<u>\$ 2,148,940</u>
<u>OPERATING EXPENSE</u>					
401 - 402 Total Operation & Maintenance Expense	1,255,858	1,229,878	1,289,687	1,215,646	1,210,333
403 - 405 Depreciation Expense and Amortization of Electric Plant Acquisition Adjustments	159,955	177,932	185,115	209,216	239,283
407 Regulatory Debits (Credits), net	2,960	6,936	6,936	15,943	14,891
408.1 Taxes Other Than Income Taxes	112,077	110,439	114,502	115,405	121,427
411.6/411.7 (Gains)/Losses From Disposition of Utility Plant	0	0	21	0	0
Total Operating Expenses Prior to Federal & State Income Taxes	<u>1,530,850</u>	<u>1,525,185</u>	<u>1,596,261</u>	<u>1,556,210</u>	<u>1,585,934</u>
Operating Income Prior to Federal & State Income Taxes	<u>293,872</u>	<u>431,077</u>	<u>524,168</u>	<u>566,982</u>	<u>563,006</u>
<u>FEDERAL AND STATE INCOME TAXES</u>					
409.1 Federal Income Taxes	(12,002)	(6,230)	51,987	78,198	42,593
State Income Taxes	(9,498)	11,019	22,835	15,298	11,216
410.1 & 411.1					
Deferred Federal Income Taxes - Net	74,891	106,111	71,111	57,419	87,881
Deferred State Income Taxes - Net	26,049	11,887	14,966	23,229	23,916
411.4 Investment Tax Credit Adjustments					
Deferrals					
Amortization - Credit	(1,372)	(1,095)	(1,435)	(409)	(110)
Total Federal & State Income Taxes	<u>78,068</u>	<u>121,692</u>	<u>159,464</u>	<u>173,735</u>	<u>165,496</u>
Operating Income After Federal & State Income Taxes	<u>\$ 215,804</u>	<u>\$ 309,385</u>	<u>\$ 364,704</u>	<u>\$ 393,247</u>	<u>\$ 397,510</u>

PPL ELECTRIC UTILITIES CORPORATION

Statement of Income
Twelve Months Ended December 31
(Thousands of Dollars)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>OTHER INCOME AND DEDUCTIONS</u>					
Other Income					
415 Merchandising Income	\$ 129	204	\$ 61		
416,417 Merchandising Expense	(230)	(283)	(52)		
418.0 Non-Utility Operating Income (Loss)	(58)	(58)	(48)		
418.1 Equity in Earnings of Subsidiary Companies	1,219	80	155		
419.0 Interest & Dividend Income	623	524	525	55	39
419.1 Allowance for Other Funds Used During Construction	9,986	9,248	9,540	7,885	12,325
421.1 Gain on Disposition of Property	1	216	1,105		
421 Other Misc. Non-Operating Income	1	301	453		
Total Other Income	<u>11,671</u>	<u>10,232</u>	<u>11,739</u>	<u>7,941</u>	<u>12,364</u>
Other Income Deductions					
421.2 Loss on Disposition of Property	103	4	6		
426 Miscellaneous	3,367	3,588	3,363	6,549	4,691
Total Other Income Deductions	<u>3,470</u>	<u>3,592</u>	<u>3,369</u>	<u>6,549</u>	<u>4,691</u>
Taxes Applicable to Other Income Deductions					
408.2 Taxes Other Than Income Taxes	0	0	0		
409.2 Federal Income Tax	1,618	5,094	8,203	438	2,417
State Income Tax	0	(7,065)	(7,742)	139	766
410.2 & 411.2					
Deferred Federal Income Taxes - Net	(1,937)	(633)	(5,059)		
Deferred State Income Taxes - Net	(7,446)	1,219	87		
Total Taxes Applicable to Other Income Deduction	<u>(7,765)</u>	<u>(1,385)</u>	<u>(4,511)</u>	<u>577</u>	<u>3,184</u>
Income Before Interest Charges	<u>231,770</u>	<u>317,410</u>	<u>377,585</u>	<u>394,061</u>	<u>401,998</u>
<u>INTEREST CHARGES</u>					
427 Interest on Long-term Debt	87,126	99,051	114,228	128,893	149,697
428 Amortization of Debt Discount & Expense	2,068	2,157	2,442	1,903	2,036
428.1 Amortization of Loss on Reacquired Debt	11,180	8,858	7,191	7,143	6,871
429 Amortization of Premium on Debt-Credit	0	0	0		
430 Interest on Debt to Associated Companies	116	0	0		
431 Other Interest Expense	466	(4,549)	2,985	1,733	3,062
432 Allowance for Borrowed Funds Used During Construction	(4,766)	(4,801)	(4,702)	(4,062)	(6,349)
Net Interest Charges	<u>96,190</u>	<u>100,716</u>	<u>122,144</u>	<u>135,610</u>	<u>155,317</u>
NET INCOME	<u>\$ 135,580</u>	<u>\$ 216,694</u>	<u>\$ 255,441</u>	<u>\$ 258,451</u>	<u>\$ 246,681</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, 2013 and December 31, 2014. Plant in service as of December 31, 2015 and 2016 is provided in Attachment V-A-3.

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service
December 31
(Thousands of Dollars)

<u>Intangible</u>		2013	2014
301.0	Organization	\$ 476	\$ 476
302.0	Franchises and Consents	147	147
303.2	Misc Intangible Plant - Computer Software	94,877	101,545
303.4	Misc Intangible Plant - Other	1,035	1,035
303.5	Misc Intangible Plant - Computer Software - SM	1,517	4,038
	Subtotal - Intangible	<u>98,052</u>	<u>107,241</u>
<u>Transmission</u>		2013	2014
350.2	Land	12,324	15,889
350.4	Land Rights	130,618	161,558
352.0	Structures and Improvements	39,408	49,561
353.0	Station Equipment	651,945	783,544
354.0	Towers and Fixtures	530,270	724,202
354.2	Clearing Land and R/W - Towers	20,004	12,581
355.0	Poles and Fixtures	104,407	119,727
355.2	Clearing Land and R/W - Poles	8,731	10,400
356.0	Overhead Conductors and Devices	337,032	409,755
357.0	Underground Conduit	12,329	31,400
358.0	Underground Conductor and Devices	27,221	30,224
359.0	Roads and Trails	10,444	9,667
	Subtotal - Transmission	<u>1,884,733</u>	<u>2,358,508</u>
<u>Distribution</u>		2013	2014
360.2	Land	16,661	17,292
360.4	Land Rights	72,476	73,082
361.0	Structures and Improvements	33,650	36,347
362.0	Station Equipment	424,229	462,866
364.2	Towers and Fixtures	19,121	19,423
364.4	Poles and Fixtures	957,671	1,010,027
364.6	Clearing Land and R/W - Towers	154	154
364.8	Clearing Land and R/W - Poles	38,892	38,468
365.0	Overhead Conductors and Devices	815,710	868,916
366.0	Underground Conduit	167,325	176,022
367.0	Underground Conductor and Devices	501,979	528,733
368.2	Transformers - Overhead Type	246,102	253,805
368.4	Transformers - Submersible or Pad Mounted	187,129	193,066
368.6	Transformers - Non-Network Housing	176	130
369.0	Services	628,134	649,185
370.0	Meters	68,274	67,574
370.2	Meters - AMR	207,809	215,988
370.4	Meters - Smart Meters	3,219	3,677
371.2	Installations on Customers Premises	319	319
371.4	Area Lighting Fixtures	7,919	8,415
373.2	Street Lighting and Signal Systems	103,764	108,423
	Subtotal - Distribution	<u>4,500,713</u>	<u>4,731,912</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service
December 31
(Thousands of Dollars)

<u>General Plant</u>		2013	2014
389.0	Land and Land Rights	\$ 10,519	\$ 10,370
390.2	Structures and Improvements - Buildings	364,805	376,300
390.4	Structures and Improvements - Air Cond. Equip	41,542	42,677
391.2	Office Furniture and Equipment - Furniture	22,001	22,512
391.4	Office Furniture and Equipment - Mech Equip	2,851	2,889
391.6	Computer Equipment - General	3,446	7,714
391.7	Smart Meter Comp Equip	1,408	1,408
391.8	Computer Equipment - Power Mgmt System	38,155	38,155
392.1	Transportation Equipment - 5 years	6,433	7,154
392.2	Transportation Equipment - 8 years	18,899	19,722
392.3	Transportation Equipment - 10 years	75,253	74,389
392.4	Transportation Equipment - Trailers	6,849	7,366
392.5	Transportation Equipment - 15 years	3,703	3,585
392.6	Transportation Equipment - 20 years	654	654
393.0	Stores Equipment	2,807	2,295
394.0	Tools & Work Equipment - L&S Line Crews	4,845	4,762
394.2	Tools & Work Equipment - L&S Line Crews	285	285
394.4	Tools & Work Equipment - Const Dept	1,353	1,353
394.6	Tools & Work Equipment - Other	22,346	24,985
394.8	Transportation Equipment - Garage Equipment	3,349	1,993
395.0	Laboratory Equipment	4,574	4,718
396.0	Power Operated Equipment	2,239	2,239
397.0	Communication Equipment	5,730	7,107
398.0	Miscellaneous Equipment	2,953	2,775
	Subtotal - General Plant	<u>646,999</u>	<u>667,407</u>
	Total	<u>\$ 7,130,497</u>	<u>\$ 7,865,068</u>
<u>General Plant - Leasehold Improvements</u>			
390.2	Structures and Improvements - Buildings	\$ 742	\$ 742
	Subtotal - General Plant	<u>742</u>	<u>742</u>
	Total - Leasehold Improvements	<u>\$ 742</u>	<u>\$ 742</u>
<u>SUMMARY</u>			
	Intangible	\$ 98,052	\$ 107,241
	Transmission	1,884,733	2,358,508
	Distribution	4,500,713	4,731,912
	General Plant	<u>647,741</u>	<u>668,149</u>
		<u>\$ 7,131,239</u>	<u>\$ 7,865,810</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, 2013 and December 31, 2014. Accumulated depreciation as of December 31, 2015 and 2016 are provided in Attachment V-A-3.

PPL ELECTRIC UTILITIES CORPORATION

Accumulated Depreciation and Amortization
December 31
(Thousands of Dollars)

<u>Intangible</u>		2013	2014
301.0	Organization	Non-Depreciable	Non-Depreciable
302.0	Franchises and Consents	Non-Depreciable	Non-Depreciable
303.2	Misc Intangible Plant - Computer Software	\$ 50,015	\$ 53,706
303.4	Misc Intangible Plant - Other	1,035	1,035
303.5	Misc Intangible Plant - Computer Software - SM	383	1,143
	Subtotal - Intangible	51,433	55,884
<u>Transmission</u>		2013	2014
350.2	Land	Non-Depreciable	Non-Depreciable
350.4	Land Rights	\$ 39,900	\$ 41,798
352.0	Structures and Improvements	16,991	17,640
353.0	Station Equipment	167,898	178,187
354.0	Towers and Fixtures	135,718	140,161
354.2	Clearing Land and R/W - Towers	6,915	7,119
355.0	Poles and Fixtures	38,970	35,230
355.2	Clearing Land and R/W - Poles	3,973	4,073
356.0	Overhead Conductors and Devices	117,834	104,513
357.0	Underground Conduit	2,443	2,874
358.0	Underground Conductor and Devices	8,426	9,233
359.0	Roads and Trails	2,957	3,091
	Subtotal - Transmission	542,025	543,919
<u>Distribution</u>		2013	2014
360.2	Land	Non-Depreciable	Non-Depreciable
360.4	Land Rights	\$ 30,766	\$ 31,640
361.0	Structures and Improvements	14,123	14,527
362.0	Station Equipment	119,595	125,525
364.2	Towers and Fixtures	6,604	6,900
364.4	Poles and Fixtures	278,480	290,126
364.5	Poles Insurance Proceeds	11,078	7,442
364.6	Clearing Land and R/W - Towers	59	61
364.8	Clearing Land and R/W - Poles	19,573	20,042
365.0	Overhead Conductors and Devices	254,554	260,002
366.0	Underground Conduit	50,546	53,245
367.0	Underground Conductor and Devices	166,666	175,034
368.2	Transformers - Overhead Type	104,160	107,164
368.4	Transformers - Submersible or Pad Mounted	73,692	76,738
368.6	Transformers - Non-Network Housing	146	104
369.0	Services	303,963	313,886
370.0	Meters	44,061	43,111
370.2	AMR Meters	119,863	135,051
370.4	Meters - Smart Grid	324	557
371.2	Installations on Customers Premises	15	37
371.4	Area Lighting Fixtures	4,880	5,069
373.2	Street Lighting and Signal Systems	52,358	53,362
	Subtotal - Distribution	\$ 1,655,506	\$ 1,719,623

PPL ELECTRIC UTILITIES CORPORATION

Accumulated Depreciation and Amortization

December 31

(Thousands of Dollars)

<u>General Plant</u>	2013	2014
389.4 Land and Land Rights	\$ 2	\$ 2
390.2 Structures and Improvements - Buildings	75,054	82,080
390.4 Structures and Improvements - Air Cond. Equip	11,648	13,135
391.2 Office Furniture and Equipment - Furniture	8,397	8,731
391.4 Office Furniture and Equipment - Mech Equip	918	1,103
391.6 Computer Equipment - General	364	1,245
391.7 Computer Equipment - Smart Meter	241	523
391.8 Computer Equipment - Power Mgmt System	38,155	38,155
392.1 Transportation Equipment - 5 years	3,917	4,947
392.2 Transportation Equipment - 8 years	12,726	13,821
392.3 Transportation Equipment - 10 years	38,829	42,853
392.4 Transportation Equipment - Trailers	2,478	2,687
392.5 Transportation Equipment - 15 years	1,502	1,632
392.6 Transportation Equipment - 20 years	166	245
393.0 Stores Equipment	1,104	1,113
394.0 Tools & Work Equipment - L&S Line Crews	1,957	2,143
394.2 Tools/EU	129	150
394.4 Tools & Work Equipment - Const Dept	505	573
394.6 Tools & Work Equipment - Other	7,074	7,898
394.8 Transportation Equipment - Garage Equipment	1,932	604
395.0 Laboratory Equipment	1,482	1,683
396.0 Power Operated Equipment	1,155	1,296
397.0 Communication Equipment	3,918	4,362
398.0 Miscellaneous Equipment	587	713
Subtotal - General Plant	<u>214,240</u>	<u>231,694</u>
Total - Accumulated Depreciation	<u>\$ 2,463,204</u>	<u>\$ 2,551,120</u>

General Plant - Leasehold Improvements

390.2 Structures and Improvements - Buildings	\$ 374	\$ 450
Subtotal - General Plant	<u>374</u>	<u>450</u>
Total - Accumulated Amortization - Leasehold Improvements	<u>\$ 374</u>	<u>\$ 450</u>

SUMMARY - Accumulated Depreciation and Amortization

Intangible	\$ 51,433	\$ 55,884
Transmission	542,025	543,919
Distribution	1,655,506	1,719,623
General Plant	<u>214,614</u>	<u>232,144</u>
Total - Accumulated Depreciation and Amortization	<u>\$ 2,463,578</u>	<u>\$ 2,551,570</u>

PPL ELECTRIC UTILITIES CORPORATION

Exhibit Historic 1

Summary of Rate Base & Rate of Return

Witness: Various

Docket No. R-2015-2469275

PPL ELECTRIC UTILITIES CORPORATION

Exhibit Historic 1 Docket No. R-2015-2469275 Summary of Rate Base & Rate of Return Year Ended December 31, 2014

This book contains a series of schedules (see Table of Contents) which are grouped as follows:

- A - Statement of Reasons
- B - Financial Statements, Cost of Capital and Capital Structure
- C - Rate Base
- D - Operating Income and Adjustments

PPL ELECTRIC UTILITIES CORPORATION

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PPL ELECTRIC UTILITIES CORPORATION

A – Reasons for Proposed Increase

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A-1 Statement of Reasons

The Statement of Reason appears in Section A-1 of Exhibit Fully Projected Future 1.

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B – Book Statements

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Section B – Book Statements

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PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2014
Assets and Other Debits
(Thousands of Dollars)

<u>Acct.</u> <u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Utility Plant	
101	Plant in service	\$ 6,862,258
105	Plant held for future use	47,962
106	Completed construction not classified	1,003,553
107	Construction work in progress	749,902
	Gross utility plant	<u>8,663,675</u>
108	Accumulated provision for depreciation	(2,452,334)
111	Accumulated provision for amortization	(56,047)
	Net utility plant	<u>6,155,294</u>
	Other Property and Investments	
121	Nonutility property	3,545
122	Accumulated provision for depreciation of nonutility property	(908)
	Net nonutility property	<u>2,637</u>
123	Investment in subsidiary companies	180,342
124	Other investments	344
128	Other special funds	0
	Total Other Property and Investments	<u>183,323</u>
	Current and Accrued Assets	
131	Cash	3,846
132	Interest special deposits	0
134	Other special deposits	0
135	Working funds	0
136	Temporary cash investments	29,979
	Notes and accounts receivable	
141	Notes receivable	0
142	Customer accounts receivable	309,087
143	Other accounts receivable	49,567
144	Accumulated provision for uncollectible accounts-credit	(21,863)
	Total notes and accounts receivable	<u>336,791</u>
145	Notes receivable from associated companies	0
146	Accounts receivable from associated companies	2,304
	Materials and supplies	
154	Plant materials and operating supplies	39,742
163	Stores expense undistributed	3,087
	Total materials and supplies	<u>42,829</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2014
Assets and Other Debits
(Thousands of Dollars)

<u>Acct.</u> <u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Current and Accrued Assets (continued)	
165	Prepayments	\$ 9,795
	Other current and accrued assets	
171	Interest and dividends receivable	10
172	Rents receivable	6,551
173	Accrued utility revenues	108,200
174	Miscellaneous current and accrued assets	11,228
190	Accumulated deferred income taxes (current)	
	Automatic Recovery Riders/Clauses	31,574
	Other	42,687
	Total other current and accrued assets	<u>200,250</u>
	Total Current and Accrued Assets	<u>625,794</u>
	Deferred Debits	
181	Unamortized debt expense	22,541
182.3	Other regulatory assets	746,458
183	Preliminary survey and investigation charges	17
184	Clearing accounts	0
185	Temporary facilities	0
186	Miscellaneous deferred debits	2,358
189	Unamortized loss on reacquired debt	49,404
190	Accumulated deferred income taxes (noncurrent)	
	Contributions in aid of construction	109,990
	Pension and Post-Retirement Costs	161,674
	SFAS 109	600
	Net Operating Losses	72,292
	Other	21,279
	Total accumulated deferred income taxes (noncurrent)	<u>365,835</u>
	Total Deferred Debits	<u>1,186,613</u>
	Total Assets and Other Debits	<u>\$ 8,151,024</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2014
Liabilities and Other Credits
(Thousands of Dollars)

Acct. No.	<u>Title of Account</u>	<u>Amount</u>
	Proprietary Capital	
201	Common stock issued	\$ 363,833
204	Preferred stock issued	0
207	Premium on capital stock	0
211	Miscellaneous paid-in capital	1,609,263
214	Capital stock expense	(6,283)
215.1	Appropriated retained earnings - amortization reserve - Federal	0
216	Unappropriated retained earnings	749,944
216.1	Unappropriated undistributed subsidiary earnings	54
217	Reacquired capital stock	0
219	Other comprehensive income	31
	Total Proprietary Capital	<u>2,716,842</u>
	Long-Term Debt	
221	Bonds	2,613,750
224	Other long-term debt	0
225	Unamortized premium	0
226	Unamortized discount on long-term debt-debit	(11,253)
		<u>2,602,497</u>
	Less amount due within one year	
221	Bonds	0
	Total Long-Term Debt	<u>2,602,497</u>
	Other Noncurrent Liabilities	
227	Obligations under capital leases (noncurrent)	<u>0</u>
	Current and Accrued Liabilities	
224	Long-term debt due within one year-other	0
231	Notes payable	0
232	Accounts payable	331,749
234	Accounts payable to associated companies	71,607
235	Customer deposits	16,445
236	Taxes accrued	67,419
237	Interest accrued	33,646
238	Dividends declared	0
240	Matured interest	0
241	Tax collections payable	985
242	Miscellaneous current and accrued liabilities	58,611
243	Obligations under capital-leases - current	0
283	Accumulated deferred income taxes-other (current)	16,274
	Total Current and Accrued Liabilities	<u>596,736</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2014
Liabilities and Other Credits
(Thousands of Dollars)

Acct. No.	<u>Title of Account</u>	<u>Amount</u>
	Deferred Credits	
228.3	Accumulated provision for pensions and benefits	\$ 252,008
229	Accumulated provision for rate refunds	0
252	Customer advances for construction	68
253	Other deferred credits	38,930
254	Other regulatory liabilities	94,571
255	Accumulated deferred investment tax credits	847
281	Accumulated deferred income taxes - accelerated amortization property	0
282	Accumulated deferred income taxes - other property	0
	Accelerated cost recovery system (ACRS/MACRS)	670,365
	SFAS 109	186,773
	Net Book/Net Tax Plant (Excluding CIAC) - Transmission	286,215
	Other 263A & repair allowance	323,685
	Other	<u>(15,047)</u>
	Total accumulated deferred income-taxes - other property	<u>1,451,991</u>
283	Accumulated deferred income taxes - other (noncurrent)	<u>396,534</u>
	Total Deferred Credits	<u>2,234,949</u>
	Total Liabilities and Other Credits	<u>\$ 8,151,024</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Net Utility Operating Income
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
400	Operating Revenue (B-3)	\$ 2,120,429
	Operating Expenses:	
401,402	Operation and Maintenance expenses (B-4)	
	Power production	662,941
	Transmission	121,863
	Regional market	222
	Distribution	176,101
	Customer accounts	78,943
	Customer service and informational expenses	91,320
	Sales	2,343
	Administrative and general	155,954
	Total Operation and Maintenance Expenses	<u>1,289,687</u>
403	Depreciation expense	164,974
404,405	Amortization of electric plant	20,141
407.3	Regulatory debits	6,936
407.4	Regulatory credits	0
	Taxes (B-5)	
408.1	Taxes other than income taxes	114,502
409.1	Income taxes	74,822
	Deferred income taxes	
410.1	Provision	627,226
411.1	Provision - Credit	(541,149)
411.4	Investment tax credit adjustments	(1,435)
	Total Taxes	<u>273,966</u>
411.6	Gains from disposition of utility plant	0
411.7	Losses from disposition of utility plant	21
	Total Operating Expenses	<u>1,755,725</u>
	Net Utility Operating Income	<u>\$ 364,704</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operating Revenue
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
	<u>Sales of Electricity</u>	
1	Residential	\$ 1,275,023
2	Commercial	367,688
3	Industrial	52,320
4	Public authorities	20,629
5	Railroads	533
6	Sales for resale	<u>3,963</u>
7	Sales Revenue	<u>1,720,156</u>
	<u>Other Operating Revenue</u>	
8	Forfeited discounts	12,680
9	Miscellaneous service revenue	884
10	Rent from electric property	41,311
11	Unbilled revenue	(3,153)
12	Other electric revenue	<u>348,551</u>
13	Total Other Operating Revenue	<u>400,273</u>
14	Total Electric Operating Revenue	<u>\$ 2,120,429</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Power Production Expenses</u>	
	Other Power Supply Expenses	
555	Purchased power	
	Non-affiliates	\$ 563,746
	Affiliates	84,127
	Non-utility generation	2,453
	PJM ancillary services	2,649
	Other	7,860
556	System control and load dispatching	
	PJM ancillary services	58
	Other	0
557	Other expenses	2,048
	Total Other Power Supply Expenses	<u>662,941</u>
	Total Power Production Expenses	<u>662,941</u>
	<u>Transmission Expenses</u>	
	Operation	
560	Operation supervision and engineering	6,300
561	Load dispatching	2,431
562	Station expenses	1,702
563	Overhead line expenses	1,692
564	Underground line expenses	-
565	Transmission of electricity by others	80,276
566	Miscellaneous transmission expenses	1,544
567	Rents	581
	Total Transmission Operation Expenses	<u>94,526</u>
	Maintenance	
568	Maintenance supervision and engineering	804
569	Maintenance of structures	638
570	Maintenance of station equipment	7,575
571	Maintenance of overhead lines	18,006
572	Maintenance of underground lines	57
573	Maintenance of miscellaneous transmission plant	257
	Total Transmission Maintenance Expenses	<u>27,337</u>
	Total Transmission Expenses	<u>121,863</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Regional Market Expenses</u>	
	Operation	
575.7	Market Facilitation, Monitoring and Compliance Services	\$ 222
	Total Regional Market Expenses	<u>222</u>
	<u>Distribution Expenses</u>	
	Operation	
580	Operation supervision and engineering	23,056
581	Load dispatching	494
582	Station expenses	1,043
583	Overhead line expenses	19,989
584	Underground line expenses	5,931
585	Street lighting and signal system expenses	441
586	Meter expenses	7,752
587	Customer installations expenses	5,591
588	Miscellaneous distribution expenses	9,018
589	Rents	7,241
	Total Distribution Operation Expenses	<u>80,556</u>
	Maintenance	
590	Maintenance supervision and engineering	995
591	Maintenance of structures	21
592	Maintenance of station equipment	10,433
593	Maintenance of overhead lines	68,079
594	Maintenance of underground lines	5,641
595	Maintenance of line transformers	2,065
596	Maintenance of street lighting and signal systems	2,515
597	Maintenance of meters	3,218
598	Maintenance of miscellaneous distribution plant	2,578
	Total Distribution Maintenance Expenses	<u>95,545</u>
	Total Distribution Expenses	<u>176,101</u>
	<u>Customer Accounts Expenses</u>	
	Operation	
901	Supervision	1,449
902	Meter reading expenses	2,326
903	Customer records and collection expenses	39,398
904	Uncollectible accounts	33,755
905	Miscellaneous customer accounts expenses	2,015
	Total Customer Accounts Expenses	<u>78,943</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Customer Service and Informational Expenses</u>	
	Operation	
908	Customer assistance expenses	
	On-track uncollectible accounts	19,643
	Other	70,005
909	Informational and instructional advertising expenses	1,578
910	Miscellaneous customer service and informational expenses	94
	Total Customer Service and Informational Expenses	<u>91,320</u>
	<u>Sales Expenses</u>	
	Operation	
911	Supervision	
912	Demonstrating and selling expenses	723
913	Advertising expenses	79
916	Miscellaneous sales expenses	1,541
	Total Sales Expenses	<u>2,343</u>
	<u>Administrative and General Expenses</u>	
	Operation	
920	Administrative and general salaries	3,938
921	Office supplies and expenses	101,459
923	Outside services employed	89
924	Property insurance	744
925	Injuries and damages	1,148
926	Employee pensions and benefits	25,206
928	Regulatory commission expenses	5,264
930	Miscellaneous general expenses	1,315
		<u>139,163</u>
	Maintenance	
935	Maintenance of general plant	<u>16,791</u>
	Total Administrative and General Expenses	<u>155,954</u>
	Total Operation and Maintenance Expenses	<u>\$ 1,289,687</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail
Taxes Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Taxes Other Than Income	
	State and Local	
1	Capital Stock	\$ 508
2	Gross Receipts	101,944
3	Local property and Other	2,953
4	Public Utility Realty	2,130
5	State Unemployment Compensation	340
6	Sales and Use	(29)
7	Total State and Local	<u>107,846</u>
	Federal	
8	Unemployment Tax Act	42
9	Social Security and Hospital Insurance	6,614
10	Total Federal	<u>6,656</u>
11	Total Taxes Other Than Income	<u>114,502</u>
	Income Taxes	
12	State	22,835
13	Federal	51,987
14	Total Income Taxes	<u>74,822</u>
	Investment Tax Credit	
15	Deferred	0
16	Amortization of Deferral	(1,435)
17	Net Investment Tax Credit	<u>(1,435)</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail
Taxes Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Federal</u>	<u>State</u>	<u>Amount</u>
	Deferred Income Taxes			
	Provision for Deferred Taxes			
	Net Book/Net Tax Plant Timing Differences:			
18	Basis Adjustment - Casualty Loss - Distribution Property	\$ 1,319	\$ 418	\$ 1,737
19	Basis Adjustment - Tax Repairs - Distribution Property	23,183	7,351	30,534
20	Federal NOL Carryforward - Distribution Property	10,680	0	10,680
21	ACRS & MACRS - Distribution Property	26,496	0	26,496
22	ACRS & MACRS - General Property	48	38	86
23	Net Book/Net Tax Plant - Transmission Property	24,030	9,446	33,476
24	Reversal of Plant Basis Adjustments - General Property	571	181	752
25	State NOL Carryforward - Distribution Property	(1,417)	4,048	2,631
26	Bad Debt	386	123	509
27	Clearing Accounts	56	18	74
28	Deferred Interest	11	3	14
29	Litigation Contingencies	730	232	962
30	Pension Tax Deduction	4,410	1,399	5,809
31	Post-Employment Benefits	204	65	269
32	Prepays	323	103	426
33	Rate Rider/Clause - Competitive Enhancement Rider (CER)	13	4	17
34	Rate Rider/Clause - Transmission Service Cost (TSC)	4,353	1,380	5,733
35	Rate Rider/Clause - Universal Service Rider (USR)	4,141	1,313	5,454
36	Rate Rider/Clause of Smart Meter Technology	527	167	694
37	Revenue Agent Report (RAR) Adjustments	201	34	235
38	SERP/DRP	98	31	129
39	Vacation Pay	246	78	324
40	Variable Pay	346	110	456
	Prior Year Adjustments Booked Separately:			
	Net Book/Net Tax Plant Timing Differences:			
41	Basis Adjustment - 263A Expenses - Distribution Property	6,094	2,012	8,106
42	Method and Life Book/Tax Plant Differences - Distribution Property	2,814	0	2,814
43	Method and Life Book/Tax Plant Differences - General Property	667	25	692
44	Net Book/Net Tax Plant - Transmission Property	1,997	329	2,326
45	State NOL Carryforward - Distribution Property	13	0	13
46	Receivables Factoring	2,074	658	2,732
47	Federal Only Adjustment for State Income Taxes	825	0	825
48	Service Company Costs	689	218	907
49	Vacation Pay	174	55	229
50	Reclassification between provision and credits	435,094	45,991	481,085
51	Total Provision	<u>551,396</u>	<u>75,830</u>	<u>627,226</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail
Taxes Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Federal</u>	<u>State</u>	<u>Amount</u>
	Deferred Income Taxes			
	Provision for Deferred Taxes - Credit			
	Net Book/Net Tax Plant Timing Differences:			
52	Basis Adjustment - 263A Expenses - Distribution Property	(439)	(139)	(578)
53	Basis Adjustment - 263A Expenses - General Property	(14)	(5)	(19)
54	Basis Adjustment - Book Repairs - Distribution Property	(2,888)	(916)	(3,804)
55	Contributions in Aid of Construction (CIAC) - Distribution Property	(1,499)	(472)	(1,971)
56	Contributions in Aid of Construction (CIAC) - Transmission Property	(198)	(63)	(261)
57	Reversal of Plant Basis Adjustments - Distribution Property	(6,266)	(2,072)	(8,338)
58	AMT Credit Carryforward	(603)	0	(603)
59	Deferred Compensation - Officers	(115)	(37)	(152)
60	Environmental Cleanup	(269)	(85)	(354)
61	Other Taxes	(1,331)	(422)	(1,753)
62	Pension Expense - Book	(188)	(59)	(247)
63	Post-Retirement Benefits	(4)	(1)	(5)
64	Rate Rider/Clause - Act 129 - Conservation Program	(2,338)	(742)	(3,080)
65	Rate Rider/Clause - Default Service Plan	(363)	(115)	(478)
66	Rate Rider/Clause - Distribution System Improvement Charge (DSIC)	(526)	(166)	(692)
67	Rate Rider/Clause - Generation Service Charge (GSC)	(1,496)	(475)	(1,971)
68	Rate Rider/Clause - Transmission Rate Base (TRB)	(6,942)	(2,201)	(9,143)
69	Reacquired Debt	(2,265)	(719)	(2,984)
70	Service Company Costs	(4,861)	(1,541)	(6,402)
71	Severance Pay	(322)	(102)	(424)
72	Storm Damage	(642)	(203)	(845)
73	Storm Deferrals	(2,182)	(692)	(2,874)
74	Tax Credit Carryforward Deferred Tax Asset	(13)	0	(13)
75	Tax Reserves	(1,198)	(1,032)	(2,230)
	Prior Year Adjustments Booked Separately:			
	Net Book/Net Tax Plant Timing Differences:			
76	Basis Adjustment - 263A Expenses - General Property	(33)	(10)	(43)
77	Basis Adjustment - Casualty Loss - Distribution Property	(1,669)	(529)	(2,198)
78	Basis Adjustment - Tax Repairs - Distribution Property	(5,537)	(1,756)	(7,293)
79	Contributions in Aid of Construction (CIAC) - Distribution Property	(52)	(16)	(68)
80	State Net Operating Loss	0	(38)	(38)
81	Clearing Accounts	(31)	(10)	(41)
82	Federal AMT Credit Carryforward	(104)	0	(104)
83	Pension Tax Deduction	(457)	(145)	(602)
84	Variable Pay	(346)	(110)	(456)
85	Reclassification between provision and credits	(435,094)	(45,991)	(481,085)
86	Total Credits	<u>(480,285)</u>	<u>(60,864)</u>	<u>(541,149)</u>
87	Total Deferred Income Taxes	<u>\$ 71,111</u>	<u>\$ 14,966</u>	<u>86,077</u>
88	Total All Taxes			<u>\$ 273,966</u>

PPL ELECTRIC UTILITIES CORPORATION

Calculation of Composite Cost Rate of Long-Term Debt
at December 31, 2014
(Thousands of Dollars)

Line No.	(1) First Mortgage Bonds (f)	(2) Amount Outstanding	(3) Percent to Total	(4) Effective Interest Rate (a)	(5) Average Weighted Cost Rate	
1	7-3/8 % Series due 2014	\$ -	0.00 %	0.00 %	0.00 %	
2	3.00% Series due 2021	400,000	17.39	3.19	0.55	
3	5.20% Series due 2041	250,000	10.87	5.31	0.58	
4	2.50% Series due 2022	250,000	10.87	2.63	0.29	
5	4.75% Series due 2043	350,000	15.22	4.86	0.74	
6	4.95% Series due 2015	100,000	4.35	5.03	0.22	
7	5.15% Series due 2020	100,000	4.35	5.21	0.23	
8	6.45% Series due 2037	250,000	10.87	6.53	0.71	
9	6.25% Series due 2039	300,000	13.04	6.37	0.83	
10	4.125% Series due 2044	300,000	13.04	4.26	0.56	
11	Total	<u>\$ 2,300,000</u>	<u>100.00 %</u>		<u>4.71 %</u>	
	<u>Pollution Control Bonds</u>					
12	4.75% Series B due 2027	108,250	34.50	4.90	1.69	
13	4.70% Series A due 2029	115,500	36.81	4.86	1.79	
14	Series 2008 due 2023	90,000	28.69	4.21	1.21	
15	Total	<u>\$ 313,750</u>	<u>100.00 %</u>		<u>4.69 %</u>	
16	Total First Mortgage Bonds	2,300,000	88.00 %	4.71 %	4.14 %	
17	Total Pollution Control Bonds	313,750	12.00	4.69	0.56	
18		<u>\$ 2,613,750</u>	<u>100.00 %</u>		<u>4.70 %</u>	
19	Long-Term Debt	\$ 2,613,750			4.70 %	\$ 122,846 (b)
20	Loss on Reacquired Debt	(49,404)				7,280 (c)
21	Gain on Reacquired Debt	0				0 (d)
22	Adjusted Long-Term Debt	<u>\$ 2,564,346</u>			5.07 %(e)	<u>\$ 130,126</u>

(a) Effective interest rate from Schedule B-6, page 2.

(b) 4.70% * \$2,613,750

(c) Annualized amortization of loss on reacquired debt

(d) Annualized amortization of gain on reacquired debt

(e) \$130,126 / \$2,564,346

(f) The Senior Secured Bonds reported in prior filings are now included under the First Mortgage Bonds category.

PPL ELECTRIC UTILITIES CORPORATION

Schedule of Long-Term Debt and Calculation
of Average Weighted Cost Rate at December 31, 2014

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Line No.	Description of Issue	Nominal Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding	Amount Retired	Coupon Rate - %	Premium, Option or (Discount) at Issuance	Issuance Expense	Net Proceeds	Annual Sinking Fund Requirement	Average Term in Years	Net Proceeds Ratio	Effective Interest Rate - %
<u>First Mortgage Bonds (a)</u>														
1	7-3/8 % Series Due 2014	3/1/1994	3/1/2014	\$100,000,000	\$0	100,000,000	7.375	(\$1,655,000)	\$144,440	\$98,200,560		20	98.20	7.55
2	3.0% Series Due 2021	8/23/2011	9/15/2021	400,000,000	400,000,000	-	3.00	(3,236,000)	3,161,192	393,602,808		10	98.40	3.19
3	5.20% Series Due 2041	7/15/2011	7/15/2041	250,000,000	250,000,000	-	5.20	(1,430,000)	2,801,101	245,768,899		30	98.31	5.31
4	2.50% Series Due 2022	8/24/2012	9/1/2022	250,000,000	250,000,000	-	2.50	(837,500)	1,914,882	247,247,618		10	98.90	2.63
5	4.75% Series Due 2043	7/11/2013	7/15/2043	350,000,000	350,000,000	-	4.75	(2,219,000)	3,691,346	344,089,654		30	98.31	4.86
6	4.95% Senior Secured Bonds	12/20/2005	12/15/2015	100,000,000	100,000,000	-	4.95		621,302	99,378,698		10	99.38	5.03
7	5.15% Senior Secured Bonds	12/20/2005	12/15/2020	100,000,000	100,000,000	-	5.15		621,301	99,378,699		15	99.38	5.21
8	6.45% Senior Secured Bonds	8/13/2007	8/15/2037	250,000,000	250,000,000	-	6.45	(67,500)	2,522,764	247,409,736		30	98.96	6.53
9	6.25% Senior Secured Bonds	5/22/2009	5/15/2039	300,000,000	300,000,000	-	6.25	(1,806,000)	3,105,155	295,088,845		30	98.36	6.37
10	4.125% Series Due 2044	6/5/2014	6/15/2044	300,000,000	300,000,000	-	4.125	(3,519,000)	3,314,219	293,166,781		30	97.72	4.26
<u>Pollution Control Bonds</u>														
11	4.75% Series Due 2027	5/17/2005	2/15/2027	108,250,000	108,250,000	-	4.75	-	2,183,567	106,066,433		22	97.98	4.90
12	4.70 % Series Due 2029	2/23/2005	9/1/2029	115,500,000	115,500,000	-	4.70		2,605,170	112,894,830		24	97.74	4.86
13	Series 2008 due 2023	10/28/2008	10/1/2023	90,000,000	90,000,000	-	4.00		2,072,950	87,927,050		15	97.70	4.21
14	TOTAL				<u>\$ 2,613,750,000</u>									

(a) The Senior Secured Bonds reported in prior filings are now included under the First Mortgage Bonds category.

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure as of December 31, 2014
(Millions of Dollars)

<u>Line No.</u>		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
	Capitalization					
1	Long-Term Debt (a)	\$ 1,446.6	\$ 1,647.4	\$ 1,908.6	\$ 2,267.4	\$ 2,564.3
2	Preferred & Preference Stock (b)	249.8	250.0	0.0	0.0	0.0
3	Common Equity (c)	1,604.4	1,780.2	2,066.6	2,361.3	2,723.1
4	Total	<u>\$ 3,300.8</u>	<u>\$ 3,677.6</u>	<u>\$ 3,975.2</u>	<u>\$ 4,628.7</u>	<u>\$ 5,287.4</u>
	Capitalization Ratios					
5	Long-Term Debt (a)	43.82%	44.79%	48.01%	48.99%	48.50%
6	Preferred & Preference Stock (b)	7.57%	6.80%	0.00%	0.00%	0.00%
7	Common Equity (c)	48.61%	48.41%	51.99%	51.01%	51.50%
8	Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

(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.

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure
(Thousands of Dollars)

Line No.	2010	2011	2012	2013	2014
<u>Computation of Long-Term Debt</u>					
1	\$ 1,474,040	\$ 1,724,040	\$ 1,974,040	\$ 2,324,040	\$ 2,613,750
2	(27,466)	(76,633)	(65,452)	(56,594)	(49,404)
3	<u>\$ 1,446,574</u>	<u>\$ 1,647,407</u>	<u>\$ 1,908,588</u>	<u>\$ 2,267,446</u>	<u>\$ 2,564,346</u>
<u>Computation of Preferred & Preference Stock</u>					
4	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
A					
5	(176)	(35)			
6	<u>\$ 249,824</u>	<u>\$ 249,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Computation of Common Equity</u>					
Common Equity per Books					
7	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833
8	0	0	0	0	0
9	891,263	991,263	1,141,263	1,346,263	1,609,263
10	349,112	425,052	561,463	651,157	749,998
11	<u>1,604,208</u>	<u>1,780,148</u>	<u>2,066,559</u>	<u>2,361,253</u>	<u>2,723,094</u>
Adjustments for:					
Unamortized Premiums and Unrecovered Original Issue Costs on Reacquired Preferred and Preference Stock					
12	176	35			
13	<u>\$ 1,604,384</u>	<u>\$ 1,780,183</u>	<u>\$ 2,066,559</u>	<u>\$ 2,361,253</u>	<u>\$ 2,723,094</u>

Footnote A: In June 2012, PPL Electric redeemed all 2.5 million shares of its outstanding Preference Shares, par value of \$100 per share. The price paid for the redemption was the par value, without premium (\$250 million in the aggregate).

PPL ELECTRIC UTILITIES CORPORATION

Rate of Return at
December 31, 2014

<u>Line No.</u>	(1)	(2)	(3)	(4)
		<u>Capitalization Ratio (B-8)</u>	<u>Embedded Cost</u>	<u>Return</u>
1	Long-Term Debt	48.50 %	5.07 % (B-6)	2.46 %
2	Common Equity	51.50	10.95	5.64
3		<u>100.00 %</u>		<u>8.10 %</u>

PPL ELECTRIC UTILITIES CORPORATION

C – Rate Base Index

Section C – Rate Base

- C-1 Rate Base and Rate of Return
- C-2 Electric Plant in Service
- C-3 Electric Plant Held for Future Use
- C-4 Working Capital
- C-5 Plant Materials and Operating Supplies
- C-6 Accumulated Deferred Taxes on Income

PPL ELECTRIC UTILITIES CORPORATION

Rate Base and Rate of Return
As of December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Title of Account</u>	<u>Total T&D Operations</u>	<u>PPUC Jurisdictional (Exhibit JDT 1)</u>
	Electric Plant		
1	Electric plant in service (C-2)	\$ 7,865,810	\$ 5,469,185
2	Reserve for depreciation (C-2)	2,551,570	1,978,319
3	Net electric plant in service	<u>5,314,240</u>	<u>3,490,866</u>
	Additions		
3	Plant held for future use (C-3)	0	0
4	Total electric plant	<u>5,314,240</u>	<u>3,490,866</u>
	Working Capital		
5	Cash working capital (C-4)	18,014	20,820
6	Materials and operating supplies (C-5)	35,607	25,590
7	Total working capital	<u>53,621</u>	<u>46,410</u>
	Deductions		
8	Accumulated deferred taxes on income (C-6)	1,101,235	840,295
9	Customer advances for construction (B-1)	68	68
10	Customer deposits (B-1)	16,445	16,445
11	Total deductions	<u>1,117,748</u>	<u>856,808</u>
12	Rate Base (net)	<u>\$ 4,250,113</u>	<u>\$ 2,680,468</u>
	Pro forma return at present rates		
13	Amount (D-1, col. 6)		186,866
14	Percent		6.97%
	Pro forma return at proposed rates		
15	Amount (D-1, col. 8)		217,118
16	Percent		8.10%

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service - Original Cost
As of December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$2,358,508
2	Distribution	4,731,912
3	General	668,149
4	Intangible	<u>107,241</u>
5	Total electric plant in service	<u><u>\$7,865,810</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Reserve for Depreciation - Original Cost
As of December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$543,919
2	Distribution	1,719,623
3	General	232,144
4	Intangible	<u>55,884</u>
5	Total reserve for depreciation	<u><u>\$2,551,570</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant Held For Future Use

As of December 31, 2014¹⁾
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Transmission	
1	Substations	\$ 10,610
2	Lines	34,395
3	Total	<u>45,005</u>
	Distribution	
4	Area - Substations	2,867
5	Lines	14
6	Other	0
7	Total	<u>2,881</u>
8	Total plant held for future use ¹⁾	47,886
9	Less: Eliminate plant held for future use ²⁾	(47,886)
10	Adjusted plant held for future use	<u>\$ 0</u>

¹⁾ Reflects only the future use property expected to be placed into service within 10 years.

²⁾ No claim is being made for future use property in this proceeding.

PPL ELECTRIC UTILITIES CORPORATION

Cash Working Capital
As of December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Operation and maintenance expense (C-4, page 2)	\$7,874
2	Average prepayments (C-4, page 3)	3,705
3	Accrued taxes (C-4, page 4)	15,558
4	Interest payments (C-4, page 5)	<u>(9,123)</u>
5	Total cash working capital requirement	<u><u>\$18,014</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Working Capital Required for Operation and Maintenance Expenses
As of December 31, 2014
(Thousands of Dollars)

Line No.	Description	Amount	Avg. Days	Weighted Amount
	Average Lag in Receipt of Operating Revenue			
1	Revenue from 15-day due date customers	\$204,189	27 (a)	\$5,513,103
2	Revenue from 20-day due date customers	569,056	86 (a)	48,938,816
3	Revenue from 30-day due date customers	431,980	36 (a)	15,551,280
4	Total Revenue (D-3)	<u>\$1,205,225</u>		<u>\$70,003,199</u>
	Average Lag in Payment of Operation and Maintenance Expense			
5	Payroll	\$82,886	12	\$994,632
6	Employee benefits	22,517	35	788,095
7	Affiliate support costs	130,077	35	4,552,695
8	Other operating expenses	187,142	82	15,345,644
9	Total pro forma O&M expense (b)	<u>\$422,622</u>		<u>\$21,681,066</u>
10	Average lag in receipt of revenue			58.1
11	Average lag in payment of operating expense			51.3
12	Average lag in days between payment of operating expense and receipt of revenue (line 10 - line 11)			<u>6.8</u>
13	Operating expense per day (line 9 ÷ 365 days)			\$1,158
14	Working capital requirement (line 13 x line 12)			\$7,874

	Customer Due Date		
	15 days	20 Days	30 Days
(a) Midpoint of 30-day service period	15	15	15
Lag between meter reading and billing date	1	1	1
Lag between billing date and payment date	11	70	20
	<u>27</u>	<u>86</u>	<u>36</u>

(b) Proforma operating and maintenance expense (D-1)	\$452,278
Less: Non-cash items	
Uncollectible accounts expense per books	22,721
Amortization of 2005 Storm costs	1,611
Amortization of 2011 Storm costs	5,324
Total pro forma O&M expense	<u>\$422,622</u>

PPL ELECTRIC UTILITIES CORPORATION

Average Prepayments
As of December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Insurance</u>	<u>PUC Annual Assessment</u>	<u>Other</u>	<u>Total</u>
1	December 2013	\$0	\$2,502	\$340	\$2,842
2	January 2014	52	2,085	\$494	2,631
3	February	47	1,668	\$890	2,605
4	March	42	1,251	\$1,022	2,315
5	April	38	834	\$1,028	1,900
6	May	33	417	\$993	1,443
7	June	28	4,990	\$978	5,996
8	July	24	4,574	\$973	5,571
9	August	19	4,158	\$938	5,115
10	September	14	3,743	\$943	4,700
11	October	9	3,682	\$1,008	4,699
12	November	5	3,222	\$983	4,210
13	December	0	2,762	\$1,375	4,137
14	Total Prepayments	\$311	\$35,888	\$11,965	\$48,164
15	Monthly Average	\$24	\$2,761	\$920	\$3,705

PPL ELECTRIC UTILITIES CORPORATION

Accrued Taxes
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>12-Month Accrued Factor (a)</u>	<u>Accrued Taxes</u>
1	Federal income tax (D-1, line 6, col. 5)	\$54,728	-3.77%	(\$2,065)
2	PA income tax (D-1, line 7, col. 5)	22,834	-1.69%	(386)
3	PA gross receipts tax (D-10, page 3)	48,898	35.81%	17,511
4	PA capital stock tax (D-10, Page 2)	541	-1.69%	(9)
5	PA public utility reality tax (D-10, page 4)	2,173	23.31%	507
6	Total accrued taxes			<u>\$15,558</u>

(a) The 12-month average factor represents, in the case of Federal and State income tax and capital stock tax, the portion of the tax liability which is available to the Company for the payment of other costs. This situation exists because revenue is available from customers prior to payment dates of the taxes. The factors for the other Pennsylvania taxes represent the portions of those tax liabilities which must be provided by the Company due to payment of the taxes before the revenue is available from customers. Exhibit Historic 1, Schedule C-4, pages 7 through 12 reflect the computation of such factors.

PPL ELECTRIC UTILITIES CORPORATION

Interest Payments
As of December 31, 2014
(Thousands of Dollars)

<u>Line</u> <u>No.</u>	<u>Description</u>		<u>Amount</u>
1	Rate Base at December 31, 2014 (C-1)		\$ 4,250,113
2	Long-term debt ratio (B-8)		48.51%
3	Embedded cost of long-term debt (B-8)		5.07%
4	Pro forma interest (line 1 x line 2 x line 3)		<u>\$104,553</u>
5	Daily amount (line 4 ÷ 365)		<u>\$286</u>
6	Days to mid-point of interest payments	90.0	
7	Less: Revenue lag days (C-4, page 2)	<u>58.1</u>	
8	Interest payments lag days (line 6 - line 7)		<u>31.9</u>
9	Total interest payments (line 5 x line 8)		<u>\$9,123</u>

PPL ELECTRIC UTILITIES CORPORATION

Average Percent of Federal Income Tax Available After Payout

Line No.		Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Prior Year Available In Current Year</u>														
1	Cumulative Collections		95.48%	98.10%	98.82%	99.26%	99.54%	99.78%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available	-9.02%	-4.52%	-1.90%	-1.18%	-0.74%	-0.46%	-0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Current Year Available in Current Year</u>														
4	Cumulative Collections		1.57%	8.37%	16.75%	24.97%	32.42%	39.61%	47.33%	55.89%	64.00%	71.58%	79.19%	87.61%
Cumulative Payments														
5	April 15 25%					12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
6	June 15 25%							12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
7	Sept 15 25%									12.50%	25.00%	25.00%	25.00%	25.00%
8	Dec 15 25%													12.50%
9	Current Year Available	54.29%	1.57%	8.37%	16.75%	12.47%	7.42%	2.11%	-2.67%	5.89%	1.50%	-3.42%	4.19%	0.11%
10	Total - Prior Year and Current Year Available	45.27%	-2.95%	6.47%	15.57%	11.73%	6.96%	1.89%	-2.67%	5.89%	1.50%	-3.42%	4.19%	0.11%
11	Average Percent Available	<u>3.77%</u>												

NOTE: Payments
 April 15 25%
 June 15 25%
 Sept 15 25%
 Dec 15 25%

PPL ELECTRIC UTILITIES CORPORATION

Average Percent of State Income Tax and PA Capital Stock Tax Available After Payout

<u>Line No.</u>	<u>Total</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
<u>Prior Year Available In Current Year</u>													
1	Cumulative Collections		95.48%	98.10%	98.82%	99.26%	99.54%	99.78%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available	-9.02%	-4.52%	-1.90%	-1.18%	-0.74%	-0.46%	-0.22%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Current Year Available in Current Year</u>													
4	Cumulative Collections		1.57%	8.37%	16.75%	24.97%	32.42%	39.61%	47.33%	55.89%	64.00%	71.58%	79.19%
	Cumulative Payments												
5	March 15 25%				12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
6	June 15 25%						12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
7	Sept 15 25%									12.50%	25.00%	25.00%	25.00%
8	Dec 15 25%												12.50%
9	Current Year Available	29.29%	1.57%	8.37%	4.25%	-0.03%	7.42%	2.11%	-2.67%	5.89%	1.50%	-3.42%	4.19%
10	Total - Prior Year and Current Year Available	20.27%	-2.95%	6.47%	3.07%	-0.77%	6.96%	1.89%	-2.67%	5.89%	1.50%	-3.42%	4.19%
11	Average Percent Available	<u>1.69%</u>											

NOTE: Payments
 March 15 25%
 June 15 25%
 Sept 15 25%
 Dec 15 25%

PPL ELECTRIC UTILITIES CORPORATION

Average Percent of PA Gross Receipts Tax

<u>Line No.</u>	<u>Total</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
<u>Prior Year Available In Current Year</u>													
1	Cumulative Collections	95.48%	98.10%	98.82%	99.26%	99.54%	99.78%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available	-9.02%	-4.52%	-1.90%	-1.18%	-0.74%	-0.46%	-0.22%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Current Year Available in Current Year</u>													
4	Cumulative Collections	1.57%	8.37%	16.75%	24.97%	32.42%	39.61%	47.33%	55.89%	64.00%	71.58%	79.19%	87.61%
5	Cumulative Payments March 15 100%			50.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6	Current Year Available	-420.71%	1.57%	8.37%	-33.25%	-75.03%	-67.58%	-60.39%	-52.67%	-44.11%	-36.00%	-28.42%	-20.81%
7	Total - Prior Year and Current Year Available	-429.73%	-2.95%	6.47%	-34.43%	-75.77%	-68.04%	-60.61%	-52.67%	-44.11%	-36.00%	-28.42%	-20.81%
8	Average Percent Available	<u>-35.81%</u>											

NOTE: Payments
March 15 100%

PPL ELECTRIC UTILITIES CORPORATION

Average Percent of PA Utility Realty Tax

<u>Line No.</u>	<u>Total</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
<u>Prior Year Available In Current Year</u>													
1	Cumulative Collections	95.48%	98.10%	98.82%	99.26%	99.54%	99.78%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available	-9.02%	-4.52%	-1.90%	-1.18%	-0.74%	-0.46%	-0.22%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Current Year Available in Current Year</u>													
4	Cumulative Collections	1.57%	8.37%	16.75%	24.97%	32.42%	39.61%	47.33%	55.89%	64.00%	71.58%	79.19%	87.61%
5	Cumulative Payments May 1 100%					100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6	Current Year Available	-270.71%	1.57%	8.37%	16.75%	24.97%	-67.58%	-60.39%	-52.67%	-44.11%	-36.00%	-28.42%	-20.81%
7	Total - Prior Year and Current Year Available	-279.73%	-2.95%	6.47%	15.57%	24.23%	-68.04%	-60.61%	-52.67%	-44.11%	-36.00%	-28.42%	-20.81%
8	Average Percent Available	<u>-23.31%</u>											

NOTE: Payments
May 1 100%

PPL ELECTRIC UTILITIES CORPORATION

Revenues - Percent Weighted Amount Collected and Available

<u>Prior Year Revenues Collected and Available in Current Year</u>	<u>Total (a)</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
January	9.53%	9.53%	9.53%	9.53%	9.53%	9.53%	9.53%	9.53%	9.53%	9.53%	9.53%	9.53%	9.53%
February	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%	9.07%
March	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%
April	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%	7.39%
May	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%
June	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%
July	9.00%	8.80%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
August	8.06%	7.84%	7.88%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%
September	7.38%	7.12%	7.18%	7.21%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%
October	7.32%	6.95%	7.06%	7.12%	7.16%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%
November	8.53%	7.82%	8.10%	8.23%	8.30%	8.34%	8.53%	8.53%	8.53%	8.53%	8.53%	8.53%	8.53%
December	9.94%	7.18%	9.11%	9.43%	9.59%	9.67%	9.72%	9.94%	9.94%	9.94%	9.94%	9.94%	9.94%
Total	100.00%	95.48%	98.10%	98.82%	99.26%	99.54%	99.78%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Revenues Collected and Available in Current Year</u>													
January	9.53%	1.57%	6.88%	8.74%	9.05%	9.19%	9.27%	9.32%	9.53%	9.53%	9.53%	9.53%	9.53%
February	9.07%		1.49%	6.55%	8.31%	8.61%	8.75%	8.82%	8.87%	9.07%	9.07%	9.07%	9.07%
March	8.85%			1.46%	6.39%	8.11%	8.40%	8.53%	8.61%	8.65%	8.85%	8.85%	8.85%
April	7.39%				1.22%	5.34%	6.77%	7.01%	7.13%	7.19%	7.22%	7.39%	7.39%
May	7.12%					1.17%	5.14%	6.53%	6.76%	6.87%	6.92%	6.96%	7.12%
June	7.81%						1.28%	5.64%	7.16%	7.41%	7.53%	7.60%	7.63%
July	9.00%							1.48%	6.50%	8.25%	8.54%	8.68%	8.75%
August	8.06%								1.33%	5.82%	7.39%	7.65%	7.77%
September	7.38%									1.21%	5.33%	6.77%	7.00%
October	7.32%										1.20%	5.29%	6.71%
November	8.53%											1.40%	6.16%
December	9.94%												1.63%
Total	100.00%	1.57%	8.37%	16.75%	24.97%	32.42%	39.61%	47.33%	55.89%	64.00%	71.58%	79.19%	87.61%

(a) Total from Schedule C-4, page 12.

PPL ELECTRIC UTILITIES CORPORATION

**Monthly Revenues as a Percent of Annual Revenues
2012 to 2014 Inclusive
(Thousands of Dollars)**

	<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>Three Year Total</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
January	\$ 164,197	9.31%	\$ 175,799	9.40%	\$ 202,266	9.89%	\$ 542,262	9.55%
February	155,949	8.84%	169,998	9.09%	189,614	9.27%	515,561	9.08%
March	137,944	7.82%	167,615	8.96%	199,624	9.76%	505,183	8.90%
April	131,678	7.47%	134,363	7.18%	153,990	7.53%	420,031	7.40%
May	132,253	7.50%	131,184	7.01%	140,337	6.86%	403,774	7.11%
June	139,540	7.91%	148,161	7.92%	155,533	7.61%	443,234	7.81%
July	166,367	9.43%	172,962	9.25%	169,962	8.31%	509,291	8.97%
August	148,186	8.40%	152,555	8.16%	155,906	7.63%	456,647	8.04%
September	129,646	7.35%	138,374	7.40%	151,051	7.39%	419,071	7.38%
October	130,171	7.38%	138,520	7.41%	146,641	7.17%	415,332	7.31%
November	149,336	8.47%	162,249	8.68%	172,426	8.43%	484,011	8.52%
December	178,115	10.12%	178,300	9.54%	207,008	10.15%	563,423	9.93%
Total	<u>\$ 1,763,382</u>	<u>100.00%</u>	<u>\$ 1,870,080</u>	<u>100.00%</u>	<u>\$ 2,044,358</u>	<u>100.00%</u>	<u>\$ 5,677,820</u>	<u>100.00%</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies

As of December 31, 2014

(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Plant materials and operating supplies	\$ 33,064
2	Stores expense undistributed	<u>2,543</u>
3	Total materials and operating supplies	<u><u>\$ 35,607</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies

As of December 31, 2014

(Thousands of Dollars)

Line No.	Month	Amount
1	December 2013	\$ 32,753
2	January 2014	32,187
3	February	32,032
4	March	31,616
5	April	31,300
6	May	31,335
7	June	32,537
8	July	32,959
9	August	32,696
10	September	32,630
11	October	32,700
12	November	35,341
13	December	<u>39,742</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 429,828</u>
15	13-Month Average	<u>\$ 33,064</u>

PPL ELECTRIC UTILITIES CORPORATION

Stores Expense Undistributed

As of December 31, 2014

(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2013	\$ 2,721
2	January 2014	2,244
3	February	2,686
4	March	2,253
5	April	2,290
6	May	2,418
7	June	2,585
8	July	2,799
9	August	2,811
10	September	2,413
11	October	2,423
12	November	2,330
13	December	<u>3,087</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 33,060</u>
15	13-Month Average	<u>\$ 2,543</u>

PPL ELECTRIC UTILITIES CORPORATION

Accumulated Deferred Taxes on Income
As of December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>
	Distribution		
1	Accelerated Cost Recovery System (ACRS/MACRS) (a)	\$ 581,194	
2	Contributions In Aid Of Construction (CIAC)	(87,987)	
3	Other 263A & Repair Allowance (a)	298,478	
4	Balance at December 31, 2014		\$ 791,685
	General		
5	Accelerated Cost Recovery System (ACRS/MACRS) (a)	51,233	
6	Other 263A & Repair Allowance	(1,663)	
7	Balance at December 31, 2014		49,570
	Transmission		
8	Contributions In Aid Of Construction (CIAC)	(22,004)	
9	Net Book/Net Tax Plant (Excluding CIAC) (a)	281,984	
10	Balance at December 31, 2014		<u>259,980</u>
	Total (B-1)		
11	Accelerated Cost Recovery System (ACRS/MACRS)	632,427	
12	Contributions In Aid Of Construction (CIAC)	(109,991)	
13	Net Book/Net Tax Plant (Excluding CIAC) - Transmission	281,984	
14	Other 263A & Repair Allowance	296,815	
15	Total accumulated deferred taxes on income		<u>\$1,101,235</u>

(a) Accelerated cost recovery system and Other 263A & Repair Allowance are netted with applicable net operating losses and alternative minimum tax credit carryforwards on lines 1, 3, 5 and 9.

PPL ELECTRIC UTILITIES CORPORATION

D – Operating Income Index

Section D – Operating Income

D-1	Operating Income Pro Forma at Present Rates and Proposed Rates
D-2	Adjustments to Income
D-3	Adjustments to Operating Revenue
D-4	Adjustment to Operating Revenues for Unbilled Revenue
D-5	Adjustment to Wages and Benefits
D-6	Adjustment for Rate Case Expense
D-7	Adjustment for Interest Expense on Customer Security Deposits
D-8	Adjustment for Company Use Generation Supply Purchases
D-9	Adjustment for Annual Depreciation Expense
D-10	Adjustments to Taxes Other Than Income
D-11	Adjustment to Federal and State Income Taxes
D-12	Adjustment to Deferred Income Taxes
D-13	Adjustment to Amortization of Deferred Investment Tax Credit

PPL ELECTRIC UTILITIES CORPORATION

Operating Income
Pro Forma at Present and Proposed Rates
Year Ended December 31, 2014
(Thousands of Dollars)

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total Amount Per Books	Less: Automatic Cost Recovery Clauses/Riders ¹⁾	T & D Operations Per Books	Pro Forma Adjustments (D-2)	T & D Pro Forma at Present Rates	Pro Forma at Present Rates (Exhibit JDT 1)	PPUC Jurisdictional Rate Increase (D-11, Pg. 7)	Pro Forma at Proposed Rates
1	Operating Revenues	\$ 2,120,429	\$ (917,853)	\$ 1,202,576	\$ 2,649	\$ 1,205,225	\$ 869,998	\$ 56,300	\$ 926,298
	Operating Expenses								
2	Operation and Maintenance	1,289,687	(836,292)	453,395	(8,053)	445,342	384,675	1,244	385,919
3	Depreciation	185,115	0	185,115	0	185,115	146,305	0	146,305
4	Regulatory Debits/Credits	6,936	0	6,936	0	6,936	6,936	0	6,936
	Provision for Taxes								
5	Taxes Other Than Income	114,502	(52,994)	61,508	(639)	60,869	58,447	3,349	61,796
	Income Taxes								
6	Federal	51,987	(7,711)	44,276	10,452	54,728	19,137	16,289	35,426
7	State	22,835	(2,909)	19,926	2,908	22,834	12,013	5,166	17,179
8	Deferred Income Taxes	86,077	(2,026)	84,051	6,216	90,267	57,034	0	57,034
9	Investment Tax Credit	(1,435)	0	(1,435)	0	(1,435)	(1,415)	0	(1,415)
10	Total Taxes	273,966	(65,640)	208,326	18,937	227,263	145,216	24,804	170,020
11	(Gain)/Loss from Disposition of Utility Plant	21	0	21	0	21	0	0	0
12	Total Operating Expenses	1,755,725	(901,932)	853,793	10,884	864,677	683,132	26,048	709,180
13	Operating Income	\$ 364,704	\$ (15,921)	\$ 348,783	\$ (8,235)	\$ 340,548	\$ 186,866	\$ 30,252	\$ 217,118

¹⁾ Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER, SMR and DSIC.

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Income
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Reference</u>	<u>Description</u>	<u>Amount</u>
		<u>Operating Revenues</u>	
1	D-3 and D-4	Operating Revenue	\$ 2,649
		<u>Operation and Maintenance Expenses</u>	
2	D-5	Employee wages and benefits	(10,051)
3	D-6	Rate case expense	928
4	D-7	Interest expense on customer deposits	987
5	D-8	Company Use Generation Supply Purchase	83
		Total operation and maintenance expense	<u>(8,053)</u>
		<u>Depreciation</u>	
7	D-9	Annual depreciation expense	<u>0</u>
		<u>Provision for Taxes</u>	
		Taxes other than income	
8	D-10	Capital stock	33
9	D-10	Gross receipts	(80)
10	D-10	Public utility realty	43
11	D-5	Payroll taxes	(635)
		Income taxes	
12	D-11	Federal	10,452
13	D-11	State	2,908
14	D-12	Deferred income taxes	6,216
15	D-13	Investment tax credit - amortization	<u>0</u>
16		Total Taxes	18,937
17		Gain and losses on property dispositions	<u>0</u>
18		Total Operating Expenses	<u>10,884</u>
19		Total Adjustments to Income	<u>\$ (8,235)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Operating Revenue
Year Ended December 31, 2014
 (Thousands of Dollars)

Line No.	Description	(1) Total Per Books	(2) Less: Automatic Cost Recovery Clauses/Riders ^{a)}	(3) T&D Operations Per Books	(4) Pro Forma Adjustments	(5) T&D Pro forma at Present Rates
1	Transmission revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2	Distribution revenue	927,510	(109,230)	818,280	(1,352) ^{b)}	816,928
3	TSC revenue	75,518	(75,518)	0	0	0
4	CTC revenue	0	0	0	0	0
5	GSC revenue	715,497	(715,497)	0	0	0
6	STAS revenue	(852)	29	(823)	0	(823)
7	Sales to affiliate	2,457	(2,457)	0	0	0
8	Spot Market	26	(26)	0	0	0
9	Total Rate Revenue	<u>1,720,156</u>	<u>(902,699)</u>	<u>817,457</u>	<u>(1,352)</u>	<u>816,105</u>
Other Electric Revenue						
10	Late Payment	12,680	0	12,680	0	12,680
11	Misc. Revenue	884	0	884	0	884
12	Rent	41,311	0	41,311	0	41,311
13	Other	348,551	(14,306)	334,245	0	334,245
14	Total Other	<u>403,426</u>	<u>(14,306)</u>	<u>389,120</u>	<u>-</u>	<u>389,120</u>
15	Operating Revenue (excl. unbilled)	2,123,582	(917,005)	1,206,577	(1,352)	1,205,225
16	Unbilled Revenue (D-4)	(3,153)	(848)	(4,001)	4,001	0
17	Total Operating Revenue	<u>\$ 2,120,429</u>	<u>\$ (917,853)</u>	<u>\$ 1,202,576</u>	<u>\$ 2,649</u>	<u>\$ 1,205,225</u>

^{a)} Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER, SMR and DSIC.

^{b)} This adjustment is for annualization.

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2014 Per Books with Annualization

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Line Number	Rate Schedule	Number of Bills (monthly)	Sales (KWH)	Distribution Present Rate Revenue	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Present Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution	State Tax Adjustment Surcharge (STAS) Other	Total Revenue
1	RS	1,224,408	14,272,078,684	\$ 562,837,585	\$ 1,772,872	\$ 68,676,310	\$ 27,871,127	\$ 20,594	\$ 16,090,664	\$ 71,477,293	\$ 555,216,440	\$ 1,303,964,885	\$ (570,011)	\$ (26,128)	\$ 1,303,368,746
2	RTS	12,079	289,856,905	\$ 6,767,060	\$ 35,802	\$ 1,392,493	\$ 553,887	\$ 216	\$ 208,578	\$ 1,535,653	\$ 11,961,469	\$ 22,455,158	\$ (7,542)	\$ (558)	\$ 22,447,058
3	GS-1	146,106	1,971,959,738	\$ 70,500,394	\$ 38,625	\$ -	\$ 1,642,705	\$ 1,886	\$ 1,830,657	\$ 5,438,087	\$ 56,084,985	\$ 135,537,339	\$ (61,378)	\$ (1,420)	\$ 135,474,541
4	GS-3	29,427	8,366,757,614	\$ 117,101,828	\$ 167,272	\$ -	\$ 7,057,095	\$ 1,056	\$ 3,144,714	\$ (4,244,496)	\$ 87,019,272	\$ 210,246,741	\$ (107,357)	\$ (937)	\$ 210,138,447
5	LP-4	1,145	6,211,930,855	\$ 32,931,263	\$ 16,900	\$ -	\$ 16,290,441	\$ 21	\$ 1,234,443	\$ 1,053,644	\$ (13,418)	\$ 51,513,294	\$ (42,444)	\$ (297)	\$ 51,470,553
6	LP-5	143	5,832,982,800	\$ 1,764,127	\$ 2,161	\$ -	\$ 11,420,236	\$ 5	\$ 331,210	\$ 47,822	\$ -	\$ 13,565,561	\$ (11,356)	\$ (88)	\$ 13,554,117
7	LPEP	1	60,649,000	\$ 445,200	\$ 14	\$ -	\$ 360,773	\$ -	\$ 18,804	\$ (291,533)	\$ -	\$ 533,258	\$ (693)	\$ -	\$ 532,565
8	BL	43	8,293,053	\$ 358,482	\$ 166	\$ -	\$ 8,165	\$ 1	\$ 8,919	\$ 68,951	\$ 722,413	\$ 1,165,097	\$ (315)	\$ (4)	\$ 1,164,778
9	SA	0	20,532,771	\$ 4,175,539	\$ 94	\$ -	\$ 17,217	\$ 179	\$ 105,709	\$ 155,076	\$ 1,609,014	\$ 6,062,828	\$ (3,330)	\$ (13)	\$ 6,059,485
10	SM	73	3,466,564	\$ 739,887	\$ 79	\$ -	\$ 2,734	\$ 5	\$ 18,787	\$ 7,006	\$ 72,413	\$ 840,911	\$ (64)	\$ (2)	\$ 840,268
11	SHS	1,334	51,559,554	\$ 16,908,130	\$ 1,245	\$ -	\$ 40,030	\$ 89	\$ 428,848	\$ 145,746	\$ 1,519,139	\$ 19,043,227	\$ (14,601)	\$ (186)	\$ 19,028,440
12	SE	106	34,961,210	\$ 2,050,481	\$ 694	\$ -	\$ 24,192	\$ 7	\$ 51,686	\$ 14,708	\$ 148,564	\$ 2,290,332	\$ (1,783)	\$ (10)	\$ 2,288,539
13	TS	8	301,144	\$ 28,810	\$ 4	\$ -	\$ 238	\$ 1	\$ 736	\$ 2,315	\$ 23,922	\$ 56,026	\$ (25)	\$ (1)	\$ 56,000
14	SI-1	3	82,283	\$ 20,461	\$ 1	\$ -	\$ 65	\$ -	\$ 519	\$ 44	\$ 453	\$ 21,543	\$ (18)	\$ -	\$ 21,525
15	GH-2	1,779	50,485,764	\$ 1,331,669	\$ 1,006	\$ -	\$ 27,587	\$ 35	\$ 33,368	\$ 107,256	\$ 1,130,719	\$ 2,631,640	\$ (1,172)	\$ (49)	\$ 2,630,419
16	SLE	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Rate Revenue	1,416,655	37,175,897,939	\$ 817,960,916	\$ 2,036,935	\$ 70,068,803	\$ 65,314,492	\$ 24,095	\$ 23,507,642	\$ 75,517,572	\$ 715,497,385	\$ 1,769,927,840	\$ (822,566)	\$ (29,693)	\$ 1,769,075,481
18															
19	Annualization Adjustment		(500,289,709)	\$ (1,351,843)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,351,843)	\$ 1,149	\$ -	\$ (1,350,694)
20															
21	Total PUC Tariff Revenue		36,675,608,230	\$ 816,609,073	\$ 2,036,935	\$ 70,068,803	\$ 65,314,492	\$ 24,095	\$ 23,507,642	\$ 75,517,572	\$ 715,497,385	\$ 1,768,575,997	\$ (821,517)	\$ (29,693)	\$ 1,767,724,787
22															
23	Other Electric Revenues														
24	Late Payment			\$ 12,680,040								\$ 12,680,040			\$ 12,680,040
25	Misc. Revenue			\$ 884,233								\$ 884,233			\$ 884,233
26	Rent			\$ 40,945,882						\$ 365,611		\$ 41,311,493			\$ 41,311,493
27	Other			\$ (298,210)						\$ 334,542,149		\$ 334,243,939			\$ 334,243,939
28	Total Other			\$ 54,211,945						\$ 334,907,760		\$ 389,119,705			\$ 389,119,705
29															
30	Total Operating Revenue			\$ 870,821,018	\$ 2,036,935	\$ 70,068,803	\$ 65,314,492	\$ 24,095	\$ 23,507,642	\$ 410,425,332	\$ 715,497,385	\$ 2,157,695,702	\$ (821,517)	\$ (29,693)	\$ 2,156,844,492

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2014 Pro Forma at Actual Rates
Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line Number	Rate Schedule	Distribution Present Rate Revenue	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Present Rate Revenue	State Tax Adjustment Surcharge (STAS)	State Tax Adjustment Surcharge (STAS)	Total Revenue
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	(Note 8)		Distribution	Other	
1	RS	\$ 562,837,585	\$ 3,996,182	\$ 102,473,525	\$ 32,540,339	\$ 48,976	\$ 22,108,200	\$ 173,120,314	\$ 1,156,751,977	\$ 2,053,877,098	\$ (933,457)	\$ 106,390	\$ 2,053,050,031
2	RTS	\$ 6,767,060	\$ 81,160	\$ 2,081,173	\$ 660,874	\$ 483	\$ 302,093	\$ 3,515,964	\$ 23,492,902	\$ 36,901,709	\$ (12,755)	\$ 2,161	\$ 36,891,115
3	GS-1	\$ 70,500,394	\$ 98,598	\$ -	\$ 2,918,500	\$ 5,844	\$ 2,315,801	\$ 14,355,867	\$ 169,529,379	\$ 259,724,383	\$ (97,778)	\$ 14,711	\$ 259,641,316
4	GS-3	\$ 117,101,828	\$ 418,338	\$ -	\$ 12,382,801	\$ 1,177	\$ 4,091,943	\$ 62,084,124	\$ 707,060,798	\$ 903,141,009	\$ (172,771)	\$ 61,532	\$ 903,029,770
5	LP-4	\$ 32,931,263	\$ 21,572	\$ -	\$ 14,507,492	\$ 46	\$ 1,495,000	\$ 36,973,998	\$ 369,616,279	\$ 455,545,650	\$ (63,122)	\$ 32,527	\$ 455,515,055
6	LP-5	\$ 1,764,127	\$ 2,694	\$ -	\$ 8,635,024	\$ 6	\$ 327,658	\$ 35,911,337	\$ 375,236,795	\$ 421,877,641	\$ (13,834)	\$ 32,892	\$ 421,896,699
7	LPEP	\$ 445,200	\$ 19	\$ -	\$ 360,405	\$ -	\$ 25,377	\$ 417,887	\$ 13,992,010	\$ 15,240,898	\$ (1,071)	\$ 1,153	\$ 15,240,980
8	BL	\$ 358,482	\$ 415	\$ -	\$ 12,274	\$ 2	\$ 11,692	\$ 60,373	\$ 712,954	\$ 1,156,192	\$ (494)	\$ 62	\$ 1,155,760
9	SA	\$ 4,175,539	\$ 1,027	\$ -	\$ 30,389	\$ -	\$ 132,519	\$ 149,479	\$ 1,765,202	\$ 6,254,155	\$ (5,595)	\$ 153	\$ 6,248,713
10	SM	\$ 739,887	\$ 173	\$ -	\$ 5,131	\$ 3	\$ 23,474	\$ 25,237	\$ 298,021	\$ 1,091,926	\$ (991)	\$ 26	\$ 1,090,961
11	SHS	\$ 16,908,130	\$ 2,578	\$ -	\$ 76,308	\$ 53	\$ 535,091	\$ 375,354	\$ 4,432,575	\$ 22,330,089	\$ (22,593)	\$ 385	\$ 22,307,881
12	SE	\$ 2,050,481	\$ 694	\$ -	\$ 24,192	\$ 4	\$ 65,374	\$ 254,518	\$ 3,005,615	\$ 5,400,878	\$ (2,760)	\$ 261	\$ 5,398,379
13	TS	\$ 28,810	\$ 15	\$ -	\$ 446	\$ -	\$ 922	\$ 2,192	\$ 25,889	\$ 58,274	\$ (39)	\$ 2	\$ 58,237
14	SI-1	\$ 20,461	\$ 4	\$ -	\$ 122	\$ -	\$ 648	\$ 599	\$ 7,074	\$ 28,908	\$ (27)	\$ 1	\$ 28,882
15	GH-2	\$ 1,331,669	\$ 2,524	\$ -	\$ 74,719	\$ 71	\$ 44,381	\$ 367,536	\$ 4,340,261	\$ 6,161,161	\$ (1,874)	\$ 377	\$ 6,159,664
16	SLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Rate Revenue	\$ 817,960,916	\$ 4,625,993	\$ 104,554,698	\$ 72,229,016	\$ 56,665	\$ 31,480,173	\$ 327,614,779	\$ 2,830,267,731	\$ 4,188,789,971	\$ (1,329,161)	\$ 252,633	\$ 4,187,713,443
18													
19	Annualization Adjustment	\$ (1,351,843)			\$ -					\$ (1,351,843)			\$ (1,351,843)
20													
21	Total PUC Tariff Revenue	\$ 816,609,073	\$ 4,625,993	\$ 104,554,698	\$ 72,229,016	\$ 56,665	\$ 31,480,173	\$ 327,614,779	\$ 2,830,267,731	\$ 4,187,438,128	\$ (1,329,161)	\$ 252,633	\$ 4,186,361,600
22													
23	Other Electric Revenues												
24	Late Payment	\$ 12,680,040						\$ -		\$ 12,680,040			\$ 12,680,040
25	Misc. Revenue	\$ 884,233						\$ -		\$ 884,233			\$ 884,233
26	Rent	\$ 40,945,882						\$ 365,611		\$ 41,311,493			\$ 41,311,493
27	Other	\$ (298,210)						\$ 334,542,149		\$ 334,243,939			\$ 334,243,939
28	Total Other	\$ 54,211,945						\$ 334,907,760		\$ 389,119,705			\$ 389,119,705
29													
30	Total Operating Revenue	\$ 870,821,018	\$ 4,625,993	\$ 104,554,698	\$ 72,229,016			\$ 662,522,539	\$ 2,830,267,731	\$ 4,576,557,833	\$ (1,329,161)	\$ 252,633	\$ 4,575,481,305

Note 1: Col 5, page 3
 Note 2: SMR effective January 1, 2015
 Note 3: USR effective January 1, 2015
 Note 4: ACR effective June 1, 2014
 Note 5: CER Effective January 1, 2015
 Note 6: DSIC Effective January 1, 2015
 Note 7: TSC effective June 1, 2014
 Note 8: GSC effective March 1, 2015

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2014 Pro Forma at Proposed Rates,
Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(9)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
Line Number	Rate Schedule	Proposed Distribution Rate Revenue	Distribution Revenue Increase	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Total Proposed Rate Revenue	State Tax Adjustment Surcharge (STAS)	State Tax Adjustment Surcharge (STAS)	Total Revenue	Total Revenue \$ Change	Total Revenue % Change	
				(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	Distribution		Other			(Note 6)	(Note 7)
1	RS	\$ 717,475,147	\$ 154,637,562	\$ 3,996,182	\$ 102,473,525	\$ 32,540,339	\$ 48,976	\$ 22,108,200	\$ 173,120,314	\$ 1,156,751,977	\$ 2,208,514,660	\$ (1,139,125)	\$ 106,390	\$ 2,207,481,925	\$ 154,431,894	7.52%	
2	RTS	\$ 9,863,270	\$ 3,096,210	\$ 81,160	\$ 2,081,173	\$ 660,874	\$ 483	\$ 302,093	\$ 3,515,964	\$ 23,492,902	\$ 39,997,919	\$ (16,873)	\$ 2,161	\$ 39,983,207	\$ 3,092,082	8.38%	
3	GS-1	\$ 83,458,743	\$ 12,958,349	\$ 98,598	\$ -	\$ 2,918,500	\$ 5,844	\$ 2,315,801	\$ 14,355,967	\$ 169,529,379	\$ 272,682,732	\$ (115,013)	\$ 14,711	\$ 272,582,430	\$ 12,941,114	4.98%	
4	GS-3	\$ 107,004,523	\$ (10,097,305)	\$ 418,338	\$ -	\$ 12,382,801	\$ 1,177	\$ 4,091,943	\$ 62,084,124	\$ 707,060,798	\$ 893,943,704	\$ (159,342)	\$ 61,532	\$ 892,945,894	\$ (10,083,876)	-1.12%	
5	LP-4	\$ 38,065,074	\$ 5,133,811	\$ 21,572	\$ -	\$ 14,507,492	\$ 46	\$ 1,495,000	\$ 36,973,998	\$ 369,616,279	\$ 460,679,461	\$ (69,950)	\$ 32,527	\$ 460,642,038	\$ 5,126,983	1.13%	
6	LP-5	\$ 219,808	\$ (1,544,319)	\$ 2,694	\$ -	\$ 8,635,024	\$ 6	\$ 327,658	\$ 35,911,337	\$ 375,236,795	\$ 420,333,322	\$ (11,781)	\$ 32,892	\$ 420,354,433	\$ (1,542,266)	-0.37%	
10	LPEP	\$ 2,996,385	\$ 2,551,185	\$ 19	\$ -	\$ 360,405	\$ -	\$ 25,377	\$ 417,887	\$ 13,992,010	\$ 17,792,083	\$ (4,465)	\$ 1,153	\$ 17,788,771	\$ 2,547,791	16.72%	
8	BL	\$ 384,450	\$ 25,968	\$ 415	\$ -	\$ 12,274	\$ 2	\$ 11,692	\$ 60,373	\$ 712,954	\$ 1,182,160	\$ (528)	\$ 62	\$ 1,181,694	\$ 25,934	2.24%	
9	SA	\$ 4,102,776	\$ (72,763)	\$ 1,027	\$ -	\$ 30,389	\$ -	\$ 132,519	\$ 149,479	\$ 1,765,202	\$ 6,181,392	\$ (5,498)	\$ 153	\$ 6,176,047	\$ (72,666)	-1.16%	
10	SM	\$ 726,366	\$ (13,521)	\$ 173	\$ -	\$ 5,131	\$ 3	\$ 23,474	\$ 25,237	\$ 299,021	\$ 1,078,405	\$ (973)	\$ 26	\$ 1,077,458	\$ (13,503)	-1.24%	
11	SHS	\$ 13,943,611	\$ (2,984,519)	\$ 2,578	\$ -	\$ 76,308	\$ 53	\$ 535,091	\$ 375,354	\$ 4,432,575	\$ 19,365,570	\$ (18,650)	\$ 385	\$ 19,347,305	\$ (2,960,576)	-13.27%	
12	SE	\$ 2,007,856	\$ (42,525)	\$ 694	\$ -	\$ 24,192	\$ 4	\$ 65,374	\$ 254,518	\$ 3,005,615	\$ 5,358,253	\$ (2,704)	\$ 261	\$ 5,355,810	\$ (42,569)	-0.79%	
13	TS	\$ 28,331	\$ (479)	\$ 15	\$ -	\$ 446	\$ -	\$ 522	\$ 2,192	\$ 25,889	\$ 57,785	\$ (38)	\$ 2	\$ 57,759	\$ (478)	-0.82%	
14	SI-1	\$ 20,461	\$ 4	\$ 4	\$ -	\$ 122	\$ -	\$ 648	\$ 599	\$ 7,074	\$ 28,908	\$ (27)	\$ 1	\$ 28,882	\$ 20,461	0.00%	
15	GH-2	\$ 1,585,391	\$ 263,722	\$ 2,524	\$ -	\$ 74,719	\$ 71	\$ 44,381	\$ 367,536	\$ 4,340,261	\$ 6,424,893	\$ (2,225)	\$ 377	\$ 6,423,035	\$ 263,371	4.28%	
16	SLE	\$ 2,673,341	\$ 2,673,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,673,341	\$ (3,556)	\$ -	\$ 2,669,785	\$ 2,669,785	0.00%	
17	Rate Revenue	\$ 981,892,192	\$ 166,604,617	\$ 4,625,993	\$ 104,554,698	\$ 72,229,016	\$ 56,665	\$ 31,480,173	\$ 327,614,779	\$ 2,830,267,731	\$ 4,352,721,247	\$ (1,547,192)	\$ 252,633	\$ 4,351,426,688	\$ 163,713,245	3.91%	
18																	
19	Annualization Adjustment	\$ (1,351,843)	\$ 876,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (475,711)	\$ -	\$ -	\$ (475,711)	\$ 876,132		
20																	
21	Total PUC Tariff Revenue	\$ 980,540,349	\$ 167,480,749	\$ 4,625,993	\$ 104,554,698	\$ 72,229,016	\$ 56,665	\$ 31,480,173	\$ 327,614,779	\$ 2,830,267,731	\$ 4,352,245,536	\$ (1,547,192)	\$ 252,633	\$ 4,350,950,977	\$ 164,589,377		
22																	
23	Other Electric Revenues																
24	Late Payment	\$ 12,680,040	\$ 1,332,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,012,607	\$ -	\$ -	\$ 14,012,607	\$ -		
25	Misc. Revenue	\$ 884,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 884,233	\$ -	\$ -	\$ 884,233	\$ -		
26	Rent	\$ 40,945,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,611	\$ -	\$ 41,311,493	\$ -	\$ -	\$ 41,311,493	\$ -		
27	Other	\$ (298,210)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,542,149	\$ -	\$ 334,243,939	\$ -	\$ -	\$ 334,243,939	\$ -		
28	Total Other	\$ 54,211,945	\$ 1,332,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,907,760	\$ -	\$ 390,452,272	\$ -	\$ -	\$ 390,452,272	\$ -		
29																	
30	Total Operating Revenue	\$ 1,034,752,294	\$ 168,813,316	\$ 4,625,993	\$ 104,554,698	\$ 72,229,016	\$ 56,665	\$ 31,480,173	\$ 662,522,539	\$ 2,830,267,731	\$ 4,742,697,808	\$ (1,547,192)	\$ 252,633	\$ 4,741,403,249	\$ 164,589,377		

Note 1: SMR effective January 1, 2015
 Note 2: USR effective January 1, 2015
 Note 3: ACR effective June 1, 2014
 Note 4: CER Effective January 1, 2015
 Note 5: DSIC Effective January 1, 2015
 Note 6: TSC effective June 1, 2014
 Note 7: GSC effective March 1, 2015

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Operating Revenues for Unbilled Revenue
Year Ended December 31, 2014
(Thousands of Dollars)

This adjustment was made to normalize distribution operating revenue for the test period by eliminating unbilled revenue shown on Schedule D-3, page 1.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Unbilled revenue- distribution	\$ 4,001
2	Net increase in distribution operating revenue	<u>\$ 4,001</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Wages and Benefits
Year Ended December 31, 2014
(Thousands of Dollars, except wages per employee)

This adjustment was made to reflect the average number of transmission and distribution-related employees and the level of wages and benefits in effect at the end of the year.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Average monthly T & D-related wages to expense per employee	\$ 3,929
2	T & D-related personnel employed at the end of the year	1,758
3	Annualized T & D-related total wages to expense(line 1 x line 2 x 12 months)	82,886
4	Less: Actual T & D-related wages to expense for the year ended December 31, 2014	<u>90,981</u>
5	Decrease in wages to expense (line 3 - line 4)	(8,095)
6	Decrease in benefits expense (line 5 x 24.16%)	(1,956)
7	Decrease in payroll taxes (line 5 x 7.84%)	<u>(635)</u>
8	Total decrease in T&D-related wages, taxes and benefits expenses (line 5 + line 6 + line 7)	<u>\$ (10,686)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Rate Case Expense
Year Ended December 31, 2014
(Thousands of Dollars)

Rate case expenditures are charged to expense when incurred. The Company's claim for 2015 distribution rate case expense is based on a normalized amount as shown below.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	2015 distribution rate case expense	\$ <u>1,856</u>
2	Normalized amount (line 1 / 2 years)	\$ <u>928</u>
3	2014 distribution rate case expense per budget	\$ <u>-</u>
4	Net increase in distribution operating expense	\$ <u><u>928</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Interest Expense on Customer Security Deposits
Year Ended December 31, 2014
(Thousands of Dollars)

The Commission, in its Final Order at Docket No. R-80031114, determined that it was appropriate to include the interest expense on customer deposits in PPL Electric's operation and maintenance expense when the deposits are used as a reduction to rate base. The interest on customer security deposits is computed at an interest rate calculated in accordance with 66 Pa. C.S. § 1404 (c) (6) and the Company's Tariff - Electric Pa. P.U.C. No. 201.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Customer security deposits	\$ 16,445
2	Interest rate	<u>6.000%</u>
3	Total increase in transmission and distribution expense (line 1 x line 2)	<u>\$ 987</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Company Use Generation Supply Purchases
Year Ended December 31, 2014
(Thousands of Dollars)

This adjustment was made to reflect the distribution operating expense associated with PPL Electric's purchase of generation supply for the facilities that it owns, i.e., Company Use.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Kilowatt-hour usage for the period January 1, 2014 through December 31, 2014	69,017,933
2	Generation supply purchase price per kilowatt-hour	<u>\$ 0.06732</u>
3	Total estimated generation supply expense January 1, 2014 - December 31, 2014 (line 1 x line 2)	\$ 4,646
4	Less: Actual amount per books	<u>4,545</u>
5	Net generation supply expense (line 3 - line 4)	<u>\$ 101</u>
6	Portion assigned to PPL Electric	81.7%
7	Net increase in distribution operating expense (line 5 x line 6)	<u>\$ 83</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annual Depreciation Expense
Year Ended December 31, 2014
(Thousands of Dollars)

This adjustment was made to Annual Depreciation Expense in the future and fully projected future test years. This page is included for consistency between Exhibits Historic 1, Future 1 and Fully Projected Future 1.

<u>Line</u> <u>No.</u>	<u>Depreciation - Electric Plant In Service (a)</u>	<u>Amount</u>
	No adjustment to depreciation expense	

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Taxes Other Than Income
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>PA Capital Stock Tax</u>	
	Adjustment to reflect current taxable value	
1	Estimated Tax applicable to T&D operations at 0.67 mills (D-10, page 2)	\$ 541
2	Less: Capital stock tax on T&D operations per books	<u>508</u>
3	Net increase in expense	<u>\$ 33</u>
	<u>PA Gross Receipts Tax</u>	
	Adjustment to provide for gross receipts tax on pro forma revenue at present rates	
4	Gross receipts tax recoverable through base rates (D-10, page 3)	\$ 48,898
5	Less: Gross receipts tax on T&D operations per books	<u>48,978</u>
6	Net decrease in expense	<u>\$ (80)</u>
	<u>PA Public Utility Realty</u>	
	Adjustment to reflect current taxable value	
7	Public utility realty tax recoverable through base rates (D-10, page 4)	\$ 2,173
8	Less: Public utility realty tax on T&D operations per books	<u>2,130</u>
9	Net increase in expense	<u>\$ 43</u>

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax at Present Rates
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	PA Capital Stock Tax=50%((5 Year Average Net Income/0.095)+(75%(Net Worth))	
	Net Income	
2	2010	\$ 80,572
3	2011	129,591
4	2012	90,359
5	2013	168,995
6	2014	<u>219,145</u>
7	Total	<u>\$ 688,662</u>
8	Average	<u>\$ 137,732</u>
9	Net worth at December 31, 2014	<u>\$2,716,843</u>
10	PA Capital stock value = $0.5((\$137,732/0.095) + (0.75 \times \$2,716,843)) =$	\$ 1,743,722
11	Statutory Exemption	<u>160</u>
12	Value of Capital Stock less Statutory Exemption	1,743,562
13	Apportionment Percentage	<u>0.931836</u>
14	PA Capital Stock Taxable Value	<u>\$1,624,714</u>
15	PA Capital Stock Tax at 0.67 mills	\$ 1,089
16	Less: PA Education and NAP tax credits	<u>(548)</u>
17	Pa Capital Stock Tax	<u>\$ 541</u>

PPL ELECTRIC UTILITIES CORPORATION

Gross Receipts Tax (GRT) at Present Rates
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Pro Forma Revenue</u>	<u>Applicable GRT Rate (Mills)</u>	<u>Amount</u>
1	Tariff Revenue Total Tariff Revenue (D-3, page 1, column 5, line 6)	\$ 816,105	59	\$ 48,150
2	Other Electric Revenue Late payment (D-3, page 1, column 5, line 7)	12,680	59	748
3	Other electric revenue (D-3, page 1, column 5, lines 8-10)	376,440	-	0
4	Total Other	<u>\$ 389,120</u>		<u>0</u>
5	Total gross receipts tax on pro forma revenue at present rates			<u>\$ 48,898</u>

PPL ELECTRIC UTILITIES CORPORATION

Public Utility Realty Tax (PURTA) at Present Rates
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	State Taxable Value (per Notice of Determination dated August 11, 2014)	\$ 67,001
2	Rate @ 32.4251 mills (per Notice of Determination dated August 11, 2014)	<u>0.0324251</u>
3	Tax Amount	<u>\$ 2,173</u>

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2014
(Thousands of Dollars)

Line No.	Description	Total Amount Per Books	Less:	T&D Operations Per Books	Pro forma Adjustments	T&D
			Automatic Recovery Clauses/Riders ¹⁾			Pro forma at Present Rates
1	Operating Revenues	2,120,429	(917,853)	1,202,576	2,649	1,205,225
	Operating Expenses					
2	Operation and maintenance	1,289,687	(836,292)	453,395	(8,053)	445,342
3	Depreciation and amortization	185,115	0	185,115	0	185,115
4	Regulatory Debits and Credits	6,936	0	6,936	0	6,936
5	Taxes Other than Income	114,502	(52,994)	61,508	(639)	60,869
6	Income Taxes	51,987	(7,711)	44,276	10,452	54,728
7	Income Taxes - State	22,835	(2,909)	19,926	2,908	22,834
8	Deferred Income Taxes	86,077	(2,026)	84,051	6,216	90,267
9	Investment Tax Credit - Amortization	(1,435)	0	(1,435)	0	(1,435)
10	Gains and Losses on Property Dispositions	21	0	21	0	21
11	Total Operating Expense	1,755,725	(901,932)	853,793	10,884	864,677
		0				
12	Operating Income	364,704	(15,921)	348,783	(8,235)	340,548
13	Less: Interest Expense	124,127	0	124,127	(19,697)	104,530
14	Net Operating Income	240,577	(15,921)	224,656	11,362	236,018
15	Income Tax Adjustments	1				
16	Federal Income Tax	51,987	(7,711)	44,276	10,452	54,728
17	State Income Tax	22,835	(2,909)	19,926	2,908	22,834
18	Deferred Income Taxes	86,077	(2,026)	84,051	6,216	90,267
19	Investment tax credit amortization	(1,435)	0	(1,435)	0	(1,435)
20	Pension and supplemental retirements	(13,715)	0	(13,715)	0	(13,715)
21	Contributions in aid of construction	11,732	0	11,732	0	11,732
22	Environmental Clean-up	853	0	853	0	853
23	Book Depreciation	185,115	0	185,115	0	185,115
24	Book Depreciation Capitalized	4,049	0	4,049	0	4,049
25	Tax Depreciation	(274,343)	0	(274,343)	0	(274,343)
26	Removal costs	(37,793)	0	(37,793)	0	(37,793)
27	Tax Gains/(Losses) on Plant Dispositions	2,324	0	2,324	0	2,324
28	ESOP dividend paid in cash	(5,068)	0	(5,068)	0	(5,068)
29	Reacquired debt costs	7,191	0	7,191	0	7,191
30	Post - retirement/employment benefits	(635)	0	(635)	0	(635)
31	Business Meals Not Deductible	326	0	326	0	326
32	Vacation Pay	(781)	0	(781)	0	(781)
33	Bad debts & Property damage	(1,226)	0	(1,226)	0	(1,226)
34	Deferred Compensation - Officers	366	0	366	0	366
35	Storm Deferrals	6,926	0	6,926	0	6,926
36	Plant Basis Adjustments - 263A & Tax Repairs	(91,771)	0	(91,771)	0	(91,771)
37	Other Taxes	4,225	(4,225)	0	0	0
38	Litigation Contingencies	(2,317)	0	2,317	0	0
39	Rate Rider/Clause - Default Service Plan	1,152	(1,152)	0	0	0
40	Rate Rider/Clause - Act 129 - Conservation Program	7,423	(7,423)	0	0	0
41	Rate Rider/Clause - Transmission Service Cost (TSC)	(13,816)	0	13,816	0	0
42	Rate Rider/Clause - Universal Service Rider (TSR)	(13,144)	13,144	0	0	0
43	Rate Rider/Clause - Transmission Rate Base (TRB)	22,034	(22,034)	0	0	0
44	Rate Rider/Clause - Generation Service Charge (GSC)	4,749	(4,749)	0	0	0
45	Rate Rider/Clause - Competitive Enhancement Rider (CER)	(42)	42	0	0	0
46	Rate Rider/Clause - Distribution System Improvement Charge (DSIC)	1,669	(1,669)	0	0	0
47	Storm Damage - Reg Liab	2,038	0	2,038	0	2,038
48	Rate Rider/Clause - Smart Meter Technology	(1,672)	1,672	0	0	0
49	Rate Cases Expenses	0	0	0	0	0
50	RAR Adjustments	(607)	0	(607)	0	(607)
51	Prepays	(1,026)	0	(1,026)	0	(1,026)
52	Variable Pay	(1,098)	0	(1,098)	0	(1,098)
53	Deferred Interest	(34)	0	(34)	0	(34)
54	Clearing Accounts	(178)	0	(178)	0	(178)
55	Rate Refund	0	0	0	0	0
56	Service Company Costs	10,716	0	10,716	0	10,716
57	Severance Pay	1,022	0	1,022	0	1,022
58	Income Tax Adjustments	(25,892)	(22,907)	(48,799)	19,576	(29,223)
59	Taxable Net Income Before Special Deductions	\$ 214,665	\$ (38,828)	\$ 175,857	\$ 30,938	\$ 206,795

¹⁾ Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER, SMR and DSIC.

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2014
(Thousands of Dollars)

Line No.	Description	Total Amount Per Books	Less: Automatic Recovery Clauses/Riders ¹⁾	T&D Operations Per Books	Pro forma Adjustments	T&D Pro forma at Present Rates
<u>PA Corporate Net Income Tax Calculation</u>						
1	Taxable Net Income Before Special Deductions	\$ 214,685	\$ (38,828)	\$ 175,857	\$ 30,938	\$ 206,795
PA Special Deductions						
2	Tax Preference Income	0	0	0	0	0
3	Dividends Paid Credit	0	0	0	0	0
4	Bonus Depreciation Adjustment	56,274	0	56,274	0	56,274
5	State Adjustment	4,040	0	4,040	0	4,040
6	State NOL Carryforward/(Utilization)	(40,520)	9,707	(30,813)	(7,795)	(38,548)
7	PA Taxable Income	234,479	(29,121)	205,358	23,203	228,561
8	PA Tax @ 9.99%	23,425	(2,909)	20,516	2,318	22,834
9	PA Tax Credits	0	0	0	0	0
10	Accrual for Potential Deficiency	(318)	0	(318)	318	0
11	State Income Tax Settlements	(116)	0	(116)	116	0
12	Prior Period Tax Return Adjustments	(156)	0	(156)	156	0
13	Total PA Income Tax	\$ 22,835	\$ (2,909)	\$ 19,926	\$ 2,908	\$ 22,834
<u>Federal Income Tax Calculation</u>						
14	Taxable Net Income Before Special Deductions	\$ 214,685	\$ (38,828)	\$ 175,857	\$ 30,938	\$ 206,795
Federal Special Deductions						
15	PA Income Tax Less Tax Credits	(23,425)	2,909	(20,516)	(2,318)	(22,834)
16	Dividends Paid Credit	0	0	0	0	0
17	State Income Tax Settlements	116	0	116	(116)	0
18	State Income Tax Adjustment for Prior Year	135	0	135	(135)	0
19	Federal Taxable Income	191,511	(35,919)	155,592	28,369	183,961
20	Federal NOL Carryforward/(Utilization)	(30,515)	13,890	(16,625)	(10,970)	(27,595)
21	Federal Taxable Income after NOL Carryforward/(Utilization)	160,996	(22,029)	138,967	17,399	156,366
22	Federal Tax @ 35%	56,349	(7,711)	48,638	6,090	54,728
23	Federal AMT Tax	603	0	603	(603)	0
24	Accrual for Potential Deficiency	1,627	0	1,627	(1,627)	0
25	Prior Period Tax Return Adjustments	(6,592)	0	(6,592)	6,592	0
26	Consolidated Income Tax Adjustment (D-11, page 4)	0	0	0	0	0
27	Total Federal Income Tax	\$ 51,987	\$ (7,711)	\$ 44,276	\$ 10,452	\$ 54,728

¹⁾ Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER, SMR and DSIC.

PPL ELECTRIC UTILITIES CORPORATION
Adjustment to Interest Deduction for Income Tax Purposes
Year Ended December 31, 2014
(Thousands of Dollars)

This adjustment provides for the annualized interest on claimed rate base at December 31, 2014.

<u>Line No.</u>	Description	Amount
1	Rate Base at December 31, 2014 (C-1)	\$ 4,250,113
2	Long-term debt ratio (B-8)	48.51%
3	Embedded cost of long-term debt (B-8)	5.07%
4	Annualized interest (line 1 x line 2 x line 3)	104,530
5	Less: Interest expense on T&D operations (D-11, page 1)	<u>124,127</u>
6	Net decrease in interest deduction (line 4 - line 5)	<u>\$ (19,597)</u>

**PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2014**

Line No	<u>2012</u> (1)	<u>2013</u> (2)	<u>2014</u> (3)	<u>Three Year Average</u> (4)=((1)+(2)+(3))/3
Non-Regulated Company				
Taxable Losses				
1	\$ -	\$ -	\$ -	\$ -
2	0	0	0	0
3	0	0	0	0
4	0	0	0	0
5	(55,355,876)	(26,150,243)	(63,764,034)	(48,423,384)
6	(41,906,523)	(15,764,060)	0	(19,223,528)
7	(2,146,404)	(1,979,417)	(1,780,791)	(1,968,871)
8	(685)	0	0	(228)
9	(75,025,525)	(72,042,471)	(26,159,530)	(57,742,509)
10	(176,456,771)	(204,580,351)	(210,648,068)	(197,228,397)
11	0	0	0	0
12	(3,009,789)	0	0	(1,003,263)
13	0	0	0	0
14	(1,720)	0	0	0
15	0	0	0	0
16	(337,779)	0	0	0
17	0	0	0	0
18	(21,593,705)	0	0	0
19	(3,168,934)	0	0	(1,056,311)
20	<u>\$ (379,003,711)</u>	<u>\$ (320,516,542)</u>	<u>\$ (302,352,423)</u>	<u>\$ (326,646,491) (a)</u>
21	\$ 146,059,053	\$ 556,112,353	\$ 576,182,036	426,117,814 (b)
22	\$ (240,928,568)	\$ (96,766,418)	\$ 137,348,964	\$ (66,782,007)
23	<u>\$ (240,928,568)</u>	<u>\$ (96,766,418)</u>	<u>\$ 137,348,964</u>	<u>\$ (66,782,007) (c)</u>
24	% Taxable Income Pa. Utilities to Total Taxable Income Companies (d)=(c)/(b)			0.0000% (d)
25	Adjustment for Consolidated Tax Savings Applicable to PA Utilities (e)=(a)*(d)			\$ - (e)
26	Adjustment to Federal Income Taxes (e) * 35%			\$ - (f)
27	% T&D Taxable Income to Total Taxable Income (D-11, page 2, Line 19)			81.2444% (g)
28	T&D pro forma adjustment to Federal Income Taxes (f)*(g)			<u>\$ - (h)</u>

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2014
(Thousands of Dollars)

Line No.	Note 1:	<u>2012</u>	<u>2013</u>	<u>2014</u>
	Taxable (Loss)	\$ (186,056)	\$ (22,679)	\$ (21,800)
	Adjustment for Non-recurring Items:			
1	Spinoff of Supply Business	\$ 186,056	\$ 22,679	\$ 21,800
2	Total adjustments	<u>\$ 186,056</u>	<u>\$ 22,679</u>	<u>\$ 21,800</u>
3	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 2:			
4	Taxable (Loss)	\$ (3,454,857)	\$ (1,345,016)	
	Adjustment for Non-recurring Items:			
5	Spinoff of Supply Business	\$ 3,454,857	\$ 1,345,016	\$ -
6	Total adjustments	<u>\$ 3,454,857</u>	<u>\$ 1,345,016</u>	<u>\$ -</u>
7	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 3:			
8	Taxable (Loss)	\$ (2,983,066)	\$ (875,831)	\$ (7,074,204)
	Adjustment for Non-recurring Items:			
9	Spinoff of Supply Business	\$ 2,983,066	\$ 875,831	\$ 7,074,204
10	Total adjustments	<u>\$ 2,983,066</u>	<u>\$ 875,831</u>	<u>\$ 7,074,204</u>
11	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 4:			
12	Taxable (Loss)	\$ (20,700)	\$ (50,185)	
	Adjustment for Non-recurring Items:			
13	Spinoff of Supply Business	\$ 20,700	\$ 50,185	\$ -
14	Total adjustments	<u>\$ 20,700</u>	<u>\$ 50,185</u>	<u>\$ -</u>
15	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 5:			
16	Taxable (Loss)	\$ (75,405,310)	\$ (88,692,838)	\$ (41,638,880)
	Adjustment for Non-recurring Items:			
17	Spinoff of Supply Business	\$ 379,785	\$ 202,949	\$ 471,349
18	Equity unit remarketing		16,447,418	15,008,001
19	Total adjustments	<u>\$ 379,785</u>	<u>\$ 16,650,367</u>	<u>\$ 15,479,350</u>
20	Adjusted Taxable Income/(Loss)	<u>\$ (75,025,525)</u>	<u>\$ (72,042,471)</u>	<u>\$ (26,159,530)</u>
	Note 6:			
21	Taxable (Loss)	\$ (78,961,763)	\$ (61,401,047)	\$ (337,428,438)
	Adjustment for Non-recurring Items:			
22	Spinoff of Supply Business	\$ (97,495,008)	\$ (143,179,304)	\$ 126,780,370
23	Total adjustments	<u>\$ (97,495,008)</u>	<u>\$ (143,179,304)</u>	<u>\$ 126,780,370</u>
24	Adjusted Taxable Income/(Loss)	<u>\$ (176,456,771)</u>	<u>\$ (204,580,351)</u>	<u>\$ (210,648,068)</u>

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2014
(Thousands of Dollars)

	Note 7:			
25	Taxable (Loss)	\$ (2,737,243)	\$ (927,787)	\$ (1,844,966)
	Adjustment for Non-recurring Items:			
26	Spinoff of Supply Business	\$ 2,737,243	\$ 927,787	\$ 1,844,966
27	Total adjustments	<u>\$ 2,737,243</u>	<u>\$ 927,787</u>	<u>\$ 1,844,966</u>
28	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 8:			
29	Taxable (Loss)	\$ (4,398,297)	\$ -	
	Adjustment for Non-recurring Items:			
30	Spinoff of Supply Business	\$ 4,398,297	\$ -	\$ -
31	Total adjustments	<u>\$ 4,398,297</u>	<u>\$ -</u>	<u>\$ -</u>
32	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 9:			
33	Taxable (Loss)	\$ (23,925,032)	\$ -	
	Adjustment for Non-recurring Items:			
34	Service company costs	\$ 24,170,684	\$ -	\$ -
35	Total adjustments	<u>\$ 24,170,684</u>	<u>\$ -</u>	<u>\$ -</u>
36	Adjusted Taxable Income/(Loss)	<u>\$ 245,652</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 10:			
37	Taxable (Loss)	\$ (355,725)	\$ (2,680)	\$ (2,143)
	Adjustment for Non-recurring Items:			
38	Spinoff of Supply Business	\$ 355,725	\$ 2,680	\$ 2,143
39	Total adjustments	<u>\$ 355,725</u>	<u>\$ 2,680</u>	<u>\$ 2,143</u>
40	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 11:			
41	Consolidated Taxable Income/(Loss)	\$ (240,928,874)	\$ (96,766,677)	\$ 137,348,733
	Adjustment for Non-regulated LLC's disregarded for income tax purposes:			
42	CEP Commerce, LLC	\$ 306	\$ 259	\$ 231
	Adjustment for Non-recurring items:			
43	TBD	\$ -	\$ -	\$ 0
44	TBD	\$ -	\$ -	\$ -
45	Total Adjustments	<u>\$ 306</u>	<u>\$ 259</u>	<u>\$ 231</u>
46	Adjusted Taxable Income/(Loss)	<u>\$ (240,928,568)</u>	<u>\$ (96,766,418)</u>	<u>\$ 137,348,964</u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Revenue and Applicable Tax
Related to Proposed Rate Increase
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	Description	Amount
1	Additional operating revenue from proposed rate increase	\$ 56,300
	Less:	
2	Provision for uncollectible accounts expense (line 1 x 2.21%)	1,244
3	PA gross receipts tax (line 1 x 59 mills)	3,322
4	PA Capital stock tax (D-11, page 8, line 19)	<u>27</u>
5	Taxable income for PA Corporate net income tax	51,707
6	PA corporate net income tax (line 5 x 9.99%)	<u>5,166</u>
7	Taxable income for Federal income tax	46,541
8	Federal income tax (line 7 x 35%)	<u>16,289</u>
9	Operating income	<u><u>\$ 30,252</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax at Proposed Rates
Year Ended December 31, 2014
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	PA Capital Stock Tax=50%((5 Year Average Net Income/0.095)+(75%(Net Worth))	
	Net Income	
2	2010	\$ 80,572
3	2011	129,591
4	2012	90,359
5	2013	168,995
6	2014 (Note 1)	<u>249,397</u>
7	Total	<u>\$ 718,914</u>
8	Average	<u>\$ 143,783</u>
9	Net worth at December 31, 2014 (Note 2)	<u>\$ 2,747,095</u>
10	PA Capital stock value = 0.5(((\$143,783/0.095) + (0.75 x \$2,747,095)) =	\$ 1,786,913
11	Statutory Exemption	<u>160</u>
12	Value of Capital Stock less Statutory Exemption	1,786,753
13	Apportionment Percentage	<u>0.931836</u>
14	PA Capital Stock Taxable Value	<u>\$ 1,664,961</u>
15	PA Capital Stock Tax at 0.67 mills	\$ 1,116
16	Less: PA Education tax credit	<u>(548)</u>
17	Pa Capital Stock Tax at Proposed Rates	\$ 568
18	Less: PA Capital Stock Tax at Present Rates (D-10, page 1, line 1)	541
19	Additional PA Capital Stock Tax due to Proposed Rate Increase	<u>\$ 27</u>
Note 1:		
20	Net Income at Present Rates (D-10, page 2, line 6)	\$ 219,145
21	Net Income from Proposed Rate Increase (D-11, page 7, line 9)	30,252
22	Total 2014 Net Income	<u>\$ 249,397</u>
Note 2:		
23	Net Worth at Present Rates (D-10, page 2, line 9)	\$ 2,716,843
24	Net Worth from Proposed Rate Increase (D-11, page 7, line 9)	30,252
25	Total 2014 Net Worth	<u>\$ 2,747,095</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Deferred Income Taxes

As of December 31, 2014

(Thousands of Dollars)

Line No.	Provision	Debit	Credit	Net	Adjustment	Adjusted
Distribution Property:						
1	ACRS & MACRS	\$ 26,496	\$ -	\$ 26,496	\$ 0	\$ 26,496
2	Contributions In Aid of Construction (CIAC)	0	(1,971)	(1,971)	0	(1,971)
3	Other Basis Adjustments	32,271	(12,720)	19,551	0	19,551
4	Federal NOL Carryforward/(Utilization)	10,680	0	10,680	(1,026)	9,654
5	State NOL Carryforward/(Utilization)	2,631	0	2,631	(128)	2,503
6	Prior Year Tax Return Adjustments	10,933	(9,597)	1,336	(1,336)	0
7	Total Distribution Property	<u>83,011</u>	<u>(24,288)</u>	<u>58,723</u>	<u>(2,490)</u>	<u>56,233</u>
General Property:						
8	ACRS & MACRS	86	0	86	0	86
9	Other Basis Adjustments	752	(19)	733	0	733
10	Prior Year Tax Return Adjustments	692	(43)	649	(649)	0
11	Total General Property	<u>1,530</u>	<u>(62)</u>	<u>1,468</u>	<u>(649)</u>	<u>819</u>
Transmission Property:						
12	Contributions In Aid of Construction (CIAC)	0	(261)	(261)	0	(261)
13	Net Book/Net Tax Plant (Excluding CIAC)	33,476	0	33,476	0	33,476
14	Federal NOL Carryforward/(Utilization)	0	0	0	0	0
15	Prior Year Tax Return Adjustments	2,326	0	2,326	(2,326)	0
16	Total Transmission Property	<u>35,802</u>	<u>(261)</u>	<u>35,541</u>	<u>(2,326)</u>	<u>33,215</u>
Total						
17	ACRS & MACRS	26,582	0	26,582	0	26,582
18	Contributions In Aid of Construction (CIAC)	0	(2,232)	(2,232)	0	(2,232)
19	Other Basis Adjustments	33,023	(12,739)	20,284	0	20,284
20	Net Book/Net Tax Plant (Excluding CIAC)-Transmission	33,476	0	33,476	0	33,476
21	Federal NOL Carryforward/(Utilization)	10,680	0	10,680	(1,026)	9,654
22	State NOL Carryforward/(Utilization)	2,631	0	2,631	(128)	2,503
23	Prior Year Tax Return Adjustments	13,951	(9,640)	4,311	(4,311)	0
24	Total	<u>\$ 120,343</u>	<u>\$ (24,611)</u>	<u>\$ 95,732</u>	<u>\$ (5,465)</u>	<u>90,267</u>
25	Less: Deferred income taxes on T&D operations per books					<u>84,051</u>
26	Net increase in deferred income taxes					<u>\$ 6,216</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Provision For Deferred Income Taxes
As of December 31, 2014
(Thousands of Dollars)

This adjustment provides for the annual provision for deferred income taxes due to the (1) Accelerated Cost Recovery System (ACRS) of the Economic Recovery Act of 1981, (2) Modified Accelerated Cost Recovery System (MACRS) of the Tax Reform Act of 1986 and (3) Other 263A & Repair Allowance.

Line No.	Description	Amount
	Distribution Property	
1	Excess Tax over Book depreciation on ACRS and MACRS property	\$ 76,540
2	Other 263A, Repair Allowance and CIAC book and tax basis adjustments and reversals	<u>42,332</u>
3	Plant activity for the calculation of deferred income taxes	<u>118,872</u>
	General Property	
4	Excess Tax over Book depreciation on ACRS and MACRS property	222
5	Other 263A, Repair Allowance and CIAC book and tax basis adjustments and reversals	<u>1,761</u>
6	Plant activity for the calculation of deferred income taxes	<u>1,983</u>
	Transmission Property	
7	Net Tax over Net Book plant activity (excluding CIAC)	76,863
8	CIAC tax basis adjustment and reversal	<u>(628)</u>
9	Plant activity for the calculation of deferred income taxes	<u>76,235</u>
10	Total plant activity for the calculation of deferred income taxes	<u>\$ 197,090</u>
11	Tax Rate Provisions for Distribution and General Property - 35% Reversals for Distribution and General Property - Average Rate Assumption Method Provisions and Reversals for Transmission Property - 41.4935% Provisions and Reversals for Other 263A, Repair Allowance and CIAC	
12	Net annual deferred tax debit / (credit)	<u>\$ 90,267</u>
	Less: Net provision on T&D operations per books	
13	Provision for deferred taxes - debit	120,343
14	Provision for deferred taxes - credit	<u>(24,611)</u>
15		<u>95,732</u>
16	Net increase in deferred income tax provision	<u>\$ (5,465)</u>

PPL ELECTRIC UTILITIES CORPORATION

**Adjustment to Amortization of
Deferred Investment Tax Credit
Year Ended December 31, 2014**
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>4% Investment Tax Credit</u>	<u>10% Investment Tax Credit</u>	<u>Total</u>
	Transmission Property:			
4	1982	0	4	4
5	1983	0	0	0
6	1984	0	4	4
7	1985	0	4	4
8	1986	0	4	4
9	1987	0	3	3
10	1988	0	1	1
11	1989	0	0	0
12	1990	0	0	0
	Total Transmission Property			<u>20</u>
	Distribution Property:			
16	1982	0	147	147
17	1983	0	158	158
18	1984	0	253	253
19	1985	0	468	468
20	1986	0	299	299
21	1987	0	56	56
22	1988	0	22	22
23	1989	0	5	5
24	1990	0	7	7
	Total Distribution Property			<u>1,415</u>
25	Total Amount of Amortization			1,435
26	Less: Amortization on T&D operations per books			1,435
27	Decrease in Amortization			<u>\$ -</u>

PPL ELECTRIC UTILITIES CORPORATION

Exhibit Future 1

Summary of Rate Base & Rate of Return

Witness: Various

Docket No. R-2015-2469275

PPL ELECTRIC UTILITIES CORPORATION

Exhibit Future 1

Docket No. R-2015-2469275

Summary of Rate Base & Rate of Return

Year Ended December 31, 2015

This book contains a series of schedules (see Table of Contents) which are grouped as follows:

- A - Statement of Reasons
- B - Financial Statements, Cost of Capital and Capital Structure
- C - Rate Base
- D - Operating Income and Adjustments

PPL ELECTRIC UTILITIES CORPORATION

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PPL ELECTRIC UTILITIES CORPORATION

A – Reasons for Proposed Increase

Index

A-1 Statement of Reasons

The Statement of Reason appears in Section A-1 of Exhibit Fully Projected Future 1.

PPL ELECTRIC UTILITIES CORPORATION

B – Book Statements

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Section B – Book Statements

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PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2015
Assets and Other Debits
(Thousands of Dollars)

<u>Acct.</u>		
<u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Utility Plant	
101	Plant in service	\$ 8,173,667
105	Plant held for future use	47,962
106	Completed construction not classified	1,003,553
107	Construction work in progress	568,683
	Gross utility plant	9,793,865
108	Accumulated provision for depreciation	(2,661,886)
111	Accumulated provision for amortization	(56,047)
	Net utility plant	7,075,932
	Other Property and Investments	
121	Nonutility property	1,693
122	Accumulated provision for depreciation of nonutility property	(572)
	Net nonutility property	1,121
123	Investment in subsidiary companies	0
124	Other investments	344
128	Other special funds	0
	Total Other Property and Investments	1,465
	Current and Accrued Assets	
131	Cash	0
132	Interest special deposits	0
134	Other special deposits	0
135	Working funds	0
136	Temporary cash investments	28,678
	Notes and accounts receivable	
141	Notes receivable	0
142	Customer accounts receivable	321,613
143	Other accounts receivable	44,412
144	Accumulated provision for uncollectible accounts-credit	(21,863)
	Total notes and accounts receivable	344,162
145	Notes receivable from associated companies	0
146	Accounts receivable from associated companies	0
	Materials and supplies	
154	Plant materials and operating supplies	33,601
163	Stores expense undistributed	2,571
	Total materials and supplies	36,172

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2015
Assets and Other Debits
(Thousands of Dollars)

<u>Acct.</u> <u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Current and Accrued Assets (continued)	
165	Prepayments	\$ 11,792
	Other current and accrued assets	
171	Interest and dividends receivable	10
172	Rents receivable	6,551
173	Accrued utility revenues	109,494
174	Miscellaneous current and accrued assets	12,802
190	Accumulated deferred income taxes (current)	67,223
	Total other current and accrued assets	<u>196,080</u>
	Total Current and Accrued Assets	<u>616,884</u>
	Deferred Debits	
181	Unamortized debt expense	25,415
182	Other regulatory assets	739,260
183	Preliminary survey and investigation charges	17
184	Clearing accounts	0
185	Temporary facilities	0
186	Miscellaneous deferred debits	783
189	Unamortized loss on reacquired debt	42,261
190	Accumulated deferred income taxes (noncurrent)	
	Contributions in aid of construction	116,248
	Net Operating Losses	53,239
	Pension and Post-Retirement Costs	161,638
	SFAS 109	310
	Other	29,433
	Total accumulated deferred income taxes (noncurrent)	<u>360,868</u>
	Total Deferred Debits	<u>1,168,604</u>
	Total Assets and Other Debits	<u>\$ 8,862,885</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2015
Liabilities and Other Credits
(Thousands of Dollars)

Acct. No.	<u>Title of Account</u>	<u>Amount</u>
	Proprietary Capital	
201	Common stock issued	\$ 363,833
204	Preferred stock issued	0
207	Premium on capital stock	0
211	Miscellaneous paid-in capital	1,884,262
214	Capital stock expense	(6,283)
215	Appropriated retained earnings - amortization reserve - Federal	0
216	Unappropriated retained earnings	842,862
216	Unappropriated undistributed subsidiary earnings	0
217	Reacquired capital stock	0
219	Other comprehensive income	31
	Total Proprietary Capital	<u>3,084,705</u>
	Long-Term Debt	
221	Bonds	2,923,750
224	Other long-term debt	
225	Unamortized premium	
226	Unamortized discount on long-term debt-debit	<u>(10,645)</u>
		2,913,105
	Less amount due within one year	
221	Bonds	<u>0</u>
	Total Long-Term Debt	<u>2,913,105</u>
	Other Noncurrent Liabilities	
227	Obligations under capital leases (noncurrent)	<u>0</u>
	Current and Accrued Liabilities	
224	Long-term debt due within one year-other	0
231	Notes payable	0
232	Accounts payable	319,370
234	Accounts payable to associated companies	40,226
235	Customer deposits	14,663
236	Taxes accrued	72,206
237	Interest accrued	41,366
238	Dividends declared	0
240	Matured interest	0
241	Tax collections payable	1,127
242	Miscellaneous current and accrued liabilities	78,534
243	Obligations under capital-leases - current	0
283	Accumulated deferred income taxes-other (current)	16,274
	Total Current and Accrued Liabilities	<u>583,766</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2015
Liabilities and Other Credits
(Thousands of Dollars)

<u>Acct.</u>		
<u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Deferred Credits	
228	Accumulated provision for pensions and benefits	\$ 252,008
229	Accumulated provision for rate refunds	0
252	Customer advances for construction	91
253	Other deferred credits	17,855
254	Other regulatory liabilities	93,970
255	Accumulated deferred investment tax credits	438
281	Accumulated deferred income taxes - accelerated amortization property	0
282	Accumulated deferred income taxes - other property	0
	Accelerated cost recovery system	676,286
	SFAS 109	186,474
	Net Book/Net Tax Plant (Excluding CIAC) - Transmission	343,397
	Other 263A & repair allowance	334,915
	Other	<u>(14,837)</u>
	Total accumulated deferred income-taxes - other property	<u>1,526,235</u>
283	Accumulated deferred income taxes - other (noncurrent)	<u>390,712</u>
	Total Deferred Credits	<u>2,281,309</u>
	Total Liabilities and Other Credits	<u>\$ 8,862,885</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Net Utility Operating Income
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
400	Operating Revenue (B-3)	<u>\$ 2,123,192</u>
	Operating Expenses:	
401,402	Operation and Maintenance expenses (B-4)	
	Power production	566,401
	Transmission	116,440
	Regional market	68
	Distribution	170,114
	Customer accounts	78,078
	Customer service and informational expenses	103,546
	Sales	1,799
	Administrative and general	179,201
	Total Operation and Maintenance Expenses	<u>1,215,646</u>
403	Depreciation expense	186,453
404,405	Amortization of electric plant	22,763
407.3	Regulatory debits	15,943
407.4	Regulatory credits	-
	Taxes (B-5)	
408.1	Taxes other than income taxes	115,405
409.1	Income taxes	93,496
	Deferred income taxes	
410.1	Provision	100,940
411.1	Provision - Credit	(20,292)
411.4	Investment tax credit adjustments	(409)
	Total Taxes	<u>289,140</u>
411.6	Gains from disposition of utility plant	-
411.7	Losses from disposition of utility plant	-
	Total Operating Expenses	<u>1,729,945</u>
	Net Utility Operating Income	<u>\$ 393,247</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operating Revenue
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>Sales of Electricity</u>	
1	Residential	\$ 1,241,755
2	Commercial	364,063
3	Industrial	63,910
4	Public authorities	21,971
5	Railroads	895
6	Sales for resale	3,753
7	Sales Revenue	<u>1,696,347</u>
	<u>Other Operating Revenue</u>	
8	Forfeited discounts	12,410
9	Miscellaneous service revenue	1,444
10	Rent from electric property	42,715
11	Unbilled revenue	1,292
12	Other electric revenue	<u>368,984</u>
13	Total Other Operating Revenue	<u>426,844</u>
14	Total Electric Operating Revenue	<u>\$ 2,123,192</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Power Production Expenses</u>	
	Other Power Supply Expenses	
555	Purchased power	
	Non-affiliates	\$ 563,902
	Non-utility generation	-
	PJM ancillary services	1,420
	Other	
556	System control and load dispatching	
	PJM ancillary services	63
	Other	-
557	Other expenses	1,016
	Total Other Power Supply Expenses	<u>566,401</u>
	Total Power Production Expenses	<u>566,401</u>
	<u>Transmission Expenses</u>	
	Operation	
560	Operation supervision and engineering	5,355
561	Load dispatching	2,339
562	Station expenses	236
563	Overhead line expenses	1,010
564	Underground line expenses	-
565	Transmission of electricity by others	75,410
566	Miscellaneous transmission expenses	1,625
567	Rents	192
	Total Transmission Operation Expenses	<u>86,168</u>
	Maintenance	
568	Maintenance supervision and engineering	475
569	Maintenance of structures	251
570	Maintenance of station equipment	8,076
571	Maintenance of overhead lines	21,218
572	Maintenance of underground lines	105
573	Maintenance of miscellaneous transmission plant	146
	Total Transmission Maintenance Expenses	<u>30,271</u>
	Total Transmission Expenses	<u>116,440</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Regional Market Expenses</u>	
	Operation	
575.7	Market Facilitation, Monitoring and Compliance Services	\$ 68
	Total Regional Market Expenses	<u> 68</u>
	<u>Distribution Expenses</u>	
	Operation	
580	Operation supervision and engineering	13,745
581	Load dispatching	257
582	Station expenses	498
583	Overhead line expenses	18,324
584	Underground line expenses	4,373
585	Street lighting and signal system expenses	535
586	Meter expenses	9,380
587	Customer installations expenses	4,985
588	Miscellaneous distribution expenses	19,232
589	Rents	6,889
	Total Distribution Operation Expenses	<u>78,219</u>
	Maintenance	
590	Maintenance supervision and engineering	429
591	Maintenance of structures	23
592	Maintenance of station equipment	9,609
593	Maintenance of overhead lines	69,072
594	Maintenance of underground lines	5,377
595	Maintenance of line transformers	1,606
596	Maintenance of street lighting and signal systems	2,316
597	Maintenance of meters	2,411
598	Maintenance of miscellaneous distribution plant	1,052
	Total Distribution Maintenance Expenses	<u>91,895</u>
	Total Distribution Expenses	<u>170,114</u>
	<u>Customer Accounts Expenses</u>	
	Operation	
901	Supervision	2,209
902	Meter reading expenses	2,290
903	Customer records and collection expenses	36,603
904	Uncollectible accounts	33,500
905	Miscellaneous customer accounts expenses	3,475
	Total Customer Accounts Expenses	<u>78,078</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
<u>Customer Service and Informational Expenses</u>		
Operation		
908	Customer assistance expenses	
	On-track uncollectible accounts	\$ 23,592
	Other	77,323
909	Informational and instructional expense	2,586
910	Miscellaneous customer service and informational expenses	46
	Total Customer Service and Informational Expenses	<u>103,546</u>
<u>Sales Expenses</u>		
Operation		
911	Supervision	-
912	Demonstrating and selling expenses	815
913	Advertising expenses	33
916	Miscellaneous sales expenses	950
	Total Sales Expenses	<u>1,799</u>
<u>Administrative and General Expenses</u>		
Operation		
920	Administrative and general salaries	5,200
921	Office supplies and expenses	118,476
923	Outside services employed	55
924	Property insurance	1,169
925	Injuries and damages	3,737
926	Employee pensions and benefits	25,543
928	Regulatory commission expenses	5,523
930	Miscellaneous general expenses	2,722
		<u>162,426</u>
Maintenance		
935	Maintenance of general plant	16,775
	Total Administrative and General Expenses	<u>179,201</u>
	Total Operation and Maintenance Expenses	<u>\$ 1,215,646</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail
Taxes Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Taxes Other Than Income	
	State and Local	
1	Capital Stock	\$ 854
2	Gross Receipts	100,667
3	Local property and Other	2,929
4	Public Utility Realty	2,237
5	State Unemployment Compensation	459
6	Sales and Use	0
7	Total State and Local	<u>107,146</u>
	Federal	
8	Unemployment Tax Act	52
9	Social Security and Hospital Insurance	8,207
10	Total Federal	<u>8,259</u>
11	Total Taxes Other Than Income	<u>115,405</u>
	Income Taxes	
12	State	15,298
13	Federal	78,198
14	Total Income Taxes	<u>93,496</u>
	Investment Tax Credit	
15	Deferred	0
16	Amortization of Deferral	(409)
17	Net Investment Tax Credit	<u>(409)</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail
Taxes Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Federal</u>	<u>State</u>	<u>Amount</u>
	Deferred Income Taxes			
	Provision for Deferred Taxes			
	Net Book/Net Tax Plant Timing Differences:			
18	ACRS & MACRS - Distribution Property	4,947	0	4,947
19	ACRS & MACRS - General Property	975	0	975
20	Net Book/Net Tax Pant - Transmission Property	41,964	15,218	57,182
21	Basis Adjustment - Distribution Property	8,643	2,574	11,217
22	Basis Adjustment - General Property	10	3	13
23	Federal NOL Carryforward - Distribution Property	14,791	0	14,791
24	State NOL Carryforward - Distribution Property	(2,295)	6,556	4,261
25	Bad Debts	4,362	1,383	5,745
26	Post-Retirement Benefits	200	63	263
27	Prepays	323	103	426
28	Revenue Agent Report (RAR) Adjustment	180	31	211
29	SERP/DRP	98	31	129
30	Vacation Pay	246	78	324
31	Variable Pay	346	110	456
		<hr/>	<hr/>	<hr/>
32	Total Provision	74,790	26,150	100,940
	Provision for Deferred Taxes - Credit			
	Net Book/Net Tax Plant Timing Differences:			
33	Contributions in Aid of Construction (CIAC) - Distribution Property	(4,805)	(1,447)	(6,252)
34	Contributions in Aid of Construction (CIAC) - Transmission Property	(5)	(1)	(6)
35	AMT Credit Carryforward	(7,918)	0	(7,918)
36	Deferred Compensation - Officers	(115)	(37)	(152)
37	Environmental Cleanup	(269)	(85)	(354)
38	Loss - Reacquired Debt	(2,250)	(714)	(2,964)
39	Storm Deferral	(2,009)	(637)	(2,646)
		<hr/>	<hr/>	<hr/>
40	Total Credits	\$ (17,371)	\$ (2,921)	(20,292)
41	Total Deferred Income Taxes			80,648
42	Total All Taxes			<u>\$ 289,140</u>

PPL ELECTRIC UTILITIES CORPORATION

Calculation of Composite Cost Rate of Long-Term Debt
at December 31, 2015
(Thousands of Dollars)

Line No.	(1) First Mortgage Bonds (f)	(2) Amount Outstanding	(3) Percent to Total	(4) Effective Interest Rate (a)	(5) Average Weighted Cost Rate	
1	7-3/8 % Series due 2014	\$ -	0.00 %	0.00 %	0.00 %	
2	3.00% Series due 2021	400,000	15.33	3.19	0.49	
3	5.20% Series due 2041	250,000	9.58	5.31	0.51	
4	2.50% Series due 2022	250,000	9.58	2.63	0.25	
5	4.75% Series due 2043	350,000	13.41	4.86	0.65	
6	4.95% Series due 2015	0	0.00	5.03	0.00	
7	5.15% Series due 2020	100,000	3.83	5.21	0.20	
8	6.45% Series due 2037	250,000	9.58	6.53	0.63	
9	6.25% Series due 2039	300,000	11.49	6.37	0.73	
10	4.125% Series due 2044	300,000	11.49	4.26	0.49	
11	5.64% Series Due 2045	410,000	15.71	5.72	0.90	
12	Total	<u>\$ 2,610,000</u>	<u>100.00 %</u>		<u>4.85 %</u>	
	<u>Pollution Control Bonds</u>					
13	4.75% Series B due 2027	108,250	34.50	4.90	1.69	
14	4.70% Series A due 2029	115,500	36.81	4.86	1.79	
15	Series 2008 due 2023	90,000	28.69	4.21	1.21	
16	Total	<u>\$ 313,750</u>	<u>100.00 %</u>		<u>4.69 %</u>	
17	Total First Mortgage Bonds	2,610,000	89.27 %	4.85 %	4.33 %	
18	Total Pollution Control Bonds	313,750	10.73	4.69	0.50	
19		<u>\$ 2,923,750</u>	<u>100.00 %</u>		<u>4.83 %</u>	
20	Long-Term Debt	\$ 2,923,750			4.83 %	\$ 141,217 (b)
21	Loss on Reacquired Debt	(42,262)				7,143 (c)
22	Gain on Reacquired Debt	0				0 (d)
23	Adjusted Long-Term Debt	<u>\$ 2,881,488</u>			5.15 %(e)	<u>\$ 148,360</u>

(a) Effective interest rate from Schedule B-6, page 2.

(b) 4.83% * \$2,923,750

(c) Annualized amortization of loss on reacquired debt

(d) Annualized amortization of gain on reacquired debt

(e) \$148,360 / \$2,881,488

(f) The Senior Secured Bonds reported in prior filings are now included under the First Mortgage Bonds category.

PPL ELECTRIC UTILITIES CORPORATION

Schedule of Long-Term Debt and Calculation
of Average Weighted Cost Rate at December 31, 2015

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Line No.	Description of Issue	Nominal Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding	Amount Retired	Coupon Rate - %	Premium, Option or (Discount) at Issuance	Issuance Expense	Net Proceeds	Annual Sinking Fund Requirement	Average Term in Years	Net Proceeds Ratio	Effective Interest Rate - %
<u>First Mortgage Bonds (a)</u>														
1	7-3/8 % Series Due 2014	3/1/1994	3/1/2014	\$100,000,000	\$0	100,000,000	7.375	(\$1,655,000)	\$144,440	\$98,200,560		20	98.20	7.55
2	3.0% Series Due 2021	8/23/2011	9/15/2021	400,000,000	400,000,000	-	3.00	(3,236,000)	3,161,192	393,602,808		10	98.40	3.19
3	5.20% Series Due 2041	7/15/2011	7/15/2041	250,000,000	250,000,000	-	5.20	(1,430,000)	2,801,101	245,768,899		30	98.31	5.31
4	2.50% Series Due 2022	8/24/2012	9/1/2022	250,000,000	250,000,000	-	2.50	(837,500)	1,914,882	247,247,618		10	98.90	2.63
5	4.75% Series Due 2043	7/11/2013	7/15/2043	350,000,000	350,000,000	-	4.75	(2,219,000)	3,691,346	344,089,654		30	98.31	4.86
6	4.95% Senior Secured Bonds	12/20/2005	12/15/2015	100,000,000	0	100,000,000	4.95		621,302	99,378,698		10	99.38	5.03
7	5.15% Senior Secured Bonds	12/20/2005	12/15/2020	100,000,000	100,000,000	-	5.15		621,301	99,378,699		15	99.38	5.21
8	6.45% Senior Secured Bonds	8/13/2007	8/15/2037	250,000,000	250,000,000	-	6.45	(67,500)	2,522,764	247,409,736		30	98.96	6.53
9	6.25% Senior Secured Bonds	5/22/2009	5/15/2039	300,000,000	300,000,000	-	6.25	(1,806,000)	3,105,155	295,088,845		30	98.36	6.37
10	4.125% Series Due 2044	6/5/2014	6/15/2044	300,000,000	300,000,000	-	4.125	(3,519,000)	3,314,219	293,166,781		30	97.72	4.26
11	5.64% Series Due 2045	8/1/2015	8/1/2045	410,000,000	410,000,000	-	5.64		4,510,000	405,490,000		30	98.90	5.72
<u>Pollution Control Bonds</u>														
12	4.75% Series Due 2027	5/17/2005	2/15/2027	108,250,000	108,250,000	-	4.75	-	2,183,567	106,066,433		22	97.98	4.90
13	4.70 % Series Due 2029	2/23/2005	9/1/2029	115,500,000	115,500,000	-	4.70		2,605,170	112,894,830		24	97.74	4.86
14	Series 2008 due 2023	10/28/2008	10/1/2023	90,000,000	90,000,000	-	4.00		2,072,950	87,927,050		15	97.70	4.21
15	TOTAL				<u>\$ 2,923,750,000</u>									

(a) The Senior Secured Bonds reported in prior filings are now included under the First Mortgage Bonds category.

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure as of December 31, 2015
(Millions of Dollars)

Line No.		2010	2011	2012	2013	2014	2015
	Capitalization						
1	Long-Term Debt (a)	\$ 1,446.6	\$ 1,647.4	\$ 1,908.6	\$ 2,267.4	\$ 2,564.3	\$ 2,881.5
2	Preferred & Preference Stock (b)	249.8	250.0	0.0	0.0	0.0	0.0
3	Common Equity (c)	1,604.4	1,780.2	2,066.6	2,361.3	2,723.1	3,091.0
4	Total	<u>\$ 3,300.8</u>	<u>\$ 3,677.6</u>	<u>\$ 3,975.2</u>	<u>\$ 4,628.7</u>	<u>\$ 5,287.4</u>	<u>\$ 5,972.5</u>
	Capitalization Ratios						
5	Long-Term Debt (a)	43.82%	44.79%	48.01%	48.99%	48.50%	48.25%
6	Preferred & Preference Stock (b)	7.57%	6.80%	0.00%	0.00%	0.00%	0.00%
7	Common Equity (c)	48.61%	48.41%	51.99%	51.01%	51.50%	51.75%
8	Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

(b) Preferred and preference stock include an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock. In June 2012, PPL Electric redeemed all 2.5 million shares of its outstanding Preference Shares, par value of \$100 per share. The price paid for the redemption was the par value, without premium (\$250 million in the aggregate).

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

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure
(Thousands of Dollars)

Line No.	2010	2011	2012	2013	2014	2015
<u>Computation of Long-Term Debt</u>						
1	\$ 1,474,040	\$ 1,724,040	\$ 1,974,040	\$ 2,324,040	\$ 2,613,750	\$ 2,923,750
2	(27,466)	(76,633)	(65,452)	(56,594)	(49,404)	(42,262)
3	<u>\$ 1,446,574</u>	<u>\$ 1,647,407</u>	<u>\$ 1,908,588</u>	<u>\$ 2,267,446</u>	<u>\$ 2,564,346</u>	<u>\$ 2,881,488</u>
<u>Computation of Preferred & Preference Stock</u>						
4	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Adjustment for Unamortized Premiums and Unrecovered Original Issue Costs on Reacquired Preferred and						
5	(176)	(35)				
6	<u>\$ 249,824</u>	<u>\$ 249,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Computation of Common Equity</u>						
Common Equity per Books						
7	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833
8	0	0	0	0	0	0
9	891,263	991,263	1,141,263	1,346,263	1,609,263	1,884,263
10	349,112	425,052	561,463	651,157	749,998	842,862
11	<u>1,604,208</u>	<u>1,780,148</u>	<u>2,066,559</u>	<u>2,361,253</u>	<u>2,723,094</u>	<u>3,090,958</u>
Adjustments for:						
Unamortized Premiums and Unrecovered Original Issue Costs on Reacquired						
12	176	35				
13	<u>\$ 1,604,384</u>	<u>\$ 1,780,183</u>	<u>\$ 2,066,559</u>	<u>\$ 2,361,253</u>	<u>\$ 2,723,094</u>	<u>\$ 3,090,958</u>

PPL ELECTRIC UTILITIES CORPORATION

**Rate of Return at
December 31, 2015**

	(1)	(2)	(3)	(4)
<u>Line No.</u>		<u>Capitalization Ratio (B-8)</u>	<u>Embedded Cost</u>	<u>Return</u>
1	Long-Term Debt	48.25 %	5.15 % (B-6)	2.48 %
2	Common Equity	51.75	10.95	5.67
3		<u>100.00 %</u>		<u>8.15 %</u>

PPL ELECTRIC UTILITIES CORPORATION

C – Rate Base Index

Section C – Rate Base

- C-1 Rate Base and Rates of Return
- C-2 Electric Plant in Service
- C-3 Electric Plant Held for Future Use
- C-4 Working Capital
- C-5 Plant Materials and Operating Supplies
- C-6 Accumulated Deferred Taxes on Income

PPL ELECTRIC UTILITIES CORPORATION

Rate Base and Rate of Return
As of December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Title of Account</u>	<u>Total T&D Operations</u>	<u>PPUC Jurisdictional (Exhibit JDT 2)</u>
	Electric Plant		
1	Electric plant in service (C-2)	\$ 9,090,892	\$ 5,830,378
2	Reserve for depreciation (C-2)	2,668,614	2,101,855
3	Net electric plant in service	<u>6,422,278</u>	<u>3,728,523</u>
	Additions		
3	Plant held for future use (C-3)	0	0
4	Total electric plant	<u>6,422,278</u>	<u>3,728,523</u>
	Working Capital		
5	Cash working capital (C-4)	15,349	18,934
6	Materials and operating supplies (C-5)	36,172	26,186
7	Total working capital	<u>51,521</u>	<u>45,120</u>
	Deductions		
8	Accumulated deferred taxes on income (C-6)	1,183,275	867,117
9	Customer advances for construction (B-1)	91	91
10	Customer deposits (B-1)	14,663	14,663
11	Total deductions	<u>1,198,029</u>	<u>881,871</u>
12	Rate Base (net)	<u>\$ 5,275,770</u>	<u>\$ 2,891,772</u>
	Pro forma return at present rates		
13	Amount (D-1, col. 6)		170,163
14	Percent		5.88%
	Pro forma return at proposed rates		
15	Amount (D-1, col. 8)		235,679
16	Percent		8.15%

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service - Original Cost
As of December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$ 3,217,468
2	Distribution	5,013,009
3	General	720,529
4	Intangible	<u>139,886</u>
5	Total electric plant in service	<u>\$ 9,090,892</u>

PPL ELECTRIC UTILITIES CORPORATION

Reserve for Depreciation - Original Cost
As of December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$ 547,902
2	Distribution	1,788,678
3	General	258,377
4	Intangible	<u>73,657</u>
5	Total reserve for depreciation	<u>\$ 2,668,614</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant Held For Future Use

As of December 31, 2015¹⁾
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Transmission	
1	Substations	\$ 10,610
2	Lines	34,395
3	Total	<u>45,005</u>
	Distribution	
4	Area - Substations	2,867
5	Lines	14
6	Other	0
7	Total	<u>2,881</u>
8	Total plant held for future use ¹⁾	47,886
9	Less: Eliminate plant held for future use ²⁾	(47,886)
10	Adjusted plant held for future use	<u>\$ 0</u>

¹⁾ Reflects only the future use property expected to be placed into service within 10 years.

²⁾ No claim is being made for future use property in this proceeding

PPL ELECTRIC UTILITIES CORPORATION

Cash Working Capital
As of December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Operation and maintenance expense (C-4, page 2)	\$ 8,051
2	Average prepayments (C-4, page 3)	3,805
3	Accrued taxes (C-4, page 4)	14,951
4	Interest payments (C-4, page 5)	<u>(11,457)</u>
5	Total cash working capital requirement	<u><u>\$ 15,349</u></u>

PPL Electric Utilities Corporation

Working Capital Required for Operation and Maintenance Expenses

As of December 31, 2015

(Thousands of Dollars)

The Company bills its customers every month. On this basis, there is a considerable span of days between the time electricity is furnished to a customer and the time the customer pays for such electricity.

In many instances, the Company must pay its bills for payroll and other O&M expenses prior to the time it is able to collect the amount due for the service which requires the incurrance of such expenses. Thus, the Company has examined its records to determine, as to the major categories of expense, the average span of days which exists between the time an expense is incurred and the time it must be paid. Schedule C-4, page 2, of Exhibit Historic 1 sets forth the individual components which result in the days lag between payment of expenses and receipt of the related revenues used in the determination of the working capital required for the pro forma O&M expense for the test year ending December 31, 2014.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Net pro forma O&M expense (a)	432,125
2	O&M expense per day (line 1 divided by 365 days)	1,184
3	Average lag in days between payment of O&M expenses and receipt of revenue (b)	6.8
4	Working capital requirement (line 2 x line 3)	<u>\$ 8,051</u>
(a)	Total pro forma operation and maintenance expense (D-1)	\$ 460,196
Less: Non-cash items		
	Uncollectible accounts expense per budget	21,695
	Amortization of 2005 Storm costs	1,052
	Amortization of 2011 Storm costs	5,324
		<u> </u>
	Net pro forma O&M expense	<u>\$ 432,125</u>

(b) See Exhibit Historic 1, Schedule C-4, page 2.

PPL ELECTRIC UTILITIES CORPORATION

**Average Prepayments
As of December 31, 2015**

(Thousands of Dollars)

Line No.	Month	Insurance	PUC Annual Assessment	Other	Total
1	December 2015	\$0	\$2,762	\$1,375	\$4,137
2	January 2016	52	2,085	494	\$2,631
3	February	47	1,668	890	\$2,605
4	March	42	1,251	1,022	\$2,315
5	April	38	834	1,028	\$1,900
6	May	33	417	993	\$1,443
7	June	28	4,990	978	\$5,996
8	July	24	4,574	973	\$5,571
9	August	19	4,158	938	\$5,115
10	September	14	3,743	943	\$4,700
11	October	9	3,682	1,008	\$4,699
12	November	5	3,222	983	\$4,210
13	December	0	2,762	1,375	\$4,137
14	Total Prepayments	\$311	\$36,148	\$13,000	\$49,459
15	Monthly Average	\$24	\$2,781	\$1,000	\$3,805

PPL ELECTRIC UTILITIES CORPORATION

Accrued Taxes
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>12-Month Accrued Factor (a)</u>	<u>Accrued Taxes</u>
1	Federal income tax (D-1, line 6, col. 5)	66,244	-3.77%	(\$2,499)
2	PA income tax (D-1, line 7, col. 5)	13,885	-1.69%	(235)
3	PA gross receipts tax (D-10, page 3)	47,971	35.81%	17,179
4	PA capital stock tax (D-10, page 2)	77	-1.69%	(1)
5	PA public utility reality tax (D-10, page 4)	2,173	23.31%	507
6	Total accrued taxes			<u>\$14,951</u>

(a) The 12-month average factor represents, in the case of Federal and State income tax and capital stock tax, the portion of the tax liability which is available to the Company for the payment of other costs. This situation exists because revenue is available from customers prior to payment dates of the tax. The factors for the other Pennsylvania taxes represent the portions of those tax liabilities which must be provided by the Company due to payment of the taxes before the revenue is available from customers. Exhibit Historic 1, Schedule C-4, pages 7 through 12 reflect the computation of such factors.

PPL ELECTRIC UTILITIES CORPORATION

Interest Payments
As of December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Rate Base at December 31, 2015 (C-1)	\$ 5,275,770
2	Long-term debt ratio (B-8)	48.25%
3	Embedded cost of long-term debt (B-8)	5.15%
4	Pro forma interest (line 1 x line 2 x line 3)	<u>131,096</u>
5	Daily amount (line 4 ÷ 365)	<u>\$ 359</u>
6	Days to mid-point of interest payments	90.0
7	Less: Revenue lag days (Historic C-4, page 2)	<u>58.1</u>
8	Interest payments lag days (line 6 - line 7)	<u>31.9</u>
9	Total interest payments (line 5 x line 8)	<u>\$ 11,457</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies

As of December 31, 2015

(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Plant materials and operating supplies	\$ 33,601
2	Stores expense undistributed	<u>2,571</u>
3	Total materials and operating supplies	<u><u>\$ 36,172</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies

As of December 31, 2015

(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2014	\$ 39,742
2	January 2015	32,187
3	February	32,032
4	March	31,616
5	April	31,300
6	May	31,335
7	June	32,537
8	July	32,959
9	August	32,696
10	September	32,630
11	October	32,700
12	November	35,341
13	December	<u>39,742</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 436,817</u>
15	13-Month Average	<u>\$ 33,601</u>

PPL ELECTRIC UTILITIES CORPORATION

Stores Expense Undistributed
As of December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2014	\$ 3,087
2	January 2015	2,244
3	February	2,686
4	March	2,253
5	April	2,290
6	May	2,418
7	June	2,585
8	July	2,799
9	August	2,811
10	September	2,413
11	October	2,423
12	November	2,330
13	December	<u>3,087</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 33,426</u>
15	13-Month Average	<u>\$ 2,571</u>

PPL ELECTRIC UTILITIES CORPORATION

Accumulated Deferred Taxes on Income
As of December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>
	Distribution		
1	Accelerated Cost Recovery System (ACRS/MACRS) (a)	\$ 593,588	
2	Contributions In Aid Of Construction (CIAC)	(94,238)	
3	Other 263A & Repair Allowance (a)	315,616	
4	Balance at December 31, 2015		<u>\$ 814,966</u>
	General		
5	Accelerated Cost Recovery System (ACRS/MACRS) (a)	54,255	
6	Other 263A & Repair Allowance	(1,649)	
7	Balance at December 31, 2015		<u>52,606</u>
	Transmission		
8	Contributions In Aid Of Construction (CIAC)	(22,010)	
9	Net Book/Net Tax Plant (Excluding CIAC)	337,713	
10	Balance at December 31, 2015		<u>315,703</u>
	Total (B-1)		
11	Accelerated Cost Recovery System (ACRS/MACRS)	647,843	
12	Contributions In Aid Of Construction (CIAC)	(116,248)	
13	Net Book/Net Tax Plant (Excluding CIAC) - Transmission	337,713	
14	Other 263A & Repair Allowance	313,967	
15	Total accumulated deferred taxes on income		<u>\$1,183,275</u>

(a) Accelerated cost recovery system and Other 263A & Repair Allowance are netted with applicable net operating losses and alternative minimum tax credit carryforwards on lines 1, 3, 5 and 9.

PPL ELECTRIC UTILITIES CORPORATION

D – Operating Income Index

Section D – Operating Income

D-1	Operating Income Pro Forma at Present Rates and Proposed Rates
D-2	Adjustments to Income
D-3	Adjustments to Operating Revenue
D-4	Adjustment to Operating Revenues for Unbilled Revenue
D-5	Adjustment to Wages and Benefits
D-6	Adjustment for Rate Case Expense
D-7	Adjustment for Interest Expense on Customer Security Deposits
D-8	Adjustment for Company Use Generation Supply Purchases
D-9	Adjustment for Annual Depreciation Expense
D-10	Adjustments to Taxes Other Than Income
D-11	Adjustment to Federal and State Income Taxes
D-12	Adjustment to Deferred Income Taxes
D-13	Adjustment to Amortization of Deferred Investment Tax Credit

PPL ELECTRIC UTILITIES CORPORATION

Operating Income
Pro Forma at Present and Proposed Rates
Year Ended December 31, 2015
(Thousands of Dollars)

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total Amount Per Budget	Less: Automatic Cost Recovery Clauses/Riders (a)	T & D Operations Per Budget	Pro Forma Adjustments (D-2)	T & D Pro Forma at Present Rates	Pro Forma at Present Rates (Exhibit JDT 2)	PPUC Jurisdictional Rate Increase (D-11, Pg. 7)	Pro Forma at Proposed Rates
1	Operating Revenues	\$ 2,123,192	\$ (864,461)	\$ 1,258,731	\$ 2,799	\$ 1,261,530	\$ 858,560	\$ 121,906	\$ 980,466
	Operating Expenses								
2	Operation and Maintenance	1,215,646	(754,828)	460,818	(6,998)	453,820	387,220	2,694	389,914
3	Depreciation	209,216	(754)	208,462	14,426	222,888	167,070	-	167,070
4	Regulatory Debits/Credits	15,943	(9,567)	6,376	-	6,376	6,376	-	6,376
	Provision for Taxes								
5	Taxes Other Than Income	115,405	(52,864)	62,541	(1,083)	61,458	57,512	7,231	64,743
	Income Taxes								
6	Federal	78,198	(9,423)	68,775	(2,531)	66,244	44,103	35,278	79,381
7	State	15,298	(3,301)	11,997	1,888	13,885	6,996	11,187	18,183
8	Deferred Income Taxes	80,648	(6,033)	74,615	3,392	78,007	19,509	-	19,509
9	Investment Tax Credit	(409)	-	(409)	-	(409)	(389)	-	(389)
10	Total Taxes	289,140	(71,621)	217,519	1,666	219,185	127,731	53,696	181,427
11	(Gain)/Loss from Disposition of Utility Plant	-	-	-	-	-	-	-	-
12	Total Operating Expenses	1,729,945	(836,770)	893,175	9,094	902,269	688,397	56,390	744,787
13	Operating Income	\$ 393,247	\$ (27,691)	\$ 365,556	\$ (6,295)	\$ 359,261	\$ 170,163	\$ 65,516	\$ 235,679

^{a)} Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER, SDER, SMR and DSIC.

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Income
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Reference</u>	<u>Description</u>	<u>Amount</u>
		<u>Operating Revenues</u>	
1	D-3 and D-4	Operating Revenue	\$ 2,799
		<u>Operation and Maintenance Expenses</u>	
2	D-5	Employee wages and benefits	(5,521)
3	D-6	Rate case expense	(780)
4	D-7	Interest expense on customer deposits	196
5	D-8	Company Use Generation Supply Purchase	(893)
		Total operation and maintenance expense	<u>(6,998)</u>
		<u>Depreciation</u>	
7	D-9	Annual depreciation expense	<u>14,426</u>
		<u>Provision for Taxes</u>	
		Taxes other than income	
8	D-10	Capital stock	(777)
9	D-10	Gross receipts	168
10	D-10	Public utility realty	(64)
11	D-5	Payroll taxes	(410)
		Income taxes	
12	D-11	Federal	(2,531)
13	D-11	State	1,888
14	D-12	Deferred income taxes	3,392
15	D-13	Investment tax credit - amortization	<u>0</u>
16		Total Taxes	1,666
17		Gain and losses on property dispositions	<u>0</u>
18		Total Operating Expenses	<u>9,094</u>
19		Total Adjustments to Income	<u>\$ (6,295)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Operating Revenue
 Year Ended December 31, 2015
 (Thousands of Dollars)

Line No.	Description	(1) Total Per Books	(2) Less: Automatic Cost Recovery Clauses/Riders ^{a)}	(3) T&D Operations Per Books	(4) Pro Forma Adjustments	(5) T&D Pro forma at Present Rates
1	Distribution revenue	937,010	(138,353)	798,657	2,847 ^{b)}	801,504
2	TSC revenue	95,582	(95,582)	0	0	0
3	Capacity and energy	662,008	(662,008)	0	0	0
4	Tax surcharge revenue	(759)	(87)	(846)	0	(846)
5	Sales to affiliate	2,506	(2,506)	0	0	0
6	Total Rate Revenue	<u>1,696,347</u>	<u>(898,536)</u>	<u>797,811</u>	<u>2,847</u>	<u>800,658</u>
	Other Electric Revenue					
7	Late Payment	12,410	0	12,410	0	12,410
8	Misc. Revenue	1,444	0	1,444	0	1,444
9	Rent	42,715	0	42,715	0	42,715
10	Other	368,984	35,319	404,303	0	404,303
11	Total Other	<u>425,553</u>	<u>35,319</u>	<u>460,872</u>	<u>0</u>	<u>460,872</u>
12	Operating Revenue (excl. unbilled)	2,121,900	(863,217)	1,258,683	2,847	1,261,530
13	Unbilled Revenue (D-4)	1,292	(1,244)	48	(48)	0
14	Total Operating Revenue	<u>\$ 2,123,192</u>	<u>\$ (864,461)</u>	<u>\$ 1,258,731</u>	<u>\$ 2,799</u>	<u>\$ 1,261,530</u>

^{a)} Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER, SDER, SMR and DSIC.

^{b)} This adjustments is for annualization.

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2015 Budget with Annualization

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Line Number	Rate Schedule	Number of Bills (monthly)	Sales (KWH)	Distribution Present Rate Revenue	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Storm Damage Expense Rider (SDER)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Present Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution	State Tax Adjustment Surcharge (STAS) Other	Total Revenue
1	RS	1,233,658	13,391,119,360	\$ 544,141,507	\$ 1,740,846	\$ 65,348,662	\$ 30,531,752	\$ (1,180,358)	\$ 26,341,045	\$ 4,983,411	\$ 82,191,745	\$ 524,658,432	\$ 1,278,757,042	\$ (607,061)	\$ 31,415	\$ 1,278,210,195
2	RTS	12,022	255,423,237	\$ 6,354,535	\$ 33,205	\$ 1,246,465	\$ 582,365	\$ (11,535)	\$ 328,888	\$ -	\$ 1,629,697	\$ 10,402,924	\$ 20,566,544	\$ (7,714)	\$ 628	\$ 20,559,772
3	GS-1	146,780	1,890,186,871	\$ 70,781,695	\$ 37,804	\$ -	\$ 2,797,477	\$ (140,742)	\$ 3,030,470	\$ 337,523	\$ 4,297,454	\$ 46,445,560	\$ 127,587,240	\$ (63,308)	\$ 2,405	\$ 127,529,106
4	GS-3	29,640	8,379,353,276	\$ 115,895,956	\$ 167,587	\$ -	\$ 12,401,443	\$ (28,339)	\$ 5,302,337	\$ 1,504,022	\$ 6,277,806	\$ 67,848,599	\$ 209,369,412	\$ (104,204)	\$ 3,257	\$ 209,273,865
5	LP-4	1,205	6,136,241,708	\$ 32,455,170	\$ 18,535	\$ -	\$ 18,895,502	\$ (1,149)	\$ 2,128,227	\$ 324,163	\$ 501,652	\$ 8,180,663	\$ 62,502,763	\$ (28,811)	\$ 267	\$ 62,475,544
6	LP-5	139	5,773,571,648	\$ 1,657,892	\$ 2,152	\$ -	\$ 16,599,757	\$ (133)	\$ 756,375	\$ 284,976	\$ 269,861	\$ -	\$ 19,570,979	\$ (1,480)	\$ 1	\$ 19,569,580
7	LPEP	1	73,105,284	\$ 445,200	\$ 15	\$ -	\$ 408,011	\$ (1)	\$ 35,366	\$ 7,019	\$ -	\$ -	\$ 895,611	\$ (397)	\$ -	\$ 895,232
8	BL	43	7,138,650	\$ 290,186	\$ 143	\$ -	\$ 10,565	\$ (41)	\$ 12,291	\$ 1,265	\$ 51,969	\$ 561,669	\$ 928,047	\$ (265)	\$ 30	\$ 927,825
9	SA	-	19,892,454	\$ 4,108,305	\$ 398	\$ -	\$ 29,441	\$ (15,121)	\$ 170,680	\$ 3,524	\$ 130,988	\$ 1,415,673	\$ 5,844,887	\$ (3,645)	\$ 76	\$ 5,841,456
10	SM	75	3,441,747	\$ 750,270	\$ 69	\$ -	\$ 5,094	\$ (72)	\$ 31,284	\$ 609	\$ 6,153	\$ 66,500	\$ 859,906	\$ (665)	\$ 4	\$ 859,271
11	SHS	1,360	53,699,255	\$ 17,739,255	\$ 1,074	\$ -	\$ 79,475	\$ (1,296)	\$ 737,801	\$ 9,493	\$ 130,334	\$ 1,408,608	\$ 20,104,745	\$ (15,727)	\$ 75	\$ 20,089,728
12	SE	106	39,074,525	\$ 2,396,290	\$ 781	\$ -	\$ 57,330	\$ (102)	\$ 100,737	\$ 6,915	\$ 11,663	\$ 126,050	\$ 2,700,165	\$ (2,128)	\$ 7	\$ 2,698,134
13	TS	8	301,128	\$ 29,563	\$ 6	\$ -	\$ 446	\$ (8)	\$ 1,239	\$ 54	\$ 1,995	\$ 21,560	\$ 54,855	\$ (26)	\$ 1	\$ 54,831
14	SI-1	3	82,761	\$ 20,984	\$ 2	\$ -	\$ 122	\$ (3)	\$ 874	\$ 15	\$ 39	\$ 417	\$ 22,449	\$ (19)	\$ 0	\$ 22,431
15	GH-2	1,779	46,555,207	\$ 1,269,908	\$ 931	\$ -	\$ 68,902	\$ (1,651)	\$ 54,109	\$ 8,051	\$ 80,663	\$ 871,785	\$ 2,352,699	\$ (1,137)	\$ 44	\$ 2,351,658
16	SLE	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Rate Revenue	1,426,819	36,069,187,110	\$ 798,337,817	\$ 2,003,547	\$ 66,595,128	\$ 82,468,182	\$ (1,380,550)	\$ 39,031,722	\$ 7,471,040	\$ 95,582,018	\$ 662,008,441	\$ 1,752,117,345	\$ (836,587)	\$ 38,209	\$ 1,751,358,629
18																
19	Annualization Adjustment		125,883,129	\$ 2,847,422									\$ 2,847,422			\$ 2,847,422
20																
21	Total PUC Tariff Revenue		36,195,070,239	\$ 801,185,239	\$ 2,003,547	\$ 66,595,128	\$ 82,468,182	\$ (1,380,550)	\$ 39,031,722	\$ 7,471,040	\$ 95,582,018	\$ 662,008,441	\$ 1,754,964,767	\$ (836,587)	\$ 38,209	\$ 1,754,206,050
22																
23	Other Electric Revenues															
24	Late Payment			\$ 12,409,747								\$ -	\$ 12,409,747			\$ 12,409,747
25	Misc. Revenue			\$ 1,443,882								\$ -	\$ 1,443,882			\$ 1,443,882
26	Rent			\$ 42,506,835							\$ 208,248	\$ -	\$ 42,715,083			\$ 42,715,083
27	Other			\$ 1,860,000							\$ 402,442,522	\$ -	\$ 404,302,522			\$ 404,302,522
28	Total Other			\$ 58,220,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,650,770	\$ -	\$ 460,871,234	\$ -	\$ -	\$ 460,871,234
29																
30	Total Operating Revenue			\$ 859,405,703	\$ 2,003,547	\$ 66,595,128	\$ 82,468,182	\$ (1,380,550)	\$ 39,031,722	\$ 7,471,040	\$ 498,232,788	\$ 662,008,441	\$ 2,215,836,001	\$ (836,587)	\$ 38,209	\$ 2,215,077,285

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2015 Pro Forma Budget at Present Rates
Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Line Number	Rate Schedule	Distribution Present Rate Revenue	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Storm Damage Expense Rider (SDER)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Present Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution	State Tax Adjustment Surcharge (STAS) Other	Total Revenue
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	(Note 9)				
1	RS	\$ 544,141,507	\$ 12,108,694	\$ 96,148,237	\$ 30,531,752	\$ 592,156	\$ 21,669,989	\$ 4,413,827	\$ 162,434,278	\$ 1,117,488,911	\$ 1,989,529,351	\$ (943,776)	\$ 102,394	\$ 1,988,687,968
2	RTS	\$ 6,354,535	\$ 152,979	\$ 1,833,939	\$ 582,365	\$ 5,771	\$ 284,098	\$ 89,398	\$ 3,098,284	\$ 21,315,069	\$ 33,716,437	\$ (12,373)	\$ 1,953	\$ 33,706,017
3	GS-1	\$ 70,781,695	\$ 1,089,080	\$ -	\$ 2,797,477	\$ 70,454	\$ 2,363,906	\$ 305,924	\$ 13,760,560	\$ 177,526,351	\$ 268,695,448	\$ (102,953)	\$ 15,303	\$ 268,607,798
4	GS-3	\$ 115,895,956	\$ 619,806	\$ -	\$ 12,401,443	\$ 14,227	\$ 4,104,674	\$ 1,375,665	\$ 62,175,821	\$ 765,100,171	\$ 961,687,763	\$ (178,768)	\$ 66,182	\$ 961,575,178
5	LP-4	\$ 32,455,170	\$ 30,867	\$ -	\$ 18,895,502	\$ 578	\$ 1,627,893	\$ 297,033	\$ 35,422,005	\$ 377,810,361	\$ 467,539,411	\$ (70,898)	\$ 33,139	\$ 467,501,651
6	LP-5	\$ 1,657,992	\$ 3,561	\$ -	\$ 16,599,757	\$ 67	\$ 575,920	\$ 21,786	\$ 36,133,376	\$ 375,236,795	\$ 430,229,253	\$ (25,083)	\$ 32,910	\$ 430,237,080
7	LPEP	\$ 445,200	\$ 26	\$ -	\$ 408,011	\$ 0	\$ 26,894	\$ 536	\$ 709,420	\$ 13,992,010	\$ 15,582,097	\$ (1,171)	\$ 1,176	\$ 15,582,102
8	BL	\$ 290,186	\$ 648	\$ -	\$ 10,565	\$ 21	\$ 9,531	\$ 1,138	\$ 51,969	\$ 670,462	\$ 1,034,520	\$ (415)	\$ 58	\$ 1,034,163
9	SA	\$ 4,109,305	\$ 995	\$ -	\$ 29,441	\$ 8,820	\$ 130,780	\$ 3,170	\$ 144,817	\$ 1,868,299	\$ 6,295,626	\$ (5,696)	\$ 161	\$ 6,290,092
10	SM	\$ 750,270	\$ 172	\$ -	\$ 5,094	\$ 36	\$ 23,818	\$ 547	\$ 25,056	\$ 323,249	\$ 1,128,242	\$ (1,037)	\$ 28	\$ 1,127,233
11	SHS	\$ 17,739,255	\$ 2,685	\$ -	\$ 79,475	\$ 653	\$ 561,664	\$ 8,536	\$ 390,931	\$ 5,043,434	\$ 23,826,632	\$ (24,462)	\$ 435	\$ 23,802,605
12	SE	\$ 2,396,290	\$ 1,954	\$ -	\$ 57,830	\$ 51	\$ 77,564	\$ 6,222	\$ 284,463	\$ 3,669,879	\$ 6,494,253	\$ (3,378)	\$ 316	\$ 6,491,191
13	TS	\$ 29,563	\$ 15	\$ -	\$ 446	\$ 4	\$ 947	\$ 49	\$ 2,192	\$ 28,282	\$ 61,499	\$ (41)	\$ 2	\$ 61,460
14	SI-1	\$ 20,984	\$ 4	\$ -	\$ 122	\$ 1	\$ 665	\$ 13	\$ 602	\$ 7,773	\$ 30,166	\$ (29)	\$ 1	\$ 30,138
15	GH-2	\$ 1,269,908	\$ 14,382	\$ -	\$ 68,902	\$ 854	\$ 42,867	\$ 6,813	\$ 338,922	\$ 4,372,465	\$ 6,115,112	\$ (1,867)	\$ 377	\$ 6,113,622
16	SLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Rate Revenue	\$ 798,337,817	\$ 14,025,868	\$ 97,982,176	\$ 82,468,182	\$ 693,693	\$ 31,501,209	\$ 6,530,658	\$ 315,972,696	\$ 2,864,453,511	\$ 4,211,965,811	\$ (1,371,948)	\$ 254,434	\$ 4,210,848,297
18														
19	Annualization Adjustment	\$ 2,847,422	\$ -	\$ -	\$ -	\$ -					\$ 2,847,422			\$ 2,847,422
20														
21	Total PUC Tariff Revenue	\$ 801,185,239	\$ 14,025,868	\$ 97,982,176	\$ 82,468,182	\$ 693,693	\$ 31,501,209	\$ 6,530,658	\$ 315,972,696	\$ 2,864,453,511	\$ 4,214,813,232	\$ (1,371,948)	\$ 254,434	\$ 4,213,695,719
22														
23	Other Electric Revenues													
24	Late Payment	\$ 12,409,747									\$ 12,409,747			\$ 12,409,747
25	Misc. Revenue	\$ 1,443,882									\$ 1,443,882			\$ 1,443,882
26	Rent	\$ 42,506,835							\$ 208,248		\$ 42,715,083			\$ 42,715,083
27	Other	\$ 1,860,000							\$ 402,442,522		\$ 404,302,522			\$ 404,302,522
28	Total Other	\$ 58,220,464	\$ -	\$ -	\$ -	\$ -			\$ 402,650,770	\$ -	\$ 460,871,234			\$ 460,871,234
29														
30	Total Operating Revenue	\$ 859,405,703	\$ 14,025,868	\$ 97,982,176	\$ 82,468,182				\$ 718,623,466	\$ 2,864,453,511	\$ 4,675,684,467	\$ (1,371,948)	\$ 254,434	\$ 4,674,566,953

Note 1: From page 2, column 5
 Note 2: SMR-1 effective January 1, 2015, plus SMR-2 effective mid-2015
 Note 3: USR effective January 1, 2015
 Note 4: ACR1 effective June 1, 2014; ACR2 effective August 1, 2014
 Note 5: CER effective January 1, 2015
 Note 6: DSIC effective January 1, 2015
 Note 7: SDER effective February 1, 2015
 Note 8: TSC effective October 1, 2014
 Note 9: GSC effective March 1, 2015

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2015 Proforma Budget at Proposed Rates, Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Line Number	Rate Schedule	Proposed Distribution Rate Revenue	Distribution Revenue Increase	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Storm Damage Expense Rider (SDER)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Total Proposed Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution	State Tax Adjustment Surcharge (STAS) Other	Total Revenue	Total Revenue \$ Change	Total Revenue % Change
				(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	(Note 8)					(Note 9)	(Note 10)
1	RS	\$ 720,449,059	\$ 154,637,562	\$ 12,108,694	\$ 96,148,237	\$ 30,531,752	\$ 592,156	\$ 21,669,989	\$ 4,413,827	\$ 162,434,278	\$ 1,117,488,911	\$ 2,165,836,902	\$ (1,178,265.24)	\$ 102,394	\$ 2,164,761,031	\$ 176,073,063	8.85%
2	RTS	\$ 9,734,843	\$ 3,096,210	\$ 152,979	\$ 1,833,939	\$ 582,365	\$ 5,771	\$ 284,098	\$ 89,398	\$ 3,098,284	\$ 21,315,069	\$ 37,096,745	\$ (16,869)	\$ 1,953	\$ 37,081,829	\$ 3,375,813	10.02%
3	GS-1	\$ 86,103,950	\$ 12,958,349	\$ 1,089,080	\$ -	\$ 2,797,477	\$ 70,454	\$ 2,363,906	\$ 305,924	\$ 13,760,560	\$ 177,526,351	\$ 284,017,703	\$ (123,332)	\$ 15,303	\$ 283,909,674	\$ 15,301,876	5.70%
4	GS-3	\$ 109,903,325	\$ (10,097,305)	\$ 619,806	\$ -	\$ 12,401,443	\$ 14,227	\$ 4,104,674	\$ 1,375,665	\$ 62,175,821	\$ 765,100,171	\$ 955,695,132	\$ (170,797)	\$ 66,182	\$ 955,590,517	\$ (5,984,661)	-0.62%
5	LP-4	\$ 39,216,875	\$ 5,133,811	\$ 30,867	\$ -	\$ 18,895,502	\$ 578	\$ 1,627,893	\$ 297,033	\$ 36,422,005	\$ 377,810,361	\$ 474,301,116	\$ (79,891)	\$ 33,139	\$ 474,254,363	\$ 6,752,711	1.44%
6	LP-5	\$ 689,593	\$ (1,544,319)	\$ 3,561	\$ -	\$ 16,599,757	\$ 67	\$ 575,920	\$ 21,786	\$ 36,133,376	\$ 375,236,795	\$ 429,260,854	\$ (23,795)	\$ 32,910	\$ 429,269,969	\$ (967,111)	-0.22%
7	LPEP	\$ 3,023,278	\$ 2,551,185	\$ 26	\$ -	\$ 408,011	\$ 0	\$ 26,894	\$ 536	\$ 709,420	\$ 13,992,010	\$ 18,160,176	\$ (4,600)	\$ 1,176	\$ 18,156,752	\$ 2,574,650	16.52%
8	BL	\$ 325,685	\$ 25,968	\$ 648	\$ -	\$ 10,565	\$ 21	\$ 9,531	\$ 1,138	\$ 51,969	\$ 670,462	\$ 1,070,018	\$ (462)	\$ 58	\$ 1,069,614	\$ 35,451	3.43%
9	SA	\$ 4,167,321	\$ (72,763)	\$ 995	\$ -	\$ 29,441	\$ 8,820	\$ 130,780	\$ 3,170	\$ 144,817	\$ 1,868,299	\$ 6,353,642	\$ (5,773)	\$ 161	\$ 6,348,031	\$ 57,939	0.92%
10	SM	\$ 760,568	\$ (13,521)	\$ 172	\$ -	\$ 5,094	\$ 36	\$ 23,818	\$ 547	\$ 25,056	\$ 323,249	\$ 1,138,539	\$ (1,051)	\$ 28	\$ 1,137,516	\$ 10,284	0.91%
11	SHS	\$ 15,358,050	\$ (2,964,519)	\$ 2,689	\$ -	\$ 79,597	\$ 654	\$ 561,664	\$ 8,549	\$ 391,533	\$ 5,051,207	\$ 21,453,943	\$ (21,295)	\$ 435	\$ 21,433,084	\$ (2,399,659)	-10.07%
12	SE	\$ 2,431,229	\$ (42,629)	\$ 1,954	\$ -	\$ 57,830	\$ 51	\$ 77,564	\$ 6,222	\$ 284,463	\$ 3,669,879	\$ 6,529,191	\$ (3,425)	\$ 316	\$ 6,526,083	\$ 34,892	0.54%
13	TS	\$ 30,032	\$ (479)	\$ 15	\$ -	\$ 446	\$ 4	\$ 947	\$ 49	\$ 2,192	\$ 28,282	\$ 61,967	\$ (42)	\$ 2	\$ 61,928	\$ 468	0.76%
14	SI-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
15	GH-2	\$ 1,576,497	\$ 263,722	\$ 14,382	\$ -	\$ 68,902	\$ 854	\$ 42,867	\$ 6,813	\$ 338,922	\$ 4,372,465	\$ 6,421,701	\$ (2,275)	\$ 377	\$ 6,419,804	\$ 306,181	5.01%
16	SLE	\$ 2,673,341	\$ 2,673,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,673,341	\$ (3,556)	\$ -	\$ 2,669,785	\$ 2,669,785	
17	Rate Revenue	\$ 996,443,645	\$ 166,582,758	\$ 14,025,868	\$ 97,982,176	\$ 82,468,182	\$ 693,693	\$ 31,500,544	\$ 6,530,658	\$ 315,972,696	\$ 2,864,453,511	\$ 4,410,070,972	\$ (1,635,428)	\$ 254,434	\$ 4,409,398,659	\$ 195,171,897	4.63%
18	Annualization Adjustment	\$ 3,378,505	\$ 531,064												\$ 3,378,505		
21	Total PUC Tariff Revenue	\$ 999,822,150	\$ 167,113,842	\$ 14,025,868	\$ 97,982,176	\$ 82,468,182	\$ 693,693	\$ 31,500,544	\$ 6,530,658	\$ 315,972,696	\$ 2,864,453,511	\$ 4,410,070,972	\$ (1,635,428)	\$ 254,434	\$ 4,409,398,659	\$ 195,171,897	
23	Other Electric Revenues																
24	Late Payment	\$ 13,742,314	\$ 1,332,567									\$ 13,742,314			\$ 13,742,314		
25	Misc. Revenue	\$ 1,443,882										\$ 1,443,882			\$ 1,443,882		
26	Rent	\$ 42,506,835								\$ 208,248		\$ 42,715,083			\$ 42,715,083		
27	Other	\$ 1,860,000								\$ 402,442,522		\$ 404,302,522			\$ 404,302,522		
28	Total Other	\$ 59,553,031	\$ 1,332,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,650,770	\$ -	\$ 462,203,801			\$ 462,203,801		
29																	
30	Total Operating Revenue	\$ 1,059,375,181	\$ 168,446,409	\$ 14,025,868	\$ 97,982,176	\$ 82,468,182	\$ 693,693	\$ 31,500,544	\$ 6,530,658	\$ 718,623,466	\$ 2,864,453,511	\$ 4,872,274,774	\$ (1,635,428)	\$ 254,434	\$ 4,871,602,500	\$ 195,171,897	

Note 1: SMR-1 effective January 1, 2015, plus SMR-2 effective mid-2015
 Note 2: USR effective January 1, 2015
 Note 3: ACR1 effective June 1, 2014; ACR2 effective August 1, 2014
 Note 4: CER effective January 1, 2015
 Note 5: DSIC rolled into base rates
 Note 6: SDER effective February 1, 2015
 Note 7: TSC effective October 1, 2014
 Note 8: GSC effective March 1, 2015
 Note 9: Column 16 of page 4 minus column 15 of page 3. Current rate SI-1 revenue added to rate SHS before calculating the difference.
 Note 10: Column 17 of page 4 divided by column 15 of page 3 (as percent). In the denominator, current rate SI-1 revenue added to rate SHS.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Operating Revenues for Unbilled Revenue
Year Ended December 31, 2015
(Thousands of Dollars)

This adjustment was made to normalize distribution operating revenue for the test period by eliminating unbilled revenue shown on Schedule D-3, page 1.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Unbilled revenue- distribution	\$ (48)
2	Net decrease in distribution operating revenue	<u>\$ (48)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Wages and Benefits
Year Ended December 31, 2015
(Thousands of Dollars, except wages per employee)

This adjustment was made to reflect the average number of transmission and distribution-related employees and the level of wages and benefits in effect at the end of the year.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Average monthly T & D-related wages to expense per employee	\$ 4,143
2	T & D-related personnel employed at the end of the year	1,735
3	Annualized T & D-related total wages to expense(line 1 x line 2 x 12 months)	86,257
4	Less: Actual T & D-related wages to expense for the year ended December 31, 2015	<u>90,513</u>
5	Decrease in wages to expense (line 3 - line 4)	(4,256)
6	Decrease in benefits expense (line 5 x 29.73%)	(1,265)
7	Decrease in payroll taxes (line 5 x 9.64%)	<u>(410)</u>
8	Total decrease in T&D-related wages, taxes and benefits expenses (line 5 + line 6 + line 7)	<u><u>\$ (5,931)</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Rate Case Expense
Year Ended December 31, 2015
(Thousands of Dollars)

Rate case expenditures are charged to expense when incurred. The Company's claim for 2015 distribution rate case expense is based on a normalized amount as shown below.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	2015 distribution rate case expense	\$ <u>1,856</u>
2	Normalized amount (line 1 / 2 years)	\$ <u>928</u>
3	2015 distribution rate case expense per budget	\$ <u>1,708</u>
4	Net increase in distribution operating expense (line 2 - line 3)	\$ <u>(780)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Interest Expense on Customer Security Deposits
Year Ended December 31, 2015
(Thousands of Dollars)

The Commission, in its Final Order at Docket No. R-80031114, determined that it was appropriate to include the interest expense on customer deposits in PPL Electric's operation and maintenance expense when the deposits are used as a reduction to rate base. The interest on customer security deposits is computed at an interest rate calculated in accordance with 66 Pa. C.S. § 1404 (c) (6) and the Company's Tariff - Electric Pa. P.U.C. No. 201.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Residential customer security deposits	\$ 6,208
2	Residential interest rate	<u>3.000%</u>
3	Residential interest (line 1 x line 2)	\$ 186
4	Non-residential customer security deposits	\$ 8,455
5	Non-residential interest rate	<u>0.11%</u>
6	Non-residential interest (line 4 x line 5)	\$ 9
7	Total increase in transmission and distribution expense (line 3 + line 6)	<u>\$ 196</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Company Use Generation Supply Purchases
Year Ended December 31, 2015
(Thousands of Dollars)

This adjustment was made to reflect the distribution operating expense associated with PPL Electric's purchase of generation supply for the facilities that it owns, i.e., Company Use.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Kilowatt-hour usage for the period January 1, 2015 - December 31, 2015	69,020,942
2	Generation supply purchase price per kilowatt-hour	<u>\$ 0.06732</u>
3	Total estimated generation supply expense January 1, 2015 - December 31, 2015 (line 1 x line 2)	\$ 4,646
4	Less: Actual amount per books	<u>5,739</u>
5	Net generation supply expense (line 3 - line 4)	<u>\$ (1,093)</u>
6	Portion assigned to PPL Electric	81.7%
7	Net increase in distribution operating expense (line 5 x line 6)	<u>\$ (893)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annual Depreciation Expense
Year Ended December 31, 2015
(Thousands of Dollars)

This adjustment was made to reflect timing differences for plant additions.

<u>Line No.</u>	<u>Depreciation - Electric Plant In Service</u>	<u>Amount</u>
1	Intangible Plant	\$ 21,436
2	Transmission Plant	50,569
3	Distribution Plant	117,655
4	General Plant	33,228
6	Total (a)	<u>222,888</u>
7	Less: Adjusted depreciation expense per budget	208,462
8	Net increase in depreciation expense	<u><u>\$ 14,426</u></u>

(a) Includes negative net salvage of \$20,864

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Taxes Other Than Income
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>PA Capital Stock Tax</u>	
	Adjustment to reflect current taxable value	
1	Estimated Tax applicable to T&D operations at 0.45 mills (D-10, page 2)	\$ 77
2	Less: Capital stock tax on T&D operations per books	<u>854</u>
3	Net decrease in expense	<u>\$ (777)</u>
	<u>PA Gross Receipts Tax</u>	
	Adjustment to provide for gross receipts tax on pro forma revenue at present rates	
4	Gross receipts tax recoverable through base rates (D-10, page 3)	\$ 47,971
5	Less: Gross receipts tax on T&D operations per books	<u>47,803</u>
6	Net increase in expense	<u>\$ 168</u>
	<u>PA Public Utility Realty</u>	
	Adjustment to reflect current taxable value	
7	Public utility realty tax recoverable through base rates (D-10, page 4)	\$ 2,173
8	Less: Public utility realty tax on T&D operations per books	<u>2,237</u>
9	Net decrease in expense	<u>\$ (64)</u>

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax at Present Rates
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	PA Capital Stock Tax=50%((5 Year Average Net Income/0.095)+(75%(Net Worth))	
	Net Income	
2	2011	\$ 129,591
3	2012	90,359
4	2013	168,995
5	2014	219,145
6	2015	<u>261,108</u>
7	Total	<u>\$ 869,198</u>
8	Average	<u>\$ 173,840</u>
9	Net worth at December 31, 2015	<u>\$ 2,977,951</u>
10	PA Capital stock value = 0.5(($\$173,840/0.095$) + ($0.75 \times \$2,977,951$)) =	\$ 2,031,679
11	Statutory Exemption	<u>160</u>
12	Value of Capital Stock less Statutory Exemption	2,031,519
13	Apportionment Percentage	<u>0.931836</u>
14	PA Capital Stock Taxable Value	<u>\$1,893,043</u>
15	PA Capital Stock Tax at 0.45 mills	\$ 852
16	Less: PA Education and NAP tax credits	<u>(775)</u>
17	Pa Capital Stock Tax	<u>\$ 77</u>

PPL ELECTRIC UTILITIES CORPORATION

Gross Receipts Tax (GRT) at Present Rates
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Pro Forma Revenue</u>	<u>Applicable GRT Rate (Mills)</u>	<u>Amount</u>
	Tariff Revenue			
1	Total Tariff Revenue (D-3, page 1, column 5, line 6)	\$ 800,658	59	\$ 47,239
	Other Electric Revenue			
2	Late payment (D-3, page 1, column 5, line 7)	12,410	59	732
3	Other electric revenue (D-3, page 1, column 5, lines 8-10)	448,462	-	0
4	Total Other	<u>\$ 460,872</u>		
5	Total gross receipts tax on pro forma revenue at present rates			<u>\$ 47,971</u>

PPL ELECTRIC UTILITIES CORPORATION

Public Utility Realty Tax (PURTA) at Present Rates
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	State Taxable Value (per Notice of Determination dated August 11, 2014)	\$ 67,001
2	Rate @ 32.4251 mills (per Notice of Determination dated August 11, 2014)	<u>0.0324251</u>
3	Tax Amount	<u>\$ 2,173</u>

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2016
(Thousands of Dollars)

Line No.	Description	Total	Less:	T&D	Pro forma	T&D
		Amount	Automatic Recovery	Operations	Pro forma	Pro forma
		Per Budget	Clauses/Riders ¹⁾	Per Budget	Adjustments	at Present Rates
1	Operating Revenues	2,123,192	(864,461)	1,258,731	2,799	1,261,530
	Operating Expenses					
2	Operation and maintenance	1,215,646	(754,828)	460,818	(6,998)	453,820
3	Depreciation and amortization	209,216	(754)	208,462	14,426	222,888
4	Regulatory Debits and Credits	15,943	(9,567)	6,376	0	6,376
5	Taxes Other than Income	115,405	(52,864)	62,541	(1,083)	61,458
6	Income Taxes	78,198	(9,423)	68,775	(2,531)	66,244
7	Income Taxes - State	15,298	(3,301)	11,997	1,888	13,885
8	Deferred Income Taxes	80,648	(6,033)	74,615	3,392	78,007
9	Investment Tax Credit - Amortization	(409)	0	(409)	0	(409)
10	Gains and Losses on Property Dispositions	0	0	0	0	0
11	Total Operating Expense	1,729,945	(836,770)	893,175	9,094	902,269
12	Operating Income	393,247	(27,691)	365,556	(6,295)	359,261
13	Less: Interest Expense	142,944	0	142,944	(12,105)	130,839
14	Net Operating Income	250,303	(27,691)	222,612	5,810	228,422
15	Income Tax Adjustments					
16	Federal Income Tax	78,198	(9,423)	68,775	(2,531)	66,244
17	State Income Tax	15,298	(3,301)	11,997	1,888	13,885
18	Deferred Income Taxes	80,648	(6,033)	74,615	3,392	78,007
19	Investment tax credit amortization	(409)	0	(409)	0	(409)
20	Pension and supplemental retirements	(311)	0	(311)	0	(311)
21	Contributions in aid of construction - Trans.	1,558	0	1,558	0	1,558
22	Contributions in aid of construction - Dist.	12,770	0	12,770	0	12,770
23	Environmental Clean-up	853	0	853	0	853
24	Book Depreciation	209,216	(754)	208,462	14,426	222,888
25	Book Depreciation Capitalized	0	0	0	4,000	4,000
26	Tax Depreciation	(261,797)	0	(261,797)	0	(261,797)
27	Removal costs - Transmission	(19,311)	0	(19,311)	0	(19,311)
28	Removal costs - Distribution	(23,006)	0	(23,006)	0	(23,006)
29	Tax Gains/(Losses) on Plant Dispositions-General	(1,704)	0	(1,704)	0	(1,704)
30	Tax Gains/(Losses) on Plant Dispositions-Trans.	(11,262)	0	(11,262)	0	(11,262)
31	Tax Gains/(Losses) on Plant Dispositions-Dist.	4,336	0	4,336	0	4,336
32	ESOP dividend paid in cash	(5,068)	0	(5,068)	0	(5,068)
33	Reacquired debt costs	7,144	0	7,144	0	7,144
34	Post - retirement/employment benefits	(635)	0	(635)	0	(635)
35	Business Meals Not Deductible	0	0	0	0	0
36	Adjust Gross receipts Tax- Cash basis	0	0	0	0	0
37	Vacation Pay	(781)	0	(781)	0	(781)
38	Bad debts & Property damage	(13,847)	0	(13,847)	0	(13,847)
39	Consumer Education	0	0	0	0	0
40	Deferred Compensation - Officers	366	0	366	0	366
41	Storm Deferrals	6,376	0	6,376	0	6,376
42	Other 263A & Repair Allowance - Trans.	(26,687)	0	(26,687)	0	(26,687)
43	Other 263A & Repair Allowance - General	45	0	45	0	45
44	Other 263A & Repair Allowance - Dist.	(41,265)	0	(41,265)	0	(41,265)
45	481(a) Adjustment	0	0	0	0	0
46	Other Taxes	0	0	0	0	0
47	Obsolete Inventory	0	0	0	0	0
48	Litigation Contingencies	0	0	0	0	0
49	Workers Compensation	0	0	0	0	0
50	Reg Liab for 1997 Purta Tax Surcharge	0	0	0	0	0
51	Reg Liab for STAS adj	0	0	0	0	0
52	Rate Rider/Clause - Default Service Plan	0	0	0	0	0
53	Rate Rider/Clause - Act 129 - Conservation Program	0	0	0	0	0
54	Rate Rider/Clause - Transmission Service Cost (TSC)	0	0	0	0	0
55	Rate Rider/Clause - Universal Service Rider (USR)	0	0	0	0	0
56	Rate Rider/Clause - Transmission Rate Base Rider (TRB)	0	0	0	0	0
57	Rate Rider/Clause - Generation Service Charge Rider (GSC)	0	0	0	0	0
58	Rate Rider/Clause - Competitive Enhancement Rider (CER)	0	0	0	0	0
59	Rate Rider/Clause - Distribution System Improvement Charge (I	0	0	0	0	0
60	Storm Damage	0	0	0	0	0
61	Rate Rider/Clause - Smart Meter Technology	0	0	0	0	0
62	Rate Cases Expenses	0	0	0	0	0
63	RAR Adjustments	(543)	0	(543)	0	(543)
64	Prepays	(1,026)	0	(1,026)	0	(1,026)
65	Variable Pay	(1,098)	0	(1,098)	0	(1,098)
66	Deferred Interest	0	0	0	0	0
67	Clearing Accounts	0	0	0	0	0
68	Rate Refund	0	0	0	0	0
69	Service Company Costs	0	0	0	0	0
70	Severance Pay	0	0	0	0	0
71	Income Tax Adjustments	8,058	(19,511)	(11,453)	21,175	9,722
72	Taxable Net Income Before Special Deductions	\$ 258,361	\$ (47,202)	\$ 211,159	\$ 26,985	\$ 238,144

¹⁾ Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER, SDER, SMR and DSIC.

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2016
(Thousands of Dollars)

Line No.	Description	Total Amount Per Budget	Less: Automatic Recovery Clauses/Riders ¹⁾	T&D Operations Per Budget	Pro forma Adjustments	T&D Pro forma at Present Rates
<u>PA Corporate Net Income Tax Calculation</u>						
1	Taxable Net Income Before Special Deductions	\$ 258,361	\$ (47,202)	\$ 211,159	\$ 26,985	238,144
PA Special Deductions						
2	Tax Preference Income	0	0	0	0	0
3	Dividends Paid Credit	0	0	0	0	0
4	Bonus Depreciation Adjustment	(39,596)	0	(39,596)	0	(39,596)
5	State NOL Carryforward/(Utilization)	(65,624)	14,161	(51,463)	(6,096)	(59,559)
6	PA Taxable Income	153,141	(33,041)	120,100	18,889	138,989
7	PA Tax @ 9.99%	15,298	(3,301)	11,997	1,888	13,885
8	PA Tax Credits	0	0	0	0	0
9	Accrual for Potential Deficiency	0	0	0	0	0
10	State Income Tax Settlements	0	0	0	0	0
11	Prior Period Tax Return Adjustments	0	0	0	0	0
12	Total PA Income Tax	\$ 15,298	\$ (3,301)	\$ 11,997	\$ 1,888	\$ 13,885
<u>Federal Income Tax Calculation</u>						
13	Taxable Net Income Before Special Deductions	\$ 258,361	\$ (47,202)	\$ 211,159	\$ 26,985	\$ 238,144
Federal Special Deductions						
14	PA Income Tax Less Tax Credits	(15,298)	3,301	(11,997)	(1,888)	(13,885)
15	Dividends Paid Credit	0	0	0	0	0
16	State Income Tax Settlements	0	0	0	0	0
17	State Income Tax Adjustment for Prior Year	0	0	0	0	0
17	Federal Taxable Income	243,063	(43,901)	199,162	25,097	224,259
18	Federal NOL Carryforward/(Utilization)	(42,261)	16,977	(25,284)	(9,705)	(34,989)
19	Federal Taxable Income after NOL Carryforward/(Utilization)	200,802	(26,924)	173,878	15,392	189,270
20	Federal Tax @ 35%	70,280	(9,423)	60,857	5,387	66,244
21	Federal AMT Tax	7,918	0	7,918	(7,918)	0
22	Accrual for Potential Deficiency	0	0	0	0	0
23	Prior Period Tax Return Adjustments	0	0	0	0	0
24	Consolidated Income Tax Adjustment (D-11, page 4)	0	0	0	0	0
25	Total Federal Income Tax	\$ 78,198	\$ (9,423)	\$ 68,775	\$ (2,531)	\$ 66,244

¹⁾ Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER, SDER, SMR and DSIC.

PPL ELECTRIC UTILITIES CORPORATION
Adjustment to Interest Deduction for Income Tax Purposes
Year Ended December 31, 2015
(Thousands of Dollars)

This adjustment provides for the annualized interest on claimed rate base at December 31, 2015.

Line No.	Description	Amount
1	Rate Base at December 31, 2015 (C-1)	\$ 5,275,770
2	Long-term debt ratio (B-8)	48.25%
3	Embedded cost of long-term debt (B-8)	5.15%
4	Annualized interest (line 1 x line 2 x line 3)	130,839
5	Less: Interest expense on T&D operations (D-11, page 1)	<u>142,944</u>
6	Net decrease in interest deduction (line 4 - line 5)	<u><u>\$ (12,105)</u></u>

**PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2015**

Line No	<u>2012</u> (1)	<u>2013</u> (2)	<u>2014</u> (3)	<u>Three Year Average</u> (4)=((1)+(2)+(3))/3
Non-Regulated Company				
Taxable Losses				
1	\$ -	\$ -	\$ -	\$ -
2	0	0	0	0
3	0	0	0	0
4	0	0	0	0
5	(55,355,876)	(26,150,243)	(63,764,034)	(48,423,384)
6	(41,906,523)	(15,764,060)	0	(19,223,528)
7	(2,146,404)	(1,979,417)	(1,780,791)	(1,968,871)
8	(685)	0	0	(228)
9	(75,025,525)	(72,042,471)	(26,159,530)	(57,742,509)
10	(176,456,771)	(204,580,351)	(210,648,068)	(197,228,397)
11	0	0	0	0
12	(3,009,789)	0	0	(1,003,263)
13	0	0	0	0
14	(1,720)	0	0	0
15	0	0	0	0
16	(337,779)	0	0	0
17	0	0	0	0
18	(21,593,705)	0	0	0
19	(3,168,934)	0	0	(1,056,311)
20 Total Taxable Losses (a)	<u>\$ (379,003,711)</u>	<u>\$ (320,516,542)</u>	<u>\$ (302,352,423)</u>	<u>\$ (326,646,491) (a)</u>
21 Taxable Income Companies (b)	\$ 146,059,053	\$ 556,112,353	\$ 576,182,036	426,117,814 (b)
22 PPL Electric Utilities Corporation (Note 11)	\$ (240,928,568)	\$ (96,766,418)	\$ 137,348,964	\$ -
23 Total Taxable Income - PA Utilities (c)	<u>\$ (240,928,568)</u>	<u>\$ (96,766,418)</u>	<u>\$ 137,348,964</u>	<u>\$ - (c)</u>
24 % Taxable Income Pa. Utilities to Total Taxable Income Companies (d)=(c)/(b)				0.0000% (d)
25 Adjustment for Consolidated Tax Savings Applicable to PA Utilities (e)=(a)*(d)				\$ - (e)
26 Adjustment to Federal Income Taxes (e) * 35%				\$ - (f)
27 % T&D Taxable Income to Total Taxable Income (D-11, page 2, Line 19)				<u>81.9384% (g)</u>
28 T&D pro forma adjustment to Federal Income Taxes (f)*(g)				<u>\$ - (h)</u>

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2015
(Thousands of Dollars)

Line No.	Note 1:	<u>2012</u>	<u>2013</u>	<u>2014</u>
	Taxable (Loss)	\$ (186,056)	\$ (22,679)	\$ (21,800)
	Adjustment for Non-recurring Items:			
1	Spinoff of Supply Business	<u>\$ 186,056</u>	<u>\$ 22,679</u>	<u>\$ 21,800</u>
2	Total adjustments	<u>\$ 186,056</u>	<u>\$ 22,679</u>	<u>\$ 21,800</u>
3	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 2:			
4	Taxable (Loss)	\$ (3,454,857)	\$ (1,345,016)	
	Adjustment for Non-recurring Items:			
5	Spinoff of Supply Business	<u>\$ 3,454,857</u>	<u>\$ 1,345,016</u>	<u>\$ -</u>
6	Total adjustments	<u>\$ 3,454,857</u>	<u>\$ 1,345,016</u>	<u>\$ -</u>
7	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 3:			
8	Taxable (Loss)	\$ (2,983,066)	\$ (875,831)	\$ (7,074,204)
	Adjustment for Non-recurring Items:			
9	Spinoff of Supply Business	<u>\$ 2,983,066</u>	<u>\$ 875,831</u>	<u>\$ 7,074,204</u>
10	Total adjustments	<u>\$ 2,983,066</u>	<u>\$ 875,831</u>	<u>\$ 7,074,204</u>
11	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 4:			
12	Taxable (Loss)	\$ (20,700)	\$ (50,185)	
	Adjustment for Non-recurring Items:			
13	Spinoff of Supply Business	<u>\$ 20,700</u>	<u>\$ 50,185</u>	<u>\$ -</u>
14	Total adjustments	<u>\$ 20,700</u>	<u>\$ 50,185</u>	<u>\$ -</u>
15	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 5:			
16	Taxable (Loss)	\$ (75,405,310)	\$ (88,692,838)	\$ (41,638,880)
	Adjustment for Non-recurring Items:			
17	Spinoff of Supply Business	\$ 379,785	\$ 202,949	\$ 471,349
18	Equity unit remarketing		16,447,418	15,008,001
19	Total adjustments	<u>\$ 379,785</u>	<u>\$ 16,650,367</u>	<u>\$ 15,479,350</u>
20	Adjusted Taxable Income/(Loss)	<u>\$ (75,025,525)</u>	<u>\$ (72,042,471)</u>	<u>\$ (26,159,530)</u>
	Note 6:			
21	Taxable (Loss)	\$ (78,961,763)	\$ (61,401,047)	\$ (337,428,438)

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2015
(Thousands of Dollars)

Adjustment for Non-recurring Items:				
1	Spinoff of Supply Business	<u>\$ (97,495,008)</u>	<u>\$ (143,179,304)</u>	<u>\$ 126,780,370</u>
2	Total adjustments	<u>\$ (97,495,008)</u>	<u>\$ (143,179,304)</u>	<u>\$ 126,780,370</u>
3	Adjusted Taxable Income/(Loss)	<u><u>\$ (176,456,771)</u></u>	<u><u>\$ (204,580,351)</u></u>	<u><u>\$ (210,648,068)</u></u>
Note 7:				
4	Taxable (Loss)	\$ (2,737,243)	\$ (927,787)	\$ (1,844,966)
Adjustment for Non-recurring Items:				
5	Spinoff of Supply Business	<u>\$ 2,737,243</u>	<u>\$ 927,787</u>	<u>\$ 1,844,966</u>
6	Total adjustments	<u>\$ 2,737,243</u>	<u>\$ 927,787</u>	<u>\$ 1,844,966</u>
7	Adjusted Taxable Income/(Loss)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Note 8:				
8	Taxable (Loss)	\$ (4,398,297)	\$ -	\$ -
Adjustment for Non-recurring Items:				
9	Spinoff of Supply Business	<u>\$ 4,398,297</u>	<u>\$ -</u>	<u>\$ -</u>
10	Total adjustments	<u>\$ 4,398,297</u>	<u>\$ -</u>	<u>\$ -</u>
11	Adjusted Taxable Income/(Loss)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Note 9:				
12	Taxable (Loss)	\$ (23,925,032)	\$ -	\$ -
Adjustment for Non-recurring Items:				
13	Service company costs	<u>\$ 24,170,684</u>	<u>\$ -</u>	<u>\$ -</u>
14	Total adjustments	<u>\$ 24,170,684</u>	<u>\$ -</u>	<u>\$ -</u>
15	Adjusted Taxable Income/(Loss)	<u><u>\$ 245,652</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Note 10:				
16	Taxable (Loss)	\$ (355,725)	\$ (2,680)	\$ (2,143)
Adjustment for Non-recurring Items:				
17	Spinoff of Supply Business	<u>\$ 355,725</u>	<u>\$ 2,680</u>	<u>\$ 2,143</u>
18	Total adjustments	<u>\$ 355,725</u>	<u>\$ 2,680</u>	<u>\$ 2,143</u>
19	Adjusted Taxable Income/(Loss)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Note 11:				
20	Consolidated Taxable Income/(Loss)	\$ (240,928,874)	\$ (96,766,677)	\$ 137,348,733
Adjustment for Non-regulated LLC's disregarded for income tax purposes:				
21	CEP Commerce, LLC	\$ 306	\$ 259	\$ 231
Adjustment for Non-recurring items:				
22	TBD	\$ -	\$ -	\$ 0
23	TBD	-	-	-
24	Total Adjustments	<u>\$ 306</u>	<u>\$ 259</u>	<u>\$ 231</u>
25	Adjusted Taxable Income/(Loss)	<u><u>\$ (240,928,568)</u></u>	<u><u>\$ (96,766,418)</u></u>	<u><u>\$ 137,348,964</u></u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Revenue and Applicable Tax
Related to Proposed Rate Increase
Year Ended December 31, 2015
(Thousands of Dollars)

Line No.	Description	Amount
1	Additional operating revenue from proposed rate increase	\$ 121,906
	Less:	
2	Provision for uncollectible accounts expense (line 1 x 2.21%)	2,694
3	PA gross receipts tax (line 1 x 59 mills)	7,192
4	PA Capital stock tax (D-11, page 8, line 19)	<u>39</u>
5	Taxable income for PA Corporate net income tax	111,981
6	PA corporate net income tax (line 5 x 9.99%)	<u>11,187</u>
7	Taxable income for Federal income tax	100,794
8	Federal income tax (line 7 x 35%)	<u>35,278</u>
9	Operating income	<u><u>\$ 65,516</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax at Proposed Rates
Year Ended December 31, 2015
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	PA Capital Stock Tax=50%((5 Year Average Net Income/0.095)+(75%(Net Worth))	
	Net Income	
2	2011	\$ 129,591
3	2012	90,359
4	2013	168,995
5	2014	219,145
6	2015 (Note 1)	<u>326,624</u>
7	Total	<u>\$ 934,714</u>
8	Average	<u>\$ 186,943</u>
9	Net worth at December 31, 2015 (Note 2)	<u>\$ 3,043,467</u>
10	PA Capital stock value = $0.5((\$186,943/0.095) + (0.75 \times \$3,043,467)) =$	\$ 2,125,211
11	Statutory Exemption	<u>160</u>
12	Value of Capital Stock less Statutory Exemption	2,125,051
13	Apportionment Percentage	<u>0.931836</u>
14	PA Capital Stock Taxable Value	<u>\$ 1,980,199</u>
15	PA Capital Stock Tax at 0.45 mills	\$ 891
16	Less: PA Education tax credit	<u>(775)</u>
17	Pa Capital Stock Tax at Proposed Rates	\$ 116
18	Less: PA Capital Stock Tax at Present Rates (D-10, page 1, line 1)	77
19	Additional PA Capital Stock Tax due to Proposed Rate Increase	<u>\$ 39</u>
Note 1:		
20	Net Income at Present Rates (D-10, page 2, line 6)	\$ 261,108
21	Net Income from Proposed Rate Increase (D-11, page 7, line 9)	<u>65,516</u>
22	Total 2015 Net Income	<u>\$ 326,624</u>
Note 2:		
23	Net Worth at Present Rates (D-10, page 2, line 9)	\$ 2,977,951
24	Net Worth from Proposed Rate Increase (D-11, page 7, line 9)	<u>65,516</u>
25	Total 2015 Net Worth	<u>\$ 3,043,467</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Deferred Income Taxes
As of December 31, 2015
(Thousands of Dollars)

Line No.	Provision	Debit	Credit	Net	Adjustment	Adjusted
Distribution Property:						
1	ACRS & MACRS	\$ 4,947	\$ -	\$ 4,947	\$ (3,615)	\$ 1,332
2	Contributions In Aid of Construction (CIAC)	0	(6,252)	(6,252)	(124)	(6,376)
3	Other Basis Adjustments	11,217	0	11,217	(774)	10,443
4	Federal NOL Carryforward	14,791	0	14,791	(2,694)	12,097
5	State NOL Carryforward	4,261	0	4,261	(417)	3,844
6	Prior Year Tax Return Adjustments	0	0	0	0	0
7	Total Distribution Property	<u>35,216</u>	<u>(6,252)</u>	<u>28,964</u>	<u>(7,624)</u>	<u>21,340</u>
General Property:						
8	ACRS & MACRS	975	0	975	(2,905)	(1,930)
9	Other Basis Adjustments	13	0	13	96	109
10	Prior Year Tax Return Adjustments	0	0	0	0	0
11	Total General Property	<u>988</u>	<u>0</u>	<u>988</u>	<u>(2,809)</u>	<u>(1,821)</u>
Transmission Property:						
12	Contributions In Aid of Construction (CIAC)	0	(6)	(6)	(24)	(30)
13	Net Book/Net Tax Plant (Excluding CIAC)	57,182	0	57,182	1,336	58,518
14	Prior Year Tax Return Adjustments	0	0	0	0	0
15	Total Transmission Property	<u>57,182</u>	<u>(6)</u>	<u>57,176</u>	<u>1,312</u>	<u>58,488</u>
Total						
17	ACRS & MACRS	5,922	0	5,922	(6,520)	(598)
18	Contributions In Aid of Construction (CIAC)	0	(6,258)	(6,258)	(148)	(6,406)
19	Other Basis Adjustments	11,230	0	11,230	(678)	10,552
20	Net Book/Net Tax Plant (Excluding CIAC)-Transmission	57,182	0	57,182	1,336	58,518
21	Federal NOL Carryforward	14,791	0	14,791	(2,694)	12,097
22	State NOL Carryforward	4,261	0	4,261	(417)	3,844
23	Prior Year Tax Return Adjustments	0	0	0	0	0
23	Total	<u>\$ 93,386</u>	<u>\$ (6,258)</u>	<u>\$ 87,128</u>	<u>\$ (9,121)</u>	<u>\$ 78,007</u>
24	Less: Deferred income taxes on T&D operations per books					<u>74,615</u>
25	Net increase/(decrease) in deferred income taxes					<u>\$ 3,392</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Provision For Deferred Income Taxes
As of December 31, 2015
(Thousands of Dollars)

This adjustment provides for the annual provision for deferred income taxes due to the (1) Accelerated Cost Recovery System (ACRS) of the Economic Recovery Act of 1981, (2) Modified Accelerated Cost Recovery System (MACRS) of the Tax Reform Act of 1986 and (3) Other 263A & Repair Allowance.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
Distribution Property		
1	Excess Tax over Book depreciation on ACRS and MACRS property	\$ 4,661
2	Other 263A, Repair Allowance and CIAC book and tax basis adjustments and reversals	<u>9,733</u>
3	Plant activity for the calculation of deferred income taxes	<u>14,394</u>
General Property		
4	Excess Tax over Book depreciation on ACRS and MACRS property	(5,336)
5	Other 263A, Repair Allowance and CIAC book and tax basis adjustments and reversals	<u>274</u>
6	Plant activity for the calculation of deferred income taxes	<u>(5,062)</u>
Transmission Property		
7	Net Tax over Net Book plant activity (excluding CIAC)	136,828
8	CIAC tax basis adjustment and reversal	<u>(73)</u>
9	Plant activity for the calculation of deferred income taxes	<u>136,755</u>
10	Total plant activity for the calculation of deferred income taxes	<u>\$ 146,087</u>
11	Tax Rate Provisions for Distribution and General Property - 35% Reversals for Distribution and General Property - Average Rate Assumption Method Provisions and Reversals for Transmission Property - 41.4935% Provisions and Reversals for Other 263A, Repair Allowance and CIAC	
12	Net annual deferred tax debit / (credit)	<u>\$ 78,007</u>
Less: Net provision on T&D operations per books		
13	Provision for deferred taxes - debit	93,386
14	Provision for deferred taxes - credit	<u>(6,258)</u>
15		<u>87,128</u>
16	Net decrease in deferred income tax provision	<u>\$ (9,121)</u>

PPL ELECTRIC UTILITIES CORPORATION

**Adjustment to Amortization of
Deferred Investment Tax Credit
Year Ended December 31, 2015**
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>4% Investment Tax Credit</u>	<u>10% Investment Tax Credit</u>	<u>Total</u>
Transmission Property:				
4	1982	0	0	4
5	1983	0	4	0
6	1984	0	4	4
7	1985	0	4	4
8	1986	0	3	4
9	1987	0	1	3
10	1988	0	0	1
11	1989	0	0	0
12	1990	0	0	0
Total Transmission Property				<u>20</u>
Distribution Property:				
16	1982	0	0	0
17	1983	0	0	0
18	1984	0	0	0
19	1985	0	0	0
20	1986	0	299	299
21	1987	0	56	56
22	1988	0	22	22
23	1989	0	5	5
24	1990	0	7	7
Total Distribution Property				<u>389</u>
25	Total Amount of Amortization			409
26	Less: Amortization on T&D operations per budget			409
27	Decrease in Amortization			<u>\$ -</u>

PPL ELECTRIC UTILITIES CORPORATION

**Exhibit Fully Projected Future 1
Summary of Rate Base & Rate of Return**

Witness: Various

Docket No. R-2015-2469275

PPL ELECTRIC UTILITIES CORPORATION

Exhibit Fully Projected Future 1 Docket No. R-2015-2469275 Summary of Rate Base & Rate of Return Year Ended December 31, 2016

This book contains a series of schedules (see Table of Contents) which are grouped as follows:

- A - Statement of Reasons
- B - Financial Statements, Cost of Capital and Capital Structure
- C - Rate Base
- D - Operating Income and Adjustments

PPL ELECTRIC UTILITIES CORPORATION

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PPL ELECTRIC UTILITIES CORPORATION

A – Reasons for Proposed Increase
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A-1 Statement of Reasons

PPL ELECTRIC UTILITIES CORPORATION

**Statement of Reasons
for the Proposed Increase
Docket No. R-2015-2469275**

March 31, 2015

**PPL Electric Utilities Corporation
Statement of Reasons
For the Proposed Rate Increase
Docket No. R-2015-2469275**

I. INTRODUCTION

In this filing, PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) requests that the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) approve an overall annual increase in distribution revenues of approximately \$167.5 million, based on a fully projected future test year ending December 31, 2016. If granted by the Commission as filed, this request would produce a system average increase in distribution revenues of approximately 18.5% and an increase in total revenues (distribution, transmission and generation charges) of approximately 3.9% for default service customers.

The principal reasons for the filing are: (1) flat/declining sales as a result of a stagnant economic climate, extensive customer conservation pursuant to Act 129 Energy Efficiency and Conservation (“EE&C”) programs and increased levels of distributed generation from alternative energy systems/net metering; (2) accelerated capital investment to maintain and improve system reliability by replacing aging infrastructure and to reduce service outages, especially during major storms; and (3) to set rates based on cost of service. Each of these issues is discussed in more detail in Section II. As explained therein, the requested increase is essential to the Company’s continued ability to attract capital on reasonable terms and provide safe and reliable service to customers. Section III addresses PPL Electric’s management effectiveness and describes its various efforts to control increasing costs and improve service to

customers. PPL Electric requests that this management effectiveness be reflected by awarding a cost of common equity at the upper end of the zone of reasonableness. Section IV provides a more detailed overview of the major components of this rate filing.

II. REASONS FOR THE REQUESTED RATE INCREASE

A. Flat/Declining Sales

Due to a continued stagnant economic climate, government-mandated conservation programs, and increased distributed generation, PPL Electric has experienced and is expected to continue to experience little or no growth in customers or sales. In 2014, Pennsylvania's GDP grew by only 0.3% as compared to 2.4% nationally. In addition, the Energy Efficiency and Conservation programs mandated by Act 129 have resulted in a 4.8% reduction in customer usage from November 2009 through May 2014. Sales and revenues have been further eroded by increased interconnections of distributed generation and customer-generator net metering, totaling 144 MW of capacity on PPL Electric's system.

PPL Electric has experienced only marginal customer growth (0.3% in 2014 for residential and small commercial and industrial ("SC&I") customers). Average normalized usage also has been flat to declining. Since 2010, average residential customer usage has slightly increased by just 1.34%, while SC&I usage has decreased by 3.14% and Large Commercial and Industrial ("LC&I") usage has decreased by 2.31%. In total, PPL Electric has seen little or no growth in usage since 2010, and total sales are still below the level experienced prior to the 2008 recession.

These flat or declining consumption data have serious implications for PPL Electric's annual revenue and are a substantial factor in the Company's request for rate relief in this proceeding.

B. Increased Capital Investment to Ensure Safe and Reliable Service

Much of the Company's electric distribution system was constructed and placed in service in the 1960s and 1970s and has reached or soon will reach the end of its useful life. In 2008, the Company began a comprehensive study to assess the overall equipment age, condition and performance of its transmission and distribution assets. The purpose of the study was to develop a strategy for capital replacement and maintenance improvements that would allow the Company to avoid the anticipated cost and reliability effects of aging infrastructure and bolster its ability to maintain reliable electric service. Based on the results of this study, PPL Electric embarked on a 10-year capital plan to replace, maintain and improve various distribution assets.

In addition to these aging infrastructure issues, the Company experienced three major storms in 2011-12: Hurricane Irene in August 2011, the Halloween Snowstorm in October 2011, and Hurricane Sandy in October 2012. Each of these storms resulted in very substantial customer outages. Hurricane Irene interrupted service to 428,503 customers, with a total of 256,186 customers experiencing service interruptions lasting longer than six hours. The Halloween Snowstorm interrupted service to 388,318 customers, with a total of 226,945 customers experiencing service interruptions lasting longer than six hours. Hurricane Sandy interrupted service to 523,936 customers, with a total of 420,115 customers experiencing service interruptions lasting longer than six hours. After these storms, the Company conducted an extensive review of its system to determine how to reduce the number and duration of outages during major

storms. Based on this review, the Company has developed a comprehensive program which when fully implemented will significantly reduce the service impacts of major storms on its customers.

Over the past three years, the Company invested \$593 million of capital in the delivery system to ensure a well maintained and reliable system able to meet the current and future expectations of our customers. PPL Electric intends to invest an additional \$2.24 billion in capital in the distribution system from 2015 to 2019. This accelerated investment will include the implementation of many advanced technologies that will provide new capabilities to monitor our system, more effectively maintain it, and more quickly respond to outages. By 2019, the Company expects all of its distribution circuits to be outfitted with advanced protective devices that will further reduce the potential for and impact of faults that cause customers to experience electrical outages. In addition, PPL Electric is proposing to replace its automated metering infrastructure and associated systems, which are nearing the end of their useful life and are not able to comply with current Commission requirements. This project is described in more detail below, but will require a capital expenditure of approximately \$408 million during the 2014 to 2021 timeframe.

The items addressed above will require the Company to raise substantial capital in the marketplace. At the time of the last major utility-led infrastructure build-out period in the 1960s and 1970s, utility corporate credit ratings were typically at A to AA minus levels. Today, the most common Standard & Poor's Rating Service corporate credit rating among electric utilities is BBB, which also tends to be about the average for the industry and is just two notches above speculative grade. This downward drift in utility

credit ratings reflects the continued challenging business environment and slow economic recovery in the United States, including declining electric sales, increasing operating expenses and the need to fund significant capital investments. Clearly, access to capital at reasonable borrowing rates is extremely important to the Company and, ultimately, to its customers. For these reasons, it is critical that the financial community view PPL Electric as an attractive investment.

PPL Electric's current credit rating is BBB from Standard & Poor's Corporation. These ratings are a notch lower than the average credit ratings of the barometer group used by the Company's expert witness in establishing his proposed cost of common equity. Moreover, the Company forecasts that its return on common equity for the distribution business will fall to approximately 5.4% in 2016 based on current rates. This return is inadequate by any standard. In this filing, the Company is requesting an allowed return on equity of 10.95%, along with a capital structure of approximately 51.66% common equity and 48.34% long-term debt, which PPL Electric believes are necessary to successfully raise capital on reasonable terms under today's financial market conditions.

Finally, and relatedly, the implementation of the DSIC by the legislature and the Commission has provided substantial assistance to the Company in obtaining timely recovery of costs associated with critical investment to replace aging infrastructure to maintain and improve service/reliability and has allowed the Company to delay the need for base rate relief. PPL Electric was the first EDC and is currently the only EDC in the Commonwealth to have a fully implemented DSIC. However, PPL Electric will quickly reach the 5% DSIC cap, and this rate case will permit the Company to roll the DSIC

revenue and investment into base rates and re-establish a new DSIC surcharge once investment levels exceed those reflected in this case. However, the level of expected capital expenditures by the Company requires that the 5% DSIC cap be increased if the DSIC is to continue to serve its intended function of allowing timely recovery of eligible capital investment costs and defer the need for base rate filings. Therefore, concurrently with the filing of this rate case, the Company also is filing a petition with the Commission to increase the DSIC cap to 7.5%. Approval of this request along with adequate rate relief in this proceeding will assure that the Company will be able to attract capital on reasonable terms, successfully implement its critical capital investment program, improve service to customers and help defer the need for future rate cases.

C. Class Rates of Return

In 2004, the Commonwealth Court issued its decision in *Lloyd v. Pa. PUC*, 904 A.2d 1010 (Pa. Cmwlth. 2006), establishing cost of service as the “polestar” of revenue allocation and rate design in rate proceedings. On remand, the Company and the parties entered into a settlement agreement, which, *inter alia*, established a goal of moving class rates of return to at or near full cost of service over the course of three rate proceedings, while avoiding “rate shock” by phasing in rates or closing rate differentials over a longer period of time. While the Company made substantial progress, it was not able to meet that goal within three rate cases without onerous increases in residential rates and major decreases to SC&I and LC&I rates, which in the Company’s view, would not have been just and reasonable. In this case, as a result of the DSIC roll in and minor adjustments to its cost of service study, the Company is able to propose rates that will move all major rate classes to or very near to cost of service consistent with the goals set in its 2004 base rate case and in the *Lloyd* decision.

III. MANAGEMENT EFFECTIVENESS

The ultimate measure of management effectiveness, in the Company's view, is the ability to provide safe and reliable service at reasonable rates. In its last base rate proceeding, the Commission included a 12 basis point upward adjustment to the Company's cost of common equity to reflect management effectiveness. Since that time the Company has undertaken a wide variety of efforts and initiatives to improve service to customers while at the same time maintaining distribution rates which are below the average of comparable companies.

In order to obtain a critical assessment of its management effectiveness, the Company retained an independent consultant, Oliver Wyman, to undertake a comparison of PPL Electric's operating performance as compared to a peer group of electric utilities. The results of this study are presented in the Direct Testimony of Alan V. Feibelman, PPL Electric St. No. 7. In summary, the analysis shows that PPL Electric is effectively and well managed by a leadership team that is providing value to customers through the delivery of good service, across a range of service attributes and metrics, at rates that compare favorably with peer utilities.

A. Examples of PPL Electric's Management Effectiveness

1. Reliability

PPL Electric has made several substantial efforts to improve reliability of service. The Company's smart grid deployment has resulted in a 35% improvement in reliability in the areas where it is deployed. The Company has established and is fully committed to new tree trimming and vegetation management specifications. Sections of multi-phase circuits cleared and trimmed to these new standards have shown 45% fewer

interruptions in service. The Company also has launched a new hazard tree removal program to address dying and diseased trees outside of its right of way and is poised to address the significant future threat posed by the emerald ash borer insect. The Company is constantly benchmarking and applying innovative solutions in order to improve service to customers. Over the next three years, the entire distribution system will have remotely controlled protective devices that will isolate faults down to small blocks of customers. These faults will be seen in real-time by an advanced Distribution Management System that will more effectively monitor and control the performance of the Distribution System. Efforts are also focused on improving the design of the system. In the next three years, the Company will be constructing over 100 tie lines which will enable many more customers to be transferred to nearby circuits when a fault occurs. The Company is also constructing all new Distribution facilities to a higher degree of resiliency in order to prevent outages during high wind and ice conditions. Such changes include additional protective devices, more robust wood poles, covered overhead conductors, and more robust construction standards.

These measures and others have resulted in record reliability performance for the Company, with first quartile performance for number of customers interrupted. The Company expects and has reflected continued significant improvement in reliability in its business plan.

2. Storm Response and Outage Management

PPL Electric's response during a storm emergency involves more than just identifying customer outages and restoring service as quickly and safely as possible. The Company needs the ability to inform customers about imminent storms, to handle in-bound telephone calls after storms hit, to provide customers with updates about their

power outages, and to offer customers other information about the impact of storms e.g., location of warming sites and the availability of free ice and water.

In 2012, PPL Electric started using Twenty-First Century Communications (“TFCC”) to provide the capacity to handle a very large influx of storm-related telephone calls through an interactive voice response (“IVR”) system. The IVR from TFCC can answer up to 27,000 calls simultaneously, and this telephone answering capacity is available to PPL Electric on a moment’s notice. The Company also increased the capacity of its own internal IVR in 2012 to handle in-bound telephone calls from customers during major storm events. Finally, in 2012 PPL Electric contracted with NCO Financial Systems, Inc., which is a third-party call center, to answer customer calls during large storm events.

Given that more and more customers want to interact with PPL Electric through mobile communications means, the Company implemented a mobile website in 2013. This website allows customers to not only report an outage via their smart phone, but they can also check on the status of their outage using a mobile device. In 2014, for example, there were more than 87,000 instances where customers reported information about outages and almost 218,000 instances where they checked on the status of their outages using a mobile device.

Recognizing the need to make continuous improvements in responding to customer needs, PPL Electric replaced its entire IVR system in 2014 to provide additional capacity to handle telephone calls. The new IVR allows customers to more easily report outages and to receive updates. The IVR recognizes up front if a customer is out of power and can immediately provide an update about their outage.

From 2012 through 2014, PPL Electric implemented or made significant enhancements to improve communications with customers. Through its Outage Alerts Program the Company has a series of messages to alert customers about storm activities. Besides improving messaging, the Company will be automatically enrolling all residential customers in the Outage Alerts Program in the second quarter of this year. A special website home page and dedicated blog for major outage events allows customers to stay informed. When a major storm is approaching, PPL Electric sends an e-mail blast to approximately 350,000 customers informing them on how to prepare for the event. The Company also has redesigned its on-line Outage Center, which includes an outage map for customers. In the future, PPL Electric will update its outage map to provide more information for customers about outages in their area. The use of videos and information graphics on PPL Electric's web and social media sites and in e-mail blasts keeps customers informed about storm safety and restoration efforts. Customers also can report their outage through Facebook.

To help educate customers about electrical safety during storm events (e.g., downed wires), PPL Electric uses pre-recorded 60-second radio spots that radio stations can air within an hour. The Company also uses digital advertising on weather mobile sites and social media advertising to provide electrical safety and storm preparation messages to target customers.

The Company also has established a network of about 275 vendors to provide free ice and water to residential customers during extended outages. These vendors range from grocery store chains to small, independently owned stores. Information about the location of these ice and water vendors is available to customers on PPL

Electric's website. The Company's Customer Service Representatives also have a connecting link to the list of vendors and can provide information directly to customer who call the customer contact center.

3. Customer Contact Center

PPL Electric received approximately 6.7 million customer contacts in 2014. Customers used various self-serve tools available to them via the web and IVR (interactive voice response) for 65% (4.3 million) of these contacts. In September 2014, PPL Electric implemented a new IVR system that makes it easier for customers to conduct business with the Company. This new system supports PPL Electric's ongoing efforts to offer more self-serve options for customers. It has the capability to predict customers' needs based on their previous interactions with the Company. Another feature of the system routes calls, e-mails and faxes to Customer Service Representatives who have the skillset to address customers' needs. This type of technology increases process efficiency and enhances the customer experience. Process and technology enhancements have also helped PPL Electric to respond to customer e-mail inquiries more quickly. From October 2014 through January 2015, PPL Electric responded the same day to over 50% of customer e-mails received, an improvement over all of 2014, when the same-day response rate was 20%.

With Commission approval in late 2010, PPL Electric implemented a two-year pilot program that allowed residential customers to use self-serve tools (IVR and the web) to establish their own payment agreements. Customers already had the ability to make payments through the IVR or web. At the conclusion of the pilot, the Commission, at Docket No. P-2012-2327036, approved PPL Electric's petition for a waiver of 52 Pa. Code § 56.97(a) to allow customers to continue using the web or IVR to establish

payment agreements for a period of four more years. In 2014, customers made more than 514,000 self-serve payments and established approximately 119,000 payment agreements. Last year customers used the web or IVR to set up about 26% of all of PPL Electric’s payment agreements.

4. Retail Market Competition

On January 1, 1997, the Electricity Generation Customer Choice and Competition Act (“Customer Choice Act”) became effective. PPL Electric was a staunch supporter of the Customer Choice Act and, since its enactment, has been a strong supporter of both wholesale and retail electricity competition and the development of customer choice within Pennsylvania. Today, competitive EGSs provide approximately three-quarters of the energy consumed within PPL Electric’s service area. The Company has supported various Commission efforts to improve the shopping experience for customers (e.g., accelerated switching and joint EDC/EDI bill).

As of February 28, 2015, nearly 654,000 customers, or 46% of customers across all rate classes, have selected an EGS for their generation supply. This represents nearly 72% of the total customer load on PPL Electric’s system. For PPL Electric the percentages of customers shopping by class and the percentages of shopping load by class are as follows:

Rate Class	% of Customers	% of Load
Residential	45%	50%
Commercial	53%	87%
Industrial	68%	98%

Compared with other Electric Distribution Companies (“EDCs”) in Pennsylvania, PPL Electric has the highest percentage of shopping customers.

5. Energy Efficiency Programs

In 2015, the Company will expend approximately \$52 million for its Act 129 EE&C Phase 2 programs, which run from June 2013 through May 2016. PPL Electric successfully met all Phase 1 requirements for its Act 129 programs, which ran from November 2009 through May 2013. The Company is on target to successfully meet all Phase 2 requirements for its Act 129 programs and in the process of developing its Phase III plan for filing with the Commission.

In Phase 1 (November 2009 - May 2013), PPL Electric's energy efficiency programs achieved the following results:

- 1,642,067 MWh/yr. total energy savings. This is equivalent to a 4.3% reduction in system load. This exceeded PPL Electric's compliance target by 43%. Savings by customer sector:
 - Government, non-profit, and educational customers: 206,786 MWh/yr. energy savings
 - Residential (excluding low-income): 597,896 MWh/yr.
 - Residential low-income: 23,180 MWh/yr.
 - Large Commercial & Industrial: 251,725 MWh/yr.
 - Small Commercial: 562,479 MWh/yr.
- 340 MW of peak load reduction. This exceeded PPL Electric's compliance target by 15%.

As of May 2014, PPL Electric's Phase 2 (June 2013 - May 2016) energy efficiency programs achieved the following results in addition to the annual energy savings for Phase 1 savings listed above:

- 200,065 MWh/yr total energy savings. This is equivalent to a 0.5% reduction in system load.
 - Government, non-profit, and educational customers: 20,857 MWh/yr. energy savings

- Residential (excluding low-income): 84,597 MWh/yr.
- Residential low-income: 4,335 MWh/yr.
- Large Commercial & Industrial: 15,119 MWh/yr.
- Small Commercial: 75,156 MWh/yr.

6. Customer Assistance Programs

PPL Electric currently administers a family of universal service programs that provides a variety of services to eligible low-income households. OnTrack provides reduced payment amounts based on customers' ability to pay, forgiveness of pre-program arrearages and referrals to other assistance programs. WRAP and Act 129 WRAP offer free weatherization materials and energy conservation education to help customers better manage their energy usage. PPL Electric works with 15 community-based organizations to administer the Operation HELP hardship fund, which pays for any type of home energy bill. The Company also has a program called CARES to address the needs of residential customers who have temporary hardships. In 2015, PPL Electric will expend approximately \$90 million on these programs.

The Company recovers these costs primarily through its reconcilable Universal Service Rider, which the Commission approved in PPL Electric's 2007 distribution case at Docket No. R-00072155. According to the Commission's 2013 Report on Universal Service Programs & Collections Performance, PPL Electric has the third lowest cost per residential customer for its low-income programs. In addition, a portion of the costs of the low-income weatherization program is included in PPL Electric's Energy Efficiency & Conservation Plan, which the Commission approved at Docket No. M-0009-2093216. The Company recovers these costs through its Act 129 Rider.

On September 11, 2014, the Commission entered an Order at Docket No. M-2013-2367021 approving PPL Electric's 2014-2016 Universal Service and Energy Conservation Plan ("Plan"). This Plan describes how the Company will implement its universal service programs in accordance with Commission regulations and guidance. PPL Electric will file its proposed 2017-2019 Plan with the Commission on July 1, 2016. In that filing, PPL Electric will propose any necessary and appropriate changes to its current programs and services for low-income customers.

7. Advanced Metering Infrastructure ("AMI")

On June 30, 2014, PPL Electric filed a comprehensive Smart Meter Technology Procurement and Installation Plan with the Commission at Docket No. M-2014-2430781. PPL Electric installed its current advanced metering system between 2002 and 2004 and utilizes Power Line Carrier ("PLC") technology to read meters. In 2013, the Company completed an extensive technology assessment of new AMI technologies that exist in the marketplace. Based upon this broad evaluation, PPL Electric proposed to replace its existing PLC system with an RF ("Radio Frequency") mesh system. A PLC system has limited ability to fully meet all regulatory and business requirements. Additionally, RF based systems are widely used across the United States and are being proposed by all EDCs in Pennsylvania.

PPL Electric proposes to begin implementing the technology necessary for RF mesh automated meters in 2015 with full deployment of new automated meters from 2017 through 2019. The Company's new automated meter system will also require the replacement and installation of additional IT and related systems to provide automated meter technology to customers. These systems include: 1) Head-End System to collect and send data and commands to and from meters and field devices; 2) Meter Data

Management System (“MDMS”) to store data from automated meters, including interval reads, and processes raw data for billing and settlement purposes; 3) Energy Analyzer Customer Portal System to provide customers with access to view and analyze their energy usage; 4) creation of a Network Operating Center (“NOC”) to efficiently manage the operation of meters, network devices and communication backhaul; and 5) Meter Asset Management (“MAM”) system to track meter and field devices, capture test results, installation, maintenance and retirement information.

The proposed Smart Meter Deployment Plan will provide a foundation to realize future customer and operational benefits. PPL Electric’s proposed AMI solution will include remote connect/disconnect functionality. Expected benefits from this remote capability include a decrease in meter field service costs due to a reduction in physical visits to the customer’s premise and decreased call center volumes from timely reconnection of electric service. Outage management will also be improved with “last gasp” and restoration meter messages. PPL Electric expects additional benefits in the area of power quality, with further development of the Company’s ability to monitor and analyze momentary outages and voltage issues. Finally, the proposed AMI solution will support the customers’ ability to understand and manage their electric consumption using in-home displays with near real-time price and usage information.

B. Conclusion as to Management Effectiveness

PPL Electric has demonstrated its strong management effectiveness both qualitatively and quantitatively and asks that the Commission take this into account and continue to reward the company for its management effectiveness through its cost of common equity allowance in this proceeding.

IV. OVERVIEW OF FILING

In this filing, PPL Electric is requesting an annual distribution revenue increase of approximately \$167.5 million, based on a fully projected future test year ending December 31, 2016, and a proposed allowed rate of return on common equity of 10.95%. If granted by the Commission as filed, this request would produce a system average increase in distribution revenues of approximately 18.5% and an increase in total revenues (distribution, transmission and generation charges) of approximately 3.9% for default service customers.

The Company is proposing to allocate the proposed revenue requirement to all customer classes based on the results of a class cost of service study and is proposing to move the rate of return for each customer class to at or very near the system average return. This will essentially complete the process started after the *Lloyd* decision in the Company's 2004 base rate proceeding and will result in rates based more fully on cost of service.

In order to achieve this goal, the Company has proposed rate increases to Rate Schedules RS and RTS (residential service), Rate GS-1 (SC&I), Rate LP-4 (LC&I) and Rate LPEP (Amtrak). With the proposed increases, Rate Schedules RTS, GS-1, LP-4, and LPEP will be at full cost of service, and Rate Schedule RS will be at 99% of cost of service. Rate decreases are proposed for Rate Schedules GS-3 (SC&I), LP-5 (LC&I) and the street lighting rate schedule. With these proposed decreases, Rate Schedule LP-5 and street lighting rate schedule will be at full cost of service, and Rate Schedule GS-3 will be within 5% of full cost of service.

With respect to rate design, PPL Electric is proposing to continue movement toward distribution rates that are more demand- and customer-based, and less usage-based. This change results in rates that are more reflective of how costs are incurred by an electric distribution company. The Company also is proposing to move to a daily customer charge for all rate schedules. This change should provide an easier calculation for those customers who calculate their bills, as well as facilitate accelerated customer switching to and from default and competitive service. Additional details regarding the specific rate design for each of the customer classes is provided in the Direct Testimony of Scott R. Koch, PPL Electric Statement No. 5.

In accordance with prior Commission orders, the Company is proposing to roll-in revenues collected under its DSIC mechanism. Also, by separate Petition, which the Company requests be consolidated with this rate proceeding, the Company is proposing to increase its DSIC cap from 5% to 7.5%, consistent with the approach adopted by the PUC for major water utilities. This will permit the company to continue timely recovery of eligible DSIC investments and defer the need for future base rate cases.

Finally, as part of this filing, the Company is proposing certain tariff revisions to provide further clarity to certain tariff rules, riders, and rate schedules. Included in the filing as Exhibit SRK 1A is a black line version of the tariff reflecting these changes; Exhibit SRK 1 is a clean version of the revised tariff.

V. CONCLUSION

PPL Electric is proposing a distribution rate increase appropriate for the restructured electric utility industry now in place in Pennsylvania. It reflects PPL Electric's status as a distribution electric utility and is based on financial and operating

data for that single business line. The requested rate increase reflects the business environment the Company currently faces, particularly its need to make significant capital investments to help ensure that its reliability performance remains strong for customers today and in the future. The increase will move PPL Electric's inadequate return on equity from an estimated 5.4% in 2016 to an allowed 10.95%. This return is the minimum required for the Company to attract capital on reasonable terms, provide safe and reliable service to its customers and fully fund the various innovative programs described above. The return on equity proposed in this filing is particularly appropriate in view of PPL Electric's management effectiveness and the wide variety of efforts and initiatives undertaken to improve service to customers while at the same time maintaining distribution rates which are below the average of comparable companies. For all of these reasons, PPL Electric's proposed distribution rate increase is just and reasonable and should be approved by the Commission.

PPL ELECTRIC UTILITIES CORPORATION

B – Book Statements

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Section B – Book Statements

- B-1 Balance Sheet at December 3, 2016
- B-2 Electric Service – Statement of Net Utility Operating Income – Year Ended December 31, 2016
- B-3 Electric Service – Operating Revenues – Year Ended December 31, 2016
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- B-5 Electric Service – Detail of Taxes – Year Ended December 31, 2016
- B-6 Historical (Embedded) Cost of Long-Term Debt Capital at December 31, 2016
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PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2016
Assets and Other Debits
(Thousands of Dollars)

<u>Acct.</u>		<u>Amount</u>
<u>No.</u>	<u>Title of Account</u>	
	Utility Plant	
101	Plant in service	\$ 9,375,167
105	Plant held for future use	47,962
106	Completed construction not classified	1,003,553
107	Construction work in progress	525,627
	Gross utility plant	10,952,309
108	Accumulated provision for depreciation	(2,901,169)
111	Accumulated provision for amortization	(56,047)
	Net utility plant	7,995,093
	Other Property and Investments	
121	Nonutility property	1,693
122	Accumulated provision for depreciation of nonutility property	(572)
	Net nonutility property	1,121
123	Investment in subsidiary companies	0
124	Other investments	344
128	Other special funds	0
	Total Other Property and Investments	1,465
	Current and Accrued Assets	
131	Cash	0
132	Interest special deposits	0
134	Other special deposits	0
135	Working funds	0
136	Temporary cash investments	24,385
	Notes and accounts receivable	
141	Notes receivable	0
142	Customer accounts receivable	326,930
143	Other accounts receivable	45,898
144	Accumulated provision for uncollectible accounts-credit	(21,863)
	Total notes and accounts receivable	350,965
145	Notes receivable from associated companies	0
146	Accounts receivable from associated companies	0
	Materials and supplies	
154	Plant materials and operating supplies	33,602
163	Stores expense undistributed	2,571
	Total materials and supplies	36,173

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2016
Assets and Other Debits
(Thousands of Dollars)

<u>Acct.</u>	<u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
		Current and Accrued Assets (continued)	
	165	Prepayments	\$ 11,051
		Other current and accrued assets	
	171	Interest and dividends receivable	10
	172	Rents receivable	6,551
	173	Accrued utility revenues	106,616
	174	Miscellaneous current and accrued assets	12,802
	190	Accumulated deferred income taxes (current)	61,248
		Total other current and accrued assets	<u>187,228</u>
		Total Current and Accrued Assets	<u>609,801</u>
		Deferred Debits	
	181	Unamortized debt expense	27,889
	182.3	Other regulatory assets	734,905
	183	Preliminary survey and investigation charges	17
	184	Clearing accounts	0
	185	Temporary facilities	0
	186	Miscellaneous deferred debits	783
	189	Unamortized loss on reacquired debt	35,390
	190	Accumulated deferred income taxes (noncurrent)	0
		Contributions in aid of construction	118,605
		Net Operating Losses	10,985
		Pension and Post-Retirement Costs	161,602
		SFAS 109	233
		Other	45,171
		Total accumulated deferred income taxes (noncurrent)	<u>336,596</u>
		Total Deferred Debits	<u>1,135,580</u>
		Total Assets and Other Debits	<u>\$ 9,741,939</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2016
Liabilities and Other Credits
(Thousands of Dollars)

<u>Acct.</u> <u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Proprietary Capital	
201	Common stock issued	\$ 363,833
204	Preferred stock issued	0
207	Premium on capital stock	0
211	Miscellaneous paid-in capital	2,184,262
214	Capital stock expense	(6,283)
215.1	Appropriated retained earnings - amortization reserve - Federal	0
216	Unappropriated retained earnings	949,718
216.1	Unappropriated undistributed subsidiary earnings	0
217	Reacquired capital stock	0
219	Other comprehensive income	31
	Total Proprietary Capital	3,491,561
	Long-Term Debt	
221	Bonds	3,308,750
224	Other long-term debt	0
225	Unamortized premium	0
226	Unamortized discount on long-term debt-debit	(10,030)
		3,298,720
	Less amount due within one year	
221	Bonds	0
	Total Long-Term Debt	3,298,720
	Other Noncurrent Liabilities	
227	Obligations under capital leases (noncurrent)	0
	Current and Accrued Liabilities	
224	Long-term debt due within one year-other	
231	Notes payable	
232	Accounts payable	325,472
234	Accounts payable to associated companies	44,751
235	Customer deposits	15,125
236	Taxes accrued	72,256
237	Interest accrued	41,366
238	Dividends declared	0
240	Matured interest	0
241	Tax collections payable	1,129
242	Miscellaneous current and accrued liabilities	78,542
243	Obligations under capital-leases - current	0
283	Accumulated deferred income taxes-other (current)	16,274
	Total Current and Accrued Liabilities	594,915

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2016
Liabilities and Other Credits
(Thousands of Dollars)

Acct. No.	<u>Title of Account</u>	<u>Amount</u>
	Deferred Credits	
228.3	Accumulated provision for pensions and benefits	\$ 252,008
229	Accumulated provision for rate refunds	0
252	Customer advances for construction	80
253	Other deferred credits	11,111
254	Other regulatory liabilities	93,972
255	Accumulated deferred investment tax credits	328
281	Accumulated deferred income taxes - accelerated amortization property	0
282	Accumulated deferred income taxes - other property	
	Accelerated cost recovery system	686,733
	SFAS 109	186,867
	Net Book/Net Tax Plant (Excluding CIAC) - Transmission	412,481
	Other 263A & repair allowance	341,860
	Other	(14,627)
	Total accumulated deferred income-taxes - other property	<u>1,613,314</u>
283	Accumulated deferred income taxes - other (noncurrent)	<u>385,930</u>
	Total Deferred Credits	<u>2,356,743</u>
	Total Liabilities and Other Credits	<u>\$ 9,741,939</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Net Utility Operating Income
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
400	Operating Revenue (B-3)	<u>\$ 2,148,939</u>
	Operating Expenses:	
401,402	Operation and Maintenance expenses (B-4)	
	Power production	530,621
	Transmission	125,499
	Regional market	68
	Distribution	178,068
	Customer accounts	78,572
	Customer service and informational expenses	105,118
	Sales	1,719
	Administrative and general	<u>190,668</u>
	Total Operation and Maintenance Expenses	<u>1,210,333</u>
403	Depreciation expense	213,248
404,405	Amortization of electric plant	26,035
407.3	Regulatory debits	14,891
407.4	Regulatory credits	-
	Taxes (B-5)	
408.1	Taxes other than income taxes	121,427
409.1	Income taxes	53,809
	Deferred income taxes	
410.1	Provision	135,269
411.1	Provision - Credit	(23,472)
411.4	Investment tax credit adjustments	<u>(110)</u>
	Total Taxes	<u>286,923</u>
411.6	Gains from disposition of utility plant	-
411.7	Losses from disposition of utility plant	-
	Total Operating Expenses	<u>1,751,430</u>
	Net Utility Operating Income	<u>\$ 397,509</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operating Revenue
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>Sales of Electricity</u>	
1	Residential	\$ 1,242,131
2	Commercial	366,226
3	Industrial	64,666
4	Public authorities	22,258
5	Railroads	942
6	Sales for resale	3,719
7	Provision for rate refunds	<u>0</u>
8	Sales Revenue	<u>1,699,942</u>
	<u>Other Operating Revenue</u>	
9	Late payments	12,736
10	Miscellaneous service revenue	1,444
11	Rent from electric property	43,045
12	Unbilled revenue	627
13	Other electric revenue	<u>391,145</u>
14	Total Other Operating Revenue	<u>448,997</u>
15	Total Electric Operating Revenue	<u>\$ 2,148,939</u>

PPL ELECTRIC UTILITIES CORPORATION
Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Power Production Expenses</u>	
	Other Power Supply Expenses	
555	Purchased power	
	Non-affiliates	\$ 528,337
	Non-utility generation	-
	PJM ancillary services	1,431
	Other	
556	System control and load dispatching	
	PJM ancillary services	58
	Other	-
557	Other expenses	795
	Total Other Power Supply Expenses	<u>530,621</u>
	Total Power Production Expenses	<u>530,621</u>
	<u>Transmission Expenses</u>	
	Operation	
560	Operation supervision and engineering	9,789
561	Load dispatching	3,069
562	Station expenses	238
563	Overhead line expenses	1,404
564	Underground line expenses	-
565	Transmission of electricity by others	82,392
566	Miscellaneous transmission expenses	3,976
567	Rents	192
	Total Transmission Operation Expenses	<u>101,059</u>
	Maintenance	
568	Maintenance supervision and engineering	487
569	Maintenance of structures	122
570	Maintenance of station equipment	9,042
571	Maintenance of overhead lines	14,439
572	Maintenance of underground lines	132
573	Maintenance of miscellaneous transmission plant	218
	Total Transmission Maintenance Expenses	<u>24,439</u>
	Total Transmission Expenses	<u>125,499</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Regional Market Expenses</u>	
	Operation	
575.7	Market Facilitation, Monitoring and Compliance Services	\$ 68
	Total Regional Market Expenses	<u>68</u>
	<u>Distribution Expenses</u>	
	Operation	
580	Operation supervision and engineering	21,037
581	Load dispatching	241
582	Station expenses	498
583	Overhead line expenses	18,435
584	Underground line expenses	4,474
585	Street lighting and signal system expenses	514
586	Meter expenses	13,769
587	Customer installations expenses	5,013
588	Miscellaneous distribution expenses	16,531
589	Rents	6,904
	Total Distribution Operation Expenses	<u>87,418</u>
	Maintenance	
590	Maintenance supervision and engineering	429
591	Maintenance of structures	22
592	Maintenance of station equipment	9,252
593	Maintenance of overhead lines	68,465
594	Maintenance of underground lines	5,003
595	Maintenance of line transformers	1,617
596	Maintenance of street lighting and signal systems	2,394
597	Maintenance of meters	2,442
598	Maintenance of miscellaneous distribution plant	1,026
	Total Distribution Maintenance Expenses	<u>90,651</u>
	Total Distribution Expenses	<u>178,068</u>
	<u>Customer Accounts Expenses</u>	
	Operation	
901	Supervision	2,169
902	Meter reading expenses	2,319
903	Customer records and collection expenses	35,109
904	Uncollectible accounts	35,500
905	Miscellaneous customer accounts expenses	3,474
	Total Customer Accounts Expenses	<u>78,572</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2016
(Thousands of Dollars)

Acct. No.	<u>Title of Account</u>	<u>Amount</u>
	<u>Customer Service and Informational Expenses</u>	
	Operation	
908	Customer assistance expenses	
	On-track uncollectible accounts	\$ 26,010
	Other	77,250
909	Informational and instructional expense	1,810
910	Miscellaneous customer service and informational expenses	<u>48</u>
	Total Customer Service and Informational Expenses	<u>105,118</u>
	<u>Sales Expenses</u>	
	Operation	
911	Supervision	-
912	Demonstrating and selling expenses	758
913	Advertising expenses	33
916	Miscellaneous sales expenses	<u>928</u>
	Total Sales Expenses	<u>1,719</u>
	<u>Administrative and General Expenses</u>	
	Operation	
920	Administrative and general salaries	5,066
921	Office supplies and expenses	128,122
923	Outside services employed	56
924	Property insurance	1,558
925	Injuries and damages	4,685
926	Employee pensions and benefits	24,567
928	Regulatory commission expenses	5,523
930	Miscellaneous general expenses	<u>2,906</u>
		<u>172,484</u>
	Maintenance	
935	Maintenance of general plant	18,184
	Total Administrative and General Expenses	190,668
	Total Operation and Maintenance Expenses	<u>\$ 1,210,333</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail Taxes
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Taxes Other Than Income	
	State and Local	
1	Capital Stock	\$ -
2	Gross Receipts	107,721
3	Local property and Other	3,017
4	Public Utility Realty	2,305
5	State Unemployment Compensation	441
6	Sales and Use	0
7	Total State and Local	<u>113,484</u>
	Federal	
8	Unemployment Tax Act	50
9	Social Security and Hospital Insurance	7,893
10	Total Federal	<u>7,943</u>
11	Total Taxes Other Than Income	<u>121,427</u>
	Income Taxes	
12	State	11,216
13	Federal	42,593
14	Total Income Taxes	<u>53,809</u>
	Investment Tax Credit	
15	Deferred	0
16	Amortization of Deferral	(110)
17	Net Investment Tax Credit	<u>(110)</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail Taxes
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Federal</u>	<u>State</u>	<u>Amount</u>
	Deferred Income Taxes			
	Provision for Deferred Taxes			
	Net Book/Net Tax Plant Timing Differences:			
18	Basis Adjustments - Distribution Property	\$ 5,379	\$ 1,614	\$ 6,993
19	ACRS & MACRS - Distribution Property	4,415	0	4,415
20	ACRS & MACRS - General Property	6,031	0	6,031
21	Net Book/Net Tax Plant - Transmission Property	51,224	17,860	69,084
22	Federal NOL Carryforward - Distribution Property	35,812	0	35,812
23	Federal NOL Carryforward - Transmission Property	3,318	0	3,318
24	State NOL Carryforward - Distribution Property	(1,682)	4,807	3,125
25	Bad Debts	3,555	1,127	4,682
26	Post-Retirement Benefits	200	63	263
27	Prepays	323	103	426
28	Revenue Agent Report (RAR) Adjustment	180	31	211
29	SERP/DRP	98	31	129
30	Vacation Pay	246	78	324
31	Variable Pay	346	110	456
32	Total Provision	<u>109,445</u>	<u>25,824</u>	<u>135,269</u>
	Provision for Deferred Taxes - Credit			
	Net Book/Net Tax Plant Timing Differences:			
33	Basis Adjustments - General Property	(36)	(11)	(47)
34	Contributions in Aid of Construction (CIAC) - Distribution Property	(1,784)	(562)	(2,346)
35	Contributions in Aid of Construction (CIAC) - Transmission Property	(8)	(3)	(11)
36	AMT Credit Carryforward	(15,536)	0	(15,536)
37	Deferred Compensation - Officers	(115)	(37)	(152)
38	Environmental Cleanup	(243)	(77)	(320)
39	Loss - Reacquired Debt	(2,165)	(686)	(2,851)
40	Storm Deferral	(1,677)	(532)	(2,209)
41	Total Credits	<u>\$ (21,564)</u>	<u>\$ (1,908)</u>	<u>(23,472)</u>
42	Total Deferred Income Taxes			<u>111,797</u>
43	Total All Taxes			<u>\$ 286,923</u>

PPL ELECTRIC UTILITIES CORPORATION

Calculation of Composite Cost Rate of Long-Term Debt
at December 31, 2016
(Thousands of Dollars)

Line No.	(1) First Mortgage Bonds (f)	(2) Amount Outstanding	(3) Percent to Total	(4) Effective Interest Rate (a)	(5) Average Weighted Cost Rate	
1	7-3/8 % Series due 2014	\$ -	0.00 %	0.00 %	0.00 %	
2	3.00% Series due 2021	400,000	13.36	3.19	0.43	
3	5.20% Series due 2041	250,000	8.35	5.31	0.44	
4	2.50% Series due 2022	250,000	8.35	2.63	0.22	
5	4.75% Series due 2043	350,000	11.69	4.86	0.57	
6	4.95% Series due 2015	0	0.00	5.03	0.00	
7	5.15% Series due 2020	100,000	3.34	5.21	0.17	
8	6.45% Series due 2037	250,000	8.35	6.53	0.55	
9	6.25% Series due 2039	300,000	10.02	6.37	0.64	
10	4.125% Series due 2044	300,000	10.02	4.26	0.43	
11	5.64% Series Due 2045	410,000	13.69	5.72	0.78	
12	5.4% Series Due 2046	385,000	12.85	5.48	0.70	
11	Total	\$ 2,995,000	100.00 %		4.93 %	
	<u>Pollution Control Bonds</u>					
12	4.75% Series B due 2027	108,250	34.50	4.90	1.69	
13	4.70% Series A due 2029	115,500	36.81	4.86	1.79	
14	Series 2008 due 2023	90,000	28.69	4.21	1.21	
15	Total	\$ 313,750	100.00 %		4.69 %	
16	Total First Mortgage Bonds	2,995,000	90.52 %	4.93 %	4.46 %	
17	Total Pollution Control Bonds	313,750	9.48	4.69	0.44	
18		\$ 3,308,750	100.00 %		4.90 %	
19	Long-Term Debt	\$ 3,308,750			4.90 %	\$ 162,129 (b)
20	Loss on Reacquired Debt	(35,391)				6,871 (c)
21	Gain on Reacquired Debt	0				0 (d)
22	Adjusted Long-Term Debt	\$ 3,273,359			5.16 % (e)	\$ 169,000

(a) Effective interest rate from Schedule B-6, page 2.

(b) 4.90% * \$3,308,750

(c) Annualized amortization of loss on reacquired debt

(d) Annualized amortization of gain on reacquired debt

(e) \$169,000 / \$3,273,359

(f) The Senior Secured Bonds reported in prior filings are now included under the First Mortgage Bonds category.

PPL ELECTRIC UTILITIES CORPORATION

**Schedule of Long-Term Debt and Calculation
of Average Weighted Cost Rate at December 31, 2016**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Line No.	Description of Issue	Nominal Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding	Amount Retired	Coupon Rate - %	Premium, Option or (Discount) at Issuance	Issuance Expense	Net Proceeds	Annual Sinking Fund Requirement	Average Term in Years	Net Proceeds Ratio	Effective Interest Rate - %
<u>First Mortgage Bonds (a)</u>														
1	7-3/8 % Series Due 2014	3/1/1994	3/1/2014	\$100,000,000	\$0	100,000,000	7.375	(\$1,655,000)	\$144,440	\$98,200,560		20	98.20	7.55
2	3.0% Series Due 2021	8/23/2011	9/15/2021	400,000,000	400,000,000	-	3.00	(3,236,000)	3,161,192	393,602,808		10	98.40	3.19
3	5.20% Series Due 2041	7/15/2011	7/15/2041	250,000,000	250,000,000	-	5.20	(1,430,000)	2,801,101	245,768,899		30	98.31	5.31
4	2.50% Series Due 2022	8/24/2012	9/1/2022	250,000,000	250,000,000	-	2.50	(837,500)	1,914,882	247,247,618		10	98.90	2.63
5	4.75% Series Due 2043	7/11/2013	7/15/2043	350,000,000	350,000,000	-	4.75	(2,219,000)	3,691,346	344,089,654		30	98.31	4.86
6	4.95% Senior Secured Bonds	12/20/2005	12/15/2015	100,000,000	0	100,000,000	4.95		621,302	99,378,698		10	99.38	5.03
7	5.15% Senior Secured Bonds	12/20/2005	12/15/2020	100,000,000	100,000,000	-	5.15		621,301	99,378,699		15	99.38	5.21
8	6.45% Senior Secured Bonds	8/13/2007	8/15/2037	250,000,000	250,000,000	-	6.45	(67,500)	2,522,764	247,409,736		30	98.96	6.53
9	6.25% Senior Secured Bonds	5/22/2009	5/15/2039	300,000,000	300,000,000	-	6.25	(1,806,000)	3,105,155	295,088,845		30	98.36	6.37
10	4.125% Series Due 2044	6/5/2014	6/15/2044	300,000,000	300,000,000	-	4.125	(3,519,000)	3,314,219	293,166,781		30	97.72	4.26
11	5.64% Series Due 2045	8/1/2015	8/1/2045	410,000,000	410,000,000	-	5.64		4,510,000	405,490,000		30	98.90	5.72
12	5.4% Series Due 2046	6/1/2016	6/1/2046	385,000,000	385,000,000	-	5.4		4,235,000	380,765,000		30	98.90	5.48
<u>Pollution Control Bonds</u>														
13	4.75% Series Due 2027	5/17/2005	2/15/2027	108,250,000	108,250,000	-	4.75	-	2,183,567	106,066,433		22	97.98	4.90
14	4.70 % Series Due 2029	2/23/2005	9/1/2029	115,500,000	115,500,000	-	4.70		2,605,170	112,894,830		24	97.74	4.86
15	Series 2008 due 2023	10/28/2008	10/1/2023	90,000,000	90,000,000	-	4.00		2,072,950	87,927,050		15	97.70	4.21
16	TOTAL				<u>\$ 3,308,750,000</u>									

(a) The Senior Secured Bonds reported in prior filings are now included under the First Mortgage Bonds category.

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure as of December 31, 2016
(Millions of Dollars)

Line No.		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Capitalization								
1	Long-Term Debt (a)	\$ 1,446.6	\$ 1,647.4	\$ 1,908.6	\$ 2,267.4	\$ 2,564.3	\$ 2,881.5	\$ 3,273.4
2	Preferred & Preference Stock (b)	249.8	250.0	0.0	0.0	0.0	0.0	0.0
3	Common Equity (c)	1,604.4	1,780.2	2,066.6	2,361.3	2,723.1	3,091.0	3,497.8
4	Total	<u>\$ 3,300.8</u>	<u>\$ 3,677.6</u>	<u>\$ 3,975.2</u>	<u>\$ 4,628.7</u>	<u>\$ 5,287.4</u>	<u>\$ 5,972.5</u>	<u>\$ 6,771.2</u>
Capitalization Ratios								
5	Long-Term Debt (a)	43.82%	44.79%	48.01%	48.99%	48.50%	48.25%	48.34%
6	Preferred & Preference Stock (b)	7.57%	6.80%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Common Equity (c)	48.61%	48.41%	51.99%	51.01%	51.50%	51.75%	51.66%
8	Total	<u>100.00%</u>						

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

(b) Preferred and preference stock include an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock. In June 2012, PPL Electric redeemed all 2.5 million shares of its outstanding Preference Shares, par value of \$100 per share. The price paid for the redemption was the par value, without premium (\$250 million in the aggregate).

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

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure
(Thousands of Dollars)

Line No.	2010	2011	2012	2013	2014	2015	2016
<u>Computation of Long-Term Debt</u>							
1	\$ 1,474,040	\$ 1,724,040	\$ 1,974,040	\$ 2,324,040	\$ 2,613,750	\$ 2,923,750	\$ 3,308,750
2	(27,466)	(76,633)	(65,452)	(56,594)	(49,404)	(42,262)	(35,391)
3	<u>\$ 1,446,574</u>	<u>\$ 1,647,407</u>	<u>\$ 1,908,588</u>	<u>\$ 2,267,446</u>	<u>\$ 2,564,346</u>	<u>\$ 2,881,488</u>	<u>\$ 3,273,359</u>
<u>Computation of Preferred & Preference Stock</u>							
4	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment for Unamortized Premiums and Unrecovered Original Issue Costs on Reacquired Preferred and							
5	(176)	(35)					
6	<u>\$ 249,824</u>	<u>\$ 249,965</u>	<u>\$ -</u>				
<u>Computation of Common Equity</u>							
Common Equity per Books							
7	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833	\$ 363,833
8	0	0	0	0	0	0	0
9	891,263	991,263	1,141,263	1,346,263	1,609,263	1,884,263	2,184,263
10	349,112	425,052	561,463	651,157	749,998	842,862	949,718
11	<u>1,604,208</u>	<u>1,780,148</u>	<u>2,066,559</u>	<u>2,361,253</u>	<u>2,723,094</u>	<u>3,090,958</u>	<u>3,497,814</u>
Adjustments for:							
Unamortized Premiums and Unrecovered Original Issue Costs on Reacquired							
12	176	35					
13	<u>\$ 1,604,384</u>	<u>\$ 1,780,183</u>	<u>\$ 2,066,559</u>	<u>\$ 2,361,253</u>	<u>\$ 2,723,094</u>	<u>\$ 3,090,958</u>	<u>\$ 3,497,814</u>

PPL ELECTRIC UTILITIES CORPORATION

**Rate of Return at
December 31, 2016**

<u>Line No.</u>	(1)	(2)	(3)	(4)
		<u>Capitalization Ratio (B-8)</u>	<u>Embedded Cost</u>	<u>Return</u>
1	Long-Term Debt	48.34 %	5.16 % (B-6)	2.49 %
2	Common Equity	51.66	10.95	5.66
3		<u>100.00 %</u>		<u>8.15 %</u>

PPL ELECTRIC UTILITIES CORPORATION

C – Rate Base

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Section C - Rate Base

C-1	Rate Base and Rates of Return
C-2	Electric Plant in Service
C-3	Electric Plant Held for Future Use
C-4	Working Capital
C-5	Plant Materials and Operating Supplies
C-6	Accumulated Deferred Taxes on Income

PPL ELECTRIC UTILITIES CORPORATION

Rate Base and Rate of Return
As of December 31, 2016
(Thousands of Dollars)

Line No.	<u>Title of Account</u>	<u>Total T&D Operations</u>	<u>PPUC Jurisdictional (Exhibit JDT 3)</u>
	Electric Plant		
1	Electric plant in service (C-2)	\$ 9,947,959	\$ 6,223,495
2	Reserve for depreciation (C-2)	2,834,134	2,206,334
3	Net electric plant in service	<u>7,113,825</u>	<u>4,017,161</u>
	Additions		
3	Plant held for future use (C-3)	<u>0</u>	<u>0</u>
4	Total electric plant	<u>7,113,825</u>	<u>4,017,161</u>
	Working Capital		
5	Cash working capital (C-4)	16,556	20,071
6	Materials and operating supplies (C-5)	36,173	26,187
7	Total working capital	<u>52,729</u>	<u>46,258</u>
	Deductions		
8	Accumulated deferred taxes on income (C-6)	1,239,920	892,143
9	Customer advances for construction (B-1)	80	80
10	Customer deposits (B-1)	15,125	15,125
11	Total deductions	<u>1,255,125</u>	<u>907,348</u>
12	Rate Base (net)	<u>\$ 5,911,429</u>	<u>\$ 3,156,071</u>
	Pro forma return at present rates		
13	Amount (D-1, col. 6)		167,180
14	Percent		5.30%
	Pro forma return at proposed rates		
15	Amount (D-1, col. 8)		257,220
16	Percent		8.15%

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service - Original Cost
As of December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$ 3,677,927
2	Distribution	5,332,522
3	General	787,280
4	Intangible	<u>150,230</u>
5	Total electric plant in service	<u>\$ 9,947,959</u>

PPL ELECTRIC UTILITIES CORPORATION

Reserve for Depreciation - Original Cost
As of December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$ 590,021
2	Distribution	1,869,231
3	General	295,883
4	Intangible	<u>78,999</u>
5	Total reserve for depreciation	<u>\$ 2,834,134</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant Held For Future Use

As of December 31, 2016¹⁾

(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Transmission	
1	Substations	\$ 10,610
2	Lines	34,446
3	Total	<u>45,056</u>
	Distribution	
4	Area - Substations	2,892
5	Lines	14
6	Other	0
7	Total	<u>2,906</u>
8	Total plant held for future use ¹⁾	47,962
9	Less: Eliminate plant held for future use ²⁾	(47,962)
10	Adjusted plant held for future use	<u>\$ 0</u>

¹⁾ Reflects only the future use property expected to be placed into service within 10 years.

²⁾ No claim is being made for future use property in this proceeding

PPL ELECTRIC UTILITIES CORPORATION

Cash Working Capital
As of December 31, 2016
(Thousands of Dollars)

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amount</u>
1	Operation and maintenance expense (C-4, page 2)	\$ 8,368
2	Average prepayments (C-4, page 3)	3,805
3	Accrued taxes (C-4, page 4)	17,270
4	Interest payments (C-4, page 5)	<u>(12,887)</u>
5	Total cash working capital requirement	<u>\$ 16,556</u>

PPL Electric Utilities Corporation

Working Capital Required for Operation and Maintenance Expenses

As of December 31, 2016

(Thousands of Dollars)

The Company bills its customers every month. On this basis, there is a considerable span of days between the time electricity is furnished to a customer and the time the customer pays for such electricity.

In many instances, the Company must pay its bills for payroll and other O&M expenses prior to the time it is able to collect the amount due for the service which requires the incurrence of such expenses. Thus, the Company has examined its records to determine, as to the major categories of expense, the average span of days which exists between the time an expense is incurred and the time it must be paid. Schedule C-4, page 2, of Exhibit Historic 1 sets forth the individual components which result in the days lag between payment of expenses and receipt of the related revenues used in the determination of the working capital required for the pro forma O&M expense for the test year ending December 31, 2014.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Net pro forma O&M expense (a)	449,175
2	O&M expense per day (line 1 divided by 365 days)	1,231
3	Average lag in days between payment of O&M expenses and receipt of revenue (b)	6.8
4	Working capital requirement (line 2 x line 3)	<u>\$ 8,368</u>
	(a) Total pro forma operation and maintenance expense (D-1)	\$ 478,261
	Less: Non-cash items	
	Uncollectible accounts expense per budget	23,762
	Amortization of 2005 Storm costs	0
	Amortization of 2011 Storm costs	5,324
	Net pro forma O&M expense	<u>\$ 449,175</u>

(b) See Exhibit Historic 1, Schedule C-4, page 2.

PPL ELECTRIC UTILITIES CORPORATION

Average Prepayments
As of December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Insurance</u>	<u>PUC Annual Assessment</u>	<u>Other</u>	<u>Total</u>
1	December 2015	\$0	\$2,762	\$1,375	\$4,137
2	January 2016	52	2,085	494	\$2,631
3	February	47	1,668	890	\$2,605
4	March	42	1,251	1,022	\$2,315
5	April	38	834	1,028	\$1,900
6	May	33	417	993	\$1,443
7	June	28	4,990	978	\$5,996
8	July	24	4,574	973	\$5,571
9	August	19	4,158	938	\$5,115
10	September	14	3,743	943	\$4,700
11	October	9	3,682	1,008	\$4,699
12	November	5	3,222	983	\$4,210
13	December	0	2,762	1,375	\$4,137
14	Total Prepayments	\$311	\$36,148	\$13,000	\$49,459
15	Monthly Average	\$24	\$2,781	\$1,000	\$3,805

PPL ELECTRIC UTILITIES CORPORATION

Accrued Taxes
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>12-Month Accrued Factor (a)</u>	<u>Accrued Taxes</u>
1	Federal income tax (D-1, line 6, col. 5)	29,760	-3.77%	(\$1,123)
2	PA income tax (D-1, line 7, col. 5)	12,265	-1.69%	(207)
3	PA gross receipts tax (D-10, page 2)	50,524	35.81%	18,093
4	PA capital stock tax	0	-1.69%	0
5	PA public utility reality tax (D-10, page 3)	2,173	23.31%	507
6	Total accrued taxes			<u>\$17,270</u>

(a) The 12-month average factor represents, in the case of Federal and State income tax and capital stock tax, the portion of the tax liability which is available to the Company for the payment of other costs. This situation exists because revenue is available from customers prior to payment dates of the tax. The factors for the other Pennsylvania taxes represent the portions of those tax liabilities which must be provided by the Company due to payment of the taxes before the revenue is available from customers. Exhibit Historic 1, Schedule C-4, pages 7 through 12 reflect the computation of such factors.

PPL ELECTRIC UTILITIES CORPORATION

Interest Payments
As of December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Rate Base at December 31, 2016 (C-1)	\$ 5,911,429
2	Long-term debt ratio (B-8)	48.34%
3	Embedded cost of long-term debt (B-8)	5.16%
4	Pro forma interest (line 1 x line 2 x line 3)	<u>147,451</u>
5	Daily amount (line 4 ÷ 365)	<u>\$ 404</u>
6	Days to mid-point of interest payments	90.0
7	Less: Revenue lag days (Historic C-4, page 2)	<u>58.1</u>
8	Interest payments lag days (line 6 - line 7)	<u>31.9</u>
9	Total interest payments (line 5 x line 8)	<u>\$ 12,887</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies

As of December 31, 2016

(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Plant materials and operating supplies	\$ 33,602
2	Stores expense undistributed	<u>2,571</u>
3	Total materials and operating supplies	<u>\$ 36,173</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies

As of December 31, 2016

(Thousands of Dollars)

Line No.	Month	Amount
1	December 2015	\$ 39,742
2	January 2016	32,187
3	February	32,032
4	March	31,616
5	April	31,300
6	May	31,335
7	June	32,537
8	July	32,959
9	August	32,696
10	September	32,630
11	October	32,700
12	November	35,341
13	December	<u>39,742</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 436,817</u>
15	13-Month Average	<u>\$ 33,602</u>

PPL ELECTRIC UTILITIES CORPORATION

Stores Expense Undistributed
As of December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2015	\$ 3,087
2	January 2016	2,244
3	February	2,686
4	March	2,253
5	April	2,290
6	May	2,418
7	June	2,585
8	July	2,799
9	August	2,811
10	September	2,413
11	October	2,423
12	November	2,330
13	December	<u>3,087</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 33,426</u>
15	13-Month Average	<u>\$ 2,571</u>

PPL ELECTRIC UTILITIES CORPORATION

Accumulated Deferred Taxes on Income
As of December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Distribution	
1	Accelerated Cost Recovery System (ACRS/MACRS) (a)	\$ 601,518
2	Contributions In Aid Of Construction (CIAC)	(93,815)
3	Other 263A & Repair Allowance (a)	328,466
4	Balance at December 31, 2016	<u>\$ 836,169</u>
	General	
5	Accelerated Cost Recovery System (ACRS/MACRS) (a)	57,984
6	Other 263A & Repair Allowance	(1,573)
7	Balance at December 31, 2016	<u>56,411</u>
	Transmission	
8	Contributions In Aid Of Construction (CIAC)	(19,911)
9	Net Book/Net Tax Plant (Excluding CIAC) (a)	367,251
10	Balance at December 31, 2016	<u>347,340</u>
	Total (B-1)	
11	Accelerated Cost Recovery System (ACRS/MACRS)	659,502
12	Contributions In Aid Of Construction (CIAC)	(113,726)
13	Net Book/Net Tax Plant (Excluding CIAC) - Transmission	367,251
14	Other 263A & Repair Allowance	326,893
15	Total accumulated deferred taxes on income	<u><u>\$1,239,920</u></u>

(a) Accelerated cost recovery system and Other 263A & Repair Allowance are netted with applicable net operating losses and alternative minimum tax credit carryforwards on lines 1, 3, 5 and 9.

PPL ELECTRIC UTILITIES CORPORATION

Accumulated Deferred Taxes on Income
As of December 31, 2016
Reg 1.167(l)-(h)(6)ii
(Thousands of Dollars)

<u>Line No.</u>				<u>Amount</u>
1	Accumulated Deferred Taxes at December 31, 2015			\$ 1,183,275
2	Projected Accumulated Deferred Taxes at December 31, 2016			<u>1,305,830</u>
3	Increase in Accumulated Deferred Taxes for year 2016			<u>\$ 122,555</u>
		<u>Monthly Increase</u>	<u>Proration</u>	
4	Balance December 31, 2015			\$ 1,183,275
5	January 1-31, 2016	\$ 10,213	336/366	9,376
6	February 1-29, 2016	10,213	307/366	8,567
7	March 1-31, 2016	10,213	276/366	7,702
8	April 1-30, 2016	10,213	246/366	6,864
9	May 1-31, 2016	10,213	215/366	5,999
10	June 1-30, 2016	10,213	185/366	5,162
11	July 1-31, 2016	10,213	154/366	4,297
12	August 1-31, 2016	10,213	123/366	3,432
13	September -130, 2016	10,213	93/366	2,595
14	October 1-31, 2016	10,213	62/366	1,730
15	November 1-30, 2016	10,213	32/366	893
16	December 1-31, 2016	10,213	1/366	<u>28</u>
17	Balance December 31, 2015 plus pro rata portion of monthly increases			<u>\$ 1,239,920</u>

PPL ELECTRIC UTILITIES CORPORATION

D – Operating Income

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Section D – Operating Income

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PPL ELECTRIC UTILITIES CORPORATION

Operating Income
 Pro Forma at Present and Proposed Rates
 Year Ended December 31, 2016
 (Thousands of Dollars)

Line No.		(1)	(2)	(3)	(4)	(5)	(6) PPUC Jurisdictional		(8)
		Total Amount Per Budget	Less: Automatic Cost Recovery Clauses/Riders ¹⁾	T & D Operations Per Budget	Pro Forma Adjustments (D-2)	T & D Pro Forma at Present Rates	Pro Forma at Present Rates (Exhibit JDT 3)	Rate Increase (D-11, Pg. 4)	Pro Forma at Proposed Rates
1	Operating Revenues	\$ 2,148,939	\$ (813,097)	\$ 1,335,842	\$ (683)	\$ 1,335,159	\$ 902,153	\$ 167,479	\$ 1,069,632
	Operating Expenses								
2	Operation and Maintenance	1,210,333	(732,297)	478,036	(5,099)	472,937	401,253	3,701	404,954
3	Depreciation	239,283	(3,357)	235,926	20,097	256,023	182,726	-	182,726
4	Regulatory Debits/Credits	14,891	(9,567)	5,324	-	5,324	5,324	-	5,324
	Provision for Taxes								
5	Taxes Other Than Income	121,427	(57,156)	64,271	(487)	63,784	60,297	9,881	70,178
	Income Taxes								
6	Federal	42,593	(2,539)	40,054	(10,294)	29,760	28,231	48,483	76,714
7	State	11,216	(984)	10,232	2,033	12,265	7,429	15,374	22,803
8	Deferred Income Taxes	111,797	(2,318)	109,479	11,873	121,352	49,803	-	49,803
9	Investment Tax Credit	(110)	-	(110)	-	(110)	(90)	-	(90)
10	Total Taxes	286,923	(62,997)	223,926	3,125	227,051	145,670	73,738	219,408
11	(Gain)/Loss from Disposition of Utility Plant	-	-	-	-	-	-	-	-
12	Total Operating Expenses	1,751,430	(808,218)	943,212	18,123	961,335	734,973	77,439	812,412
13	Operating Income	\$ 397,509	\$ (4,879)	\$ 392,630	\$ (18,806)	\$ 373,824	\$ 167,180	\$ 90,040	\$ 257,220

¹⁾ Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER and SDER.

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Income
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Reference</u>	<u>Description</u>	<u>Amount</u>
		<u>Operating Revenues</u>	
1	D-3 and D-4	Operating Revenue	\$ (683)
		<u>Operation and Maintenance Expenses</u>	
2	D-5	Employee wages and benefits	(4,343)
3	D-6	Rate case expense	928
4	D-7	Interest expense on customer deposits	202
5	D-8	Company Use Generation Supply Purchase	(1,886)
		Total operation and maintenance expense	<u>(5,099)</u>
		<u>Depreciation</u>	
6	D-9	Annual depreciation expense	<u>20,097</u>
		<u>Provision for Taxes</u>	
		Taxes other than income	
7	D-10	Capital stock	0
8	D-10	Gross receipts	(41)
9	D-10	Public utility realty	(132)
10	D-5	Payroll taxes	(314)
		Income taxes	
11	D-11	Federal	(10,294)
12	D-11	State	2,033
13	D-12	Deferred income taxes	11,873
14	D-13	Investment tax credit - amortization	<u>0</u>
15		Total Taxes	3,125
16		Gain and losses on property dispositions	<u>0</u>
17		Total Operating Expenses	<u>18,123</u>
18		Total Adjustments to Income	<u>\$ (18,806)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Operating Revenue
Year Ended December 31, 2016
 (Thousands of Dollars)

Line No.	Description	(1) Total Per Books	(2) Less: Automatic Cost Recovery Clauses/Riders ^{a)}	(3) T&D Operations Per Books	(4) Pro Forma Adjustments	(5) T&D Pro forma at Present Rates
1	Distribution revenue	\$ 936,979	\$ (91,867)	\$ 845,112	\$ (696) ^{b)}	\$ 844,416
2	TSC revenue	96,063	(96,063)	(0)	0	(0)
3	Capacity and energy	665,173	(665,173)	(0)	0	(0)
4	Tax surcharge revenue	(743)	(78)	(821)	0	(821)
5	Sales to affiliate	2,470	(2,470)	0	0	0
6	Total Rate Revenue	<u>1,699,942</u>	<u>(855,651)</u>	<u>844,291</u>	<u>(696)</u>	<u>843,595</u>
	Other Electric Revenue					
7	Late Payment	12,736	0	12,736	0	12,736
8	Misc. Revenue	1,444	0	1,444	0	1,444
9	Rent	43,045	0	43,045	0	43,045
10	Other	391,145	43,194	434,339	0	434,339
11	Total Other	<u>448,370</u>	<u>43,194</u>	<u>491,564</u>	<u>0</u>	<u>491,564</u>
12	Operating Revenue (excl. unbilled)	2,148,312	(812,457)	1,335,855	(696)	1,335,159
13	Unbilled Revenue (D-4)	627	(640)	(13)	13	0
14	Total Operating Revenue	<u>\$ 2,148,939</u>	<u>\$ (813,097)</u>	<u>\$ 1,335,842</u>	<u>\$ (683)</u>	<u>\$ 1,335,159</u>

^{a)} Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER and SDER.

^{b)} This adjustment is for annualization.

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2016 Budget with Annualization

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Line Number	Rate Schedule	Number of Bills (monthly)	Sales (KWH)	Distribution Present Rate Revenue	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Storm Damage Expense Rider (SDER)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Present Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution	State Tax Adjustment Surcharge (STAS) Other	Total Revenue
1	RS	1,241,895	13,477,749,376	\$ 575,899,331	\$ -	\$ 65,771,417	\$ 30,729,269	\$ (1,188,878)	\$ -	\$ 5,391,100	\$ 82,723,461	\$ 528,052,560	\$ 1,287,378,258	\$ (564,103)	\$ 30,429	\$ 1,286,848,289
2	RTS	11,909	241,780,004	\$ 6,501,895	\$ -	\$ 1,179,886	\$ 551,258	\$ (11,432)	\$ -	\$ -	\$ 1,542,648	\$ 9,847,260	\$ 19,611,516	\$ (6,837)	\$ 571	\$ 19,605,239
3	GS-1	147,339	1,895,986,619	\$ 74,290,826	\$ -	\$ -	\$ 2,806,060	\$ (141,184)	\$ -	\$ 360,237	\$ 4,310,669	\$ 46,588,384	\$ 128,214,992	\$ (61,096)	\$ 2,412	\$ 128,156,489
4	GS-3	29,813	8,395,643,215	\$ 122,224,550	\$ -	\$ -	\$ 12,425,552	\$ (28,551)	\$ -	\$ 1,595,172	\$ 6,289,992	\$ 67,980,299	\$ 210,487,015	\$ (100,733)	\$ 3,264	\$ 210,390,744
5	LP-4	1,223	6,199,543,724	\$ 35,114,792	\$ -	\$ -	\$ 19,195,699	\$ (1,165)	\$ -	\$ 344,060	\$ 509,640	\$ 8,265,334	\$ 63,428,358	\$ (28,099)	\$ 270	\$ 63,400,707
6	LP-5	138	5,871,611,040	\$ 2,408,567	\$ -	\$ -	\$ 16,973,966	\$ (133)	\$ -	\$ 304,238	\$ 275,944	\$ -	\$ 19,962,583	\$ (1,415)	\$ 1	\$ 19,961,191
7	LPEP	1	80,761,246	\$ 480,581	\$ -	\$ -	\$ 453,314	\$ (1)	\$ -	\$ 8,125	\$ -	\$ -	\$ 942,020	\$ (382)	\$ -	\$ 941,641
8	BL	43	7,154,406	\$ 303,260	\$ -	\$ -	\$ 10,589	\$ (41)	\$ -	\$ 1,359	\$ 52,084	\$ 562,909	\$ 930,159	\$ (253)	\$ 30	\$ 929,937
9	SA	-	19,469,553	\$ 4,193,131	\$ -	\$ -	\$ 28,815	\$ (14,799)	\$ -	\$ 3,699	\$ 128,195	\$ 1,385,494	\$ 5,724,535	\$ (3,423)	\$ 74	\$ 5,721,177
10	SM	75	3,441,747	\$ 781,623	\$ -	\$ -	\$ 5,094	\$ (72)	\$ -	\$ 654	\$ 6,153	\$ 66,500	\$ 859,951	\$ (639)	\$ 4	\$ 859,317
11	SHS	1,381	54,573,012	\$ 18,765,692	\$ -	\$ -	\$ 80,768	\$ (1,317)	\$ -	\$ 10,369	\$ 132,458	\$ 1,431,570	\$ 20,419,541	\$ (15,344)	\$ 77	\$ 20,404,280
12	SE	106	39,074,525	\$ 2,497,809	\$ -	\$ -	\$ 57,830	\$ (102)	\$ -	\$ 7,424	\$ 11,663	\$ 126,050	\$ 2,700,674	\$ (2,044)	\$ 7	\$ 2,698,643
13	TS	8	301,128	\$ 30,808	\$ -	\$ -	\$ 446	\$ (8)	\$ -	\$ 57	\$ 1,995	\$ 21,560	\$ 54,858	\$ (25)	\$ 1	\$ 54,834
14	SI-1	3	82,761	\$ 21,860	\$ -	\$ -	\$ 122	\$ (3)	\$ -	\$ 16	\$ 39	\$ 417	\$ 22,450	\$ (18)	\$ 0	\$ 22,432
15	GH-2	1,598	45,125,534	\$ 1,278,377	\$ -	\$ -	\$ 66,786	\$ (1,571)	\$ -	\$ 8,574	\$ 78,186	\$ 845,014	\$ 2,275,366	\$ (1,052)	\$ 43	\$ 2,274,363
16	SLE	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Rate Revenue	1,435,632	36,332,297,890	\$ 844,793,101	\$ -	\$ 66,951,303	\$ 83,385,568	\$ (1,389,258)	\$ -	\$ 8,035,086	\$ 96,063,128	\$ 665,173,348	\$ 1,763,012,276	\$ (785,461)	\$ 37,181	\$ 1,762,269,283
18																
19	Annualization Adjustment		14,981,294	\$ (695,946)									\$ (695,946)			\$ (695,946)
20																
21	Total PUC Tariff Revenue		36,347,279,183	\$ 844,097,156	\$ -	\$ 66,951,303	\$ 83,385,568	\$ (1,389,258)	\$ -	\$ 8,035,086	\$ 96,063,128	\$ 665,173,348	\$ 1,762,316,330	\$ (785,461)	\$ 37,181	\$ 1,761,573,337
22																
23	Other Electric Revenues															
24	Late Payment			\$ 12,735,835							\$ -		\$ 12,735,835			\$ 12,735,835
25	Misc. Revenue			\$ 1,443,882							\$ -		\$ 1,443,882			\$ 1,443,882
26	Rent			\$ 42,836,686							\$ 208,248		\$ 43,044,934			\$ 43,044,934
27	Other			\$ 1,860,000							\$ 432,479,480		\$ 434,339,480			\$ 434,339,480
28	Total Other			\$ 58,876,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,687,728	\$ -	\$ 491,564,131	\$ -	\$ -	\$ 491,564,131
29																
30	Total Operating Revenue			\$ 902,973,558	\$ -	\$ 66,951,303	\$ 83,385,568	\$ (1,389,258)	\$ -	\$ 8,035,086	\$ 528,750,856	\$ 665,173,348	\$ 2,253,880,461	\$ (785,461)	\$ 37,181	\$ 2,253,137,468

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2016 Pro Forma Budget at Present Rates
Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Line Number	Rate Schedule	Distribution Present Rate Revenue	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Storm Damage Expense Rider (SDER)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Present Rate Revenue	State Tax Adjustment Surcharge (STAS)	State Tax Adjustment Surcharge (STAS)	Total Revenue
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	(Note 8)	(Note 9)		Distribution	Other	
1	RS	\$ 575,899,331	\$ 19,592,482	\$ 96,770,241	\$ 30,729,269	\$ 596,158	\$ -	\$ 5,391,100	\$ 163,485,100	\$ 1,124,718,185	\$ 2,017,181,864	\$ (969,542)	\$ 103,056	\$ 2,016,315,379
2	RTS	\$ 6,501,895	\$ 187,865	\$ 1,735,980	\$ 551,258	\$ 5,716	\$ -	\$ 96,712	\$ 2,932,791	\$ 20,176,541	\$ 32,188,760	\$ (12,076)	\$ 1,849	\$ 32,178,533
3	GS-1	\$ 74,290,826	\$ 2,324,274	\$ -	\$ 2,806,060	\$ 70,723	\$ -	\$ 360,237	\$ 13,802,783	\$ 178,071,063	\$ 271,725,966	\$ (106,203)	\$ 15,350	\$ 271,635,113
4	GS-3	\$ 122,224,550	\$ 470,300	\$ -	\$ 12,425,552	\$ 14,310	\$ -	\$ 1,595,172	\$ 62,294,411	\$ 766,630,122	\$ 965,654,419	\$ (181,851)	\$ 66,314	\$ 965,538,882
5	LP-4	\$ 35,114,792	\$ 19,293	\$ -	\$ 19,195,699	\$ 587	\$ -	\$ 344,060	\$ 36,429,994	\$ 377,895,031	\$ 468,999,456	\$ (72,717)	\$ 33,146	\$ 468,959,885
6	LP-5	\$ 2,408,567	\$ 2,177	\$ -	\$ 16,973,966	\$ 66	\$ -	\$ 25,353	\$ 36,139,460	\$ 375,236,795	\$ 430,786,384	\$ (25,815)	\$ 32,910	\$ 430,793,479
7	LPEP	\$ 480,581	\$ 16	\$ -	\$ 453,314	\$ 0	\$ -	\$ 677	\$ 709,420	\$ 13,992,010	\$ 15,636,019	\$ (1,243)	\$ 1,176	\$ 15,635,952
8	BL	\$ 303,260	\$ 678	\$ -	\$ 10,589	\$ 21	\$ -	\$ 1,359	\$ 52,084	\$ 671,942	\$ 1,039,933	\$ (420)	\$ 58	\$ 1,039,570
9	SA	\$ 4,193,131	\$ -	\$ -	\$ 28,815	\$ 8,820	\$ -	\$ 3,699	\$ 141,738	\$ 1,828,580	\$ 6,204,784	\$ (5,632)	\$ 158	\$ 6,199,310
10	SM	\$ 781,623	\$ -	\$ -	\$ 5,094	\$ 36	\$ -	\$ 654	\$ 25,056	\$ 323,249	\$ 1,135,711	\$ (1,047)	\$ 28	\$ 1,134,692
11	SHS	\$ 16,765,692	\$ -	\$ -	\$ 80,768	\$ 663	\$ -	\$ 10,369	\$ 397,292	\$ 5,125,497	\$ 24,380,281	\$ (25,080)	\$ 442	\$ 24,355,642
12	SE	\$ 2,497,809	\$ -	\$ -	\$ 57,830	\$ 51	\$ -	\$ 7,424	\$ 284,463	\$ 3,669,879	\$ 6,517,456	\$ (3,409)	\$ 316	\$ 6,514,363
13	TS	\$ 30,808	\$ -	\$ -	\$ 446	\$ 4	\$ -	\$ 57	\$ 2,192	\$ 28,282	\$ 61,788	\$ (42)	\$ 2	\$ 61,749
14	SI-1	\$ 21,860	\$ -	\$ -	\$ 122	\$ 1	\$ -	\$ 16	\$ 602	\$ 7,773	\$ 30,375	\$ (29)	\$ 1	\$ 30,346
15	GH-2	\$ 1,278,377	\$ 25,208	\$ -	\$ 66,786	\$ 767	\$ -	\$ 8,574	\$ 328,514	\$ 4,238,190	\$ 5,946,416	\$ (1,835)	\$ 365	\$ 5,944,947
16	SLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Rate Revenue	\$ 844,793,101	\$ 22,622,293	\$ 98,506,221	\$ 83,385,568	\$ 697,923	\$ -	\$ 7,845,464	\$ 317,025,900	\$ 2,872,613,141	\$ 4,247,489,612	\$ (1,406,941)	\$ 255,171	\$ 4,246,337,842
18														
19	Annualization Adjustment	\$ (695,946)									\$ (695,946)			\$ (695,946)
20														
21	Total PUC Tariff Revenue	\$ 844,097,156	\$ 22,622,293	\$ 98,506,221	\$ 83,385,568	\$ 697,923	\$ -	\$ 7,845,464	\$ 317,025,900	\$ 2,872,613,141	\$ 4,246,793,666	\$ (1,406,941)	\$ 255,171	\$ 4,245,541,896
22														
23	Other Electric Revenues													
24	Late Payment	\$ 12,735,835							\$ -		\$ 12,735,835			\$ 12,735,835
25	Misc. Revenue	\$ 1,443,882							\$ -		\$ 1,443,882			\$ 1,443,882
26	Rent	\$ 42,836,686							\$ 208,248		\$ 43,044,934			\$ 43,044,934
27	Other	\$ 1,860,000							\$ 432,479,480		\$ 434,339,480			\$ 434,339,480
28	Total Other	\$ 58,876,402	\$ -	\$ -	\$ -	\$ -			\$ 432,687,728	\$ -	\$ 491,564,131			\$ 491,564,131
29														
30	Total Operating Revenue	\$ 902,973,558	\$ 22,622,293	\$ 98,506,221	\$ 83,385,568				\$ 749,713,629	\$ 2,872,613,141	\$ 4,738,357,797	\$ (1,406,941)	\$ 255,171	\$ 4,737,206,027

Note 1: From page 2, column 5
 Note 2: SMR2 effective January 1, 2016
 Note 3: USR effective January 1, 2015
 Note 4: ACR1 effective; ACR2 effective August 1, 2014
 Note 5: CER effective January 1, 2015
 Note 6: DSIC rolled into base rates
 Note 7: SDER effective February 1, 2015
 Note 8: TSC effective October 1, 2014
 Note 9: GSC effective March 1, 2015

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2016 Proforma Budget at Proposed Rates, Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Line Number	Rate Schedule	Proposed Distribution Rate Revenue	Distribution Revenue Increase	Smart Meter Rider (SMR)	Universal Service Rider (USR)	Act 129 Compliance Rider (ACR)	Competitive Enhancement Rider (CER)	Distribution System Improvement Charge (DSIC)	Storm Damage Expense Rider (SDER)	Transmission Service Charge (TSC)	Generation Service Charge (GSC)	Total Proposed Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution	State Tax Adjustment Surcharge (STAS) Other	Total Revenue	Total Revenue \$ Change	Total Revenue % Change
				(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	(Note 8)					(Note 9)	(Note 10)
1	RS	\$ 730,536,893	\$ 154,637,562	\$ 19,592,482	\$ 96,770,241	\$ 30,729,269	\$ 596,158	\$ -	\$ 5,391,100	\$ 163,485,100	\$ 1,124,718,185	\$ 2,171,819,427	\$ (1,175,209.47)	\$ 103,056	\$ 2,170,747,273	\$ 154,431,894	7.66%
2	RTS	\$ 9,598,105	\$ 3,096,210	\$ 187,865	\$ 1,735,980	\$ 551,258	\$ 5,716	\$ -	\$ 96,712	\$ 2,932,791	\$ 20,176,541	\$ 35,284,970	\$ (16,194)	\$ 1,849	\$ 35,270,625	\$ 3,092,092	9.61%
3	GS-1	\$ 87,249,175	\$ 12,958,349	\$ 2,324,274	\$ -	\$ 2,806,060	\$ 70,723	\$ -	\$ 360,237	\$ 13,802,783	\$ 178,071,063	\$ 284,684,315	\$ (123,438)	\$ 15,350	\$ 284,576,227	\$ 12,941,114	4.76%
4	GS-3	\$ 112,127,246	\$ (10,097,305)	\$ 470,300	\$ -	\$ 12,425,552	\$ 14,310	\$ -	\$ 1,595,172	\$ 62,294,411	\$ 766,630,122	\$ 955,557,114	\$ (168,421)	\$ 66,314	\$ 955,455,007	\$ (10,083,875)	-1.04%
5	LP-4	\$ 40,248,603	\$ 5,133,811	\$ 19,293	\$ -	\$ 19,195,699	\$ 587	\$ -	\$ 344,060	\$ 36,429,994	\$ 377,895,031	\$ 474,133,267	\$ (79,545)	\$ 33,146	\$ 474,086,868	\$ 5,126,983	1.09%
6	LP-5	\$ 864,248	\$ (1,544,319)	\$ 2,177	\$ -	\$ 16,973,966	\$ 66	\$ -	\$ 25,353	\$ 36,139,460	\$ 375,236,795	\$ 429,242,066	\$ (23,762)	\$ 32,910	\$ 429,251,214	\$ (1,542,265)	-0.36%
7	LPEP	\$ 3,031,766	\$ 2,551,185	\$ 16	\$ -	\$ 453,314	\$ 0	\$ -	\$ 677	\$ 709,420	\$ 13,992,010	\$ 18,187,203	\$ (4,636)	\$ 1,176	\$ 18,183,743	\$ 2,547,792	16.29%
8	BL	\$ 329,228	\$ 25,968	\$ 678	\$ -	\$ 10,589	\$ 21	\$ -	\$ 1,359	\$ 52,084	\$ 671,942	\$ 1,065,901	\$ (455)	\$ 58	\$ 1,065,504	\$ 25,933	2.49%
9	SA	\$ 4,120,368	\$ (72,763)	\$ -	\$ -	\$ 28,815	\$ 8,820	\$ -	\$ 3,699	\$ 141,738	\$ 1,828,580	\$ 6,132,021	\$ (5,535)	\$ 158	\$ 6,126,643	\$ (72,667)	-1.17%
10	SM	\$ 758,102	\$ (13,521)	\$ -	\$ -	\$ 5,094	\$ 36	\$ -	\$ 654	\$ 25,056	\$ 323,249	\$ 1,122,191	\$ (1,029)	\$ 28	\$ 1,121,189	\$ (13,503)	-1.19%
11	SHS	\$ 15,823,033	\$ (2,964,519)	\$ -	\$ -	\$ 80,891	\$ 664	\$ -	\$ 10,385	\$ 397,894	\$ 5,133,270	\$ 21,446,136	\$ (21,167)	\$ 442	\$ 21,425,412	\$ (2,960,576)	-12.14%
12	SE	\$ 2,455,183	\$ (42,625)	\$ -	\$ -	\$ 57,830	\$ 51	\$ -	\$ 7,424	\$ 284,463	\$ 3,669,879	\$ 6,474,831	\$ (3,352)	\$ 316	\$ 6,471,795	\$ (42,569)	-0.65%
13	TS	\$ 30,329	\$ (479)	\$ -	\$ -	\$ 446	\$ 4	\$ -	\$ 57	\$ 2,192	\$ 28,282	\$ 61,310	\$ (41)	\$ 2	\$ 61,271	\$ (478)	-0.77%
14	SI-1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
15	GH-2	\$ 1,542,099	\$ 263,722	\$ 25,208	\$ -	\$ 66,786	\$ 767	\$ -	\$ 8,574	\$ 328,514	\$ 4,238,190	\$ 6,210,138	\$ (2,186)	\$ 365	\$ 6,208,318	\$ 263,371	4.43%
16	SLE	\$ 2,673,341	\$ 2,673,341	\$ -	\$ -	\$ 10,770	\$ 576	\$ -	\$ 1,416	\$ 53,081	\$ 684,660	\$ 3,423,844	\$ (3,573)	\$ 59	\$ 3,420,331	\$ 3,420,331	
17	Rate Revenue	\$ 1,011,397,719	\$ 166,604,618	\$ 22,622,293	\$ 98,506,221	\$ 83,396,337	\$ 698,499	\$ -	\$ 7,846,881	\$ 317,078,981	\$ 2,873,297,801	\$ 4,414,844,733	\$ (1,628,542)	\$ 255,230	\$ 4,410,051,090	\$ 163,713,248	3.86%
18																	
19	Annualization Adjustment	\$ (1,154,620)	\$ (458,674)												\$ (1,154,620)		
20																	
21	Total PUC Tariff Revenue	\$ 1,010,243,100	\$ 166,145,944	\$ 22,622,293	\$ 98,506,221	\$ 83,396,337	\$ 698,499	\$ -	\$ 7,846,881	\$ 317,078,981	\$ 2,873,297,801	\$ 4,414,844,733	\$ (1,628,542)	\$ 255,230	\$ 4,408,896,471	\$ 163,713,248	
22																	
23	Other Electric Revenues																
24	Late Payment	\$ 14,068,402	\$ 1,332,567							\$ -		\$ 14,068,402			\$ 14,068,402		
25	Misc. Revenue	\$ 1,443,882								\$ -		\$ 1,443,882			\$ 1,443,882		
26	Rent	\$ 42,836,686								\$ 208,248		\$ 43,044,934			\$ 43,044,934		
27	Other	\$ 1,860,000								\$ 432,479,480		\$ 434,339,480			\$ 434,339,480		
28	Total Other	\$ 60,208,969	\$ 1,332,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 432,687,728	\$ -	\$ 492,896,698			\$ 492,896,698		
29																	
30	Total Operating Revenue	\$ 1,070,452,069	\$ 167,478,511	\$ 22,622,293	\$ 98,506,221	\$ 83,396,337	\$ 698,499	\$ -	\$ 7,846,881	\$ 749,766,709	\$ 2,873,297,801	\$ 4,907,741,431	\$ (1,628,542)	\$ 255,230	\$ 4,901,793,168	\$ 163,713,248	

Note 1: SMR2 effective January 1, 2016
 Note 2: USR effective January 1, 2015
 Note 3: ACR1 effective June 1, 2014; ACR2 effective August 1, 2014
 Note 4: CER effective January 1, 2015
 Note 5: DSIC rolled into base rates
 Note 6: SDER effective February 1, 2015
 Note 7: TSC effective October 1, 2014
 Note 8: GSC effective March 1, 2015
 Note 9: Column 16 of page 4 minus column 15 of page 3. Current rate SI-1 revenue added to rate SHS before calculating the difference.
 Note 10: Column 17 of page 4 divided by column 15 of page 3 (as percent). In the denominator, current rate SI-1 revenue added to rate SHS.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Operating Revenues for Unbilled Revenue
Year Ended December 31, 2016
(Thousands of Dollars)

This adjustment was made to normalize distribution operating revenue for the test period by eliminating unbilled revenue shown on Schedule D-3, page 1.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Unbilled revenue- distribution	\$ 13
2	Net increase in distribution operating revenue	<u>\$ 13</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Wages and Benefits
Year Ended December 31, 2016
(Thousands of Dollars, except wages per employee)

This adjustment was made to reflect the average number of transmission and distribution-related employees and the level of wages and benefits in effect at the end of the year.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Average monthly T & D-related wages to expense per employee	\$ 4,239
2	T & D-related personnel employed at the end of the year	1,705
3	Annualized T & D-related total wages to expense(line 1 x line 2 x 12 months)	86,730
4	Less: Actual T & D-related wages to expense for the year ended December 31, 2016	<u>90,104</u>
5	Decrease in wages to expense (line 3 - line 4)	(3,374)
6	Decrease in benefits expense (line 5 x 28.72%)	(969)
7	Decrease in payroll taxes (line 5 x 9.32%)	<u>(314)</u>
8	Total decrease in T&D-related wages, taxes and benefits expenses (line 5 + line 6 + line 7)	<u>\$ (4,657)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Rate Case Expense
Year Ended December 31, 2016
(Thousands of Dollars)

Rate case expenditures are charged to expense when incurred. The Company's claim for 2015 distribution rate case expense is based on a normalized amount as shown below.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	2015 distribution rate case expense	\$ <u>1,856</u>
2	Normalized amount (line 1 / 2 years)	\$ <u>928</u>
3	2016 distribution rate case expense per budget	\$ <u>-</u>
4	Net increase in distribution operating expense	\$ <u><u>928</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Interest Expense on Customer Security Deposits
Year Ended December 31, 2016
(Thousands of Dollars)

The Commission, in its Final Order at Docket No. R-80031114, determined that it was appropriate to include the interest expense on customer deposits in PPL Electric's operation and maintenance expense when the deposits are used as a reduction to rate base. The interest on customer security deposits is computed at an interest rate calculated in accordance with 66 Pa. C.S. § 1404 (c) (6) and the Company's Tariff - Electric Pa. P.U.C. No. 201.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Residential customer security deposits	\$ 6,403
2	Residential interest rate	<u>3.000%</u>
3	Residential interest (line 1 x line 2)	\$ 192
4	Non-residential customer security deposits	\$ 8,722
5	Non-residential interest rate	<u>0.11%</u>
6	Non-residential interest (line 4 x line 5)	\$ 10
7	Total increase in transmission and distribution expense (line 3 + line 6)	<u><u>\$ 202</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Company Use Generation Supply Purchases
Year Ended December 31, 2016
(Thousands of Dollars)

This adjustment was made to reflect the distribution operating expense associated with PPL Electric's purchase of generation supply for the facilities that it owns, i.e., Company Use.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Kilowatt-hour usage for the period January 1, 2016 - December 31, 2016	68,931,392
2	Generation supply purchase price per kilowatt-hour	<u>\$ 0.06732</u>
3	Total estimated generation supply expense January 1, 2016 - December 31, 2016 (line 1 x line 2)	\$ 4,640
4	Less: Actual amount per books	<u>6,948</u>
5	Net generation supply expense (line 3 - line 4)	<u>\$ (2,308)</u>
6	Portion assigned to PPL Electric	81.7%
7	Net increase in distribution operating expense (line 5 x line 6)	<u>\$ (1,886)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annual Depreciation Expense
Year Ended December 31, 2016
(Thousands of Dollars)

This adjustment was made to reflect timing differences for plant additions.

<u>Line No.</u>	<u>Depreciation - Electric Plant In Service</u>	<u>Amount</u>
1	Intangible Plant	\$ 23,733
2	Transmission Plant	67,189
3	Distribution Plant	124,807
4	General Plant	40,294
6	Total (a)	<u>256,023</u>
7	Less: Adjusted depreciation expense per budget	235,926
8	Net increase in depreciation expense	<u>\$ 20,097</u>

(a) Includes negative net salvage of \$24,939

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Taxes Other Than Income
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>PA Gross Receipts Tax</u>	
	Adjustment to provide for gross receipts tax on pro forma revenue at present rates	
1	Gross receipts tax recoverable through base rates (D-10, page 2)	\$ 50,524
2	Less: Gross receipts tax on T&D operations per books	<u>50,565</u>
3	Net decrease in expense	<u>\$ (41)</u>
	<u>PA Public Utility Realty</u>	
	Adjustment to reflect current taxable value	
4	Public utility realty tax recoverable through base rates (D-10, page 3)	\$ 2,173
5	Less: Public utility realty tax on T&D operations per books	<u>2,305</u>
6	Net decrease in expense	<u>\$ (132)</u>

PPL ELECTRIC UTILITIES CORPORATION

Gross Receipts Tax (GRT) at Present Rates
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Pro Forma Revenue</u>	<u>Applicable GRT Rate (Mills)</u>	<u>Amount</u>
1	Tariff Revenue Total Tariff Revenue (D-3, page 1, line 6, column 5)	\$ 843,595	59	\$ 49,772
2	Other Electric Revenue Late payment (D-3, page 1, line 7, column 5)	12,736	59	752
3	Other electric revenue (D-3, page 1, lines 8-10, column 5)	478,828	-	0
4	Total Other	<u>\$ 491,564</u>		
5	Total gross receipts tax on pro forma revenue at present rates			<u>\$ 50,524</u>

PPL ELECTRIC UTILITIES CORPORATION
Public Utility Realty Tax (PURTA) at Present Rates
Year Ended December 31, 2016
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	State Taxable Value (per Notice of Determination dated August 11, 2014)	\$ 67,001
2	Rate @ 32.4251 mills (per Notice of Determination dated August 11, 2014)	<u>0.0324251</u>
3	Tax Amount	<u>\$ 2,173</u>

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2016
(Thousands of Dollars)

Line No.	Description	Less:				
		Total Amount Per Budget	Automatic Recovery Clauses/Riders ¹⁾	T&D Operations Per Budget	Pro forma Adjustments	T&D Pro forma at Present Rates
1	Operating Revenues	2,148,939	(813,097)	1,335,842	(683)	1,335,159
	Operating Expenses					
2	Operation and maintenance	1,210,333	(732,297)	478,036	(5,099)	472,937
3	Depreciation and amortization	239,283	(3,357)	235,926	20,097	256,023
4	Regulatory Debits and Credits	14,891	(9,567)	5,324	0	5,324
5	Taxes Other than Income	121,427	(57,156)	64,271	(487)	63,784
6	Income Taxes	42,593	(2,539)	40,054	(10,294)	29,760
7	Income Taxes - State	11,216	(984)	10,232	2,033	12,265
8	Deferred Income Taxes	111,797	(2,318)	109,479	11,873	121,352
9	Investment Tax Credit - Amortization	(110)	0	(110)	0	(110)
10	Gains and Losses on Property Dispositions	0	0	0	0	0
11	Total Operating Expense	1,751,430	(808,218)	943,212	18,123	961,335
12	Operating Income	397,509	(4,879)	392,630	(18,806)	373,824
13	Less: Interest Expense	167,358	0	167,358	(20,163)	147,195
14	Net Operating Income	230,151	(4,879)	225,272	1,357	226,629
15	Income Tax Adjustments					
16	Federal Income Tax	42,593	(2,539)	40,054	(10,294)	29,760
17	State Income Tax	11,216	(984)	10,232	2,033	12,265
18	Deferred Income Taxes	111,797	(2,318)	109,479	11,873	121,352
19	Investment tax credit amortization	(110)	0	(110)	0	(110)
20	Pension and supplemental retirements	(311)	0	(311)	0	(311)
21	Contributions in aid of construction - Trans.	1,417	0	1,417	0	1,417
22	Contributions in aid of construction - Dist.	11,770	0	11,770	0	11,770
23	Environmental Clean-up	770	0	770	0	770
24	Book Depreciation	239,283	(3,357)	235,926	20,097	256,023
25	Book Depreciation Capitalized	0	0	0	4,000	4,000
26	Tax Depreciation	(340,773)	0	(340,773)	0	(340,773)
27	Removal costs - Transmission	(8,984)	0	(8,984)	0	(8,984)
28	Removal costs - Distribution	(22,798)	0	(22,798)	0	(22,798)
29	Tax Gains/(Losses) on Plant Dispositions-General	(4,952)	0	(4,952)	0	(4,952)
30	Tax Gains/(Losses) on Plant Dispositions-Trans.	(7,634)	0	(7,634)	0	(7,634)
31	Tax Gains/(Losses) on Plant Dispositions-Dist.	3,736	0	3,736	0	3,736
32	ESOP dividend paid in cash	4,414	0	4,414	0	4,414
33	Reacquired debt costs	6,871	0	6,871	0	6,871
34	Post - retirement/employment benefits	(635)	0	(635)	0	(635)
35	Business Meals Not Deductible	0	0	0	0	0
36	Adjust Gross receipts Tax- Cash basis	0	0	0	0	0
37	Vacation Pay	(781)	0	(781)	0	(781)
38	Bad debts & Property damage	(11,285)	0	(11,285)	0	(11,285)
39	Consumer Education	0	0	0	0	0
40	Deferred Compensation - Officers	366	0	366	0	366
41	Storm Deferrals	5,324	0	5,324	0	5,324
42	Other 263A & Repair Allowance - Trans.	(27,410)	0	(27,410)	0	(27,410)
43	Other 263A & Repair Allowance - General	45	0	45	0	45
44	Other 263A & Repair Allowance - Dist.	(41,092)	0	(41,092)	0	(41,092)
45	481 (a) Adjustment	0	0	0	0	0
46	Other Taxes	0	0	0	0	0
47	Osolete Inventory	0	0	0	0	0
48	Litigation Contingencies	0	0	0	0	0
49	Workers Compensation	0	0	0	0	0
50	Reg Liab for 1997 Purta Tax Surcharge	0	0	0	0	0
51	Reg Liab for STAS adj	0	0	0	0	0
52	Rate Rider/Clause - Default Service Plan	0	0	0	0	0
53	Rate Rider/Clause - Act 129 - Conservation Program	0	0	0	0	0
54	Rate Rider/Clause - Transmission Service Cost (TSC)	0	0	0	0	0
55	Rate Rider/Clause - Universal Service Rider (USR)	0	0	0	0	0
56	Rate Rider/Clause - Transmission Rate Base Rider (TRB)	0	0	0	0	0
57	Rate Rider/Clause - Generation Service Charge Rider (GSC)	0	0	0	0	0
58	Rate Rider/Clause - Competitive Enhancement Rider (CER)	0	0	0	0	0
59	Rate Rider/Clause - Distribution System Improvement Charge (DSIC)	0	0	0	0	0
60	Storm Damage	0	0	0	0	0
61	Rate Rider/Clause - Smart Meter Technology	0	0	0	0	0
62	Rate Cases Expenses	0	0	0	0	0
63	RAR Adjustments	(543)	0	(543)	0	(543)
64	Prepays	(1,026)	0	(1,026)	0	(1,026)
65	Variable Pay	(1,098)	0	(1,098)	0	(1,098)
66	Deferred Interest	0	0	0	0	0
67	Clearing Accounts	0	0	0	0	0
68	Rate Refund	0	0	0	0	0
69	Service Company Costs	0	0	0	0	0
70	Severance Pay	0	0	0	0	0
71	Income Tax Adjustments	(29,830)	(9,198)	(39,028)	27,709	(11,319)
72	Taxable Net Income Before Special Deductions	\$ 200,321	\$ (14,077)	\$ 186,244	\$ 29,066	\$ 215,310

¹⁾ Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER and SDER.

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2016
(Thousands of Dollars)

Line No.	Description	Total Amount Per Budget	Less: Automatic Recovery Clauses/Riders ¹⁾	T&D Operations Per Budget	Pro forma Adjustments	T&D Pro forma at Present Rates
<u>PA Corporate Net Income Tax Calculation</u>						
1	Taxable Net Income Before Special Deductions	\$ 200,321	\$ (14,077)	\$ 186,244	\$ 29,066	\$ 215,310
PA Special Deductions						
2	Tax Preference Income	0	0	0	0	0
3	Dividends Paid Credit	0	0	0	0	0
4	Bonus Depreciation Adjustment	(39,931)	0	(39,931)	0	(39,931)
5	State Tax Adjustment	0	0	0	0	0
6	State NOL Carryforward/(Utilization)	(48,118)	4,223	(43,895)	(8,720)	(52,615)
7	PA Taxable Income	112,272	(9,854)	102,418	20,346	122,764
8	PA Tax @ 9.99%	11,216	(984)	10,232	2,033	12,265
9	PA Tax Credits	0	0	0	0	0
10	Accrual for Potential Deficiency	0	0	0	0	0
11	State Income Tax Settlements	0	0	0	0	0
12	Prior Period Tax Return Adjustments	0	0	0	0	0
13	Total PA Income Tax	\$ 11,216	\$ (984)	\$ 10,232	\$ 2,033	\$ 12,265
<u>Federal Income Tax Calculation</u>						
14	Taxable Net Income Before Special Deductions	\$ 200,321	\$ (14,077)	\$ 186,244	\$ 29,066	\$ 215,310
Federal Special Deductions						
15	PA Income Tax Less Tax Credits	(11,216)	984	(10,232)	(2,033)	(12,265)
16	Dividends Paid Credit	0	0	0	0	0
17	State Income Tax Settlements	0	0	0	0	0
18	State Income Tax Adjustment for Prior Year	0	0	0	0	0
19	Federal Taxable Income	189,105	(13,093)	176,012	27,033	203,045
20	Federal NOL Carryforward/(Utilization)	(111,799)	5,839	(105,960)	(12,057)	(118,017)
21	Federal Taxable Income after NOL Carryforward/(Utilization)	77,306	(7,254)	70,052	14,976	85,028
22	Federal Tax @ 35%	27,057	(2,539)	24,518	5,242	29,760
23	Federal AMT Tax	15,536	0	15,536	(15,536)	0
24	Accrual for Potential Deficiency	0	0	0	0	0
25	Prior Period Tax Return Adjustments	0	0	0	0	0
26	Consolidated Income Tax Adjustment (D-11, page 4)	0	0	0	0	0
27	Total Federal Income Tax	\$ 42,593	\$ (2,539)	\$ 40,054	\$ (10,294)	\$ 29,760

¹⁾ Automatic Recovery Clauses/Riders include POR, GSC, MFC, TSC, USR, ACR, CER and SDER.

PPL ELECTRIC UTILITIES CORPORATION
Adjustment to Interest Deduction for Income Tax Purposes
Year Ended December 31, 2016
(Thousands of Dollars)

This adjustment provides for the annualized interest on claimed rate base at December 31, 2016.

Line No.	Description	Amount
1	Rate Base at December 31, 2016 (C-1)	\$ 5,911,429
2	Long-term debt ratio (B-8)	48.34%
3	Embedded cost of long-term debt (B-8)	5.16%
4	Annualized interest (line 1 x line 2 x line 3)	147,195
5	Less: Interest expense on T&D operations (D-11, page 1)	<u>167,358</u>
6	Net decrease in interest deduction (line 4 - line 5)	<u><u>\$ (20,163)</u></u>

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2016

Line No	<u>2012</u> (1)	<u>2013</u> (2)	<u>2014</u> (3)	<u>Three Year Average</u> (4)=((1)+(2)+(3))/3
Non-Regulated Company				
Taxable Losses				
1	\$ -	\$ -	\$ -	\$ -
2	0	0	0	0
3	0	0	0	0
4	0	0	0	0
5	(55,355,876)	(26,150,243)	(63,764,034)	(48,423,384)
6	(41,906,523)	(15,764,060)	0	(19,223,528)
7	(2,146,404)	(1,979,417)	(1,780,791)	(1,968,871)
8	(685)	0	0	(228)
9	(75,025,525)	(72,042,471)	(26,159,530)	(57,742,509)
10	(176,456,771)	(204,580,351)	(210,648,068)	(197,228,397)
11	0	0	0	0
12	(3,009,789)	0	0	(1,003,263)
13	0	0	0	0
14	(1,720)	0	0	0
15	0	0	0	0
16	(337,779)	0	0	0
17	0	0	0	0
18	(21,593,705)	0	0	0
19	(3,168,934)	0	0	(1,056,311)
20	<u>\$ (379,003,711)</u>	<u>\$ (320,516,542)</u>	<u>\$ (302,352,423)</u>	<u>\$ (326,646,491) (a)</u>
21	\$ 146,059,053	\$ 556,112,353	\$ 576,182,036	426,117,814 (b)
22	\$ (240,928,568)	\$ (96,766,418)	\$ 137,348,964	\$ (66,782,007)
23	<u>\$ (240,928,568)</u>	<u>\$ (96,766,418)</u>	<u>\$ 137,348,964</u>	<u>\$ (66,782,007) (c)</u>
24	% Taxable Income Pa. Utilities to Total Taxable Income Companies (d)=(c)/(b)			0.0000% (d)
25	Adjustment for Consolidated Tax Savings Applicable to PA Utilities (e)=(a)*(d)			\$ - (e)
26	Adjustment to Federal Income Taxes (e) * 35%			\$ - (f)
27	% T&D Taxable Income to Total Taxable Income (D-11, page 2, Line 19)			<u>93.0763% (g)</u>
28	T&D pro forma adjustment to Federal Income Taxes (f)*(g)			<u>\$ - (h)</u>

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2016
(Thousands of Dollars)

Line No.	Note 1:	<u>2012</u>	<u>2013</u>	<u>2014</u>
	Taxable (Loss)	\$ (186,056)	\$ (22,679)	\$ (21,800)
	Adjustment for Non-recurring Items:			
1	Spinoff of Supply Business	<u>\$ 186,056</u>	<u>\$ 22,679</u>	<u>\$ 21,800</u>
2	Total adjustments	<u>\$ 186,056</u>	<u>\$ 22,679</u>	<u>\$ 21,800</u>
3	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 2:			
4	Taxable (Loss)	\$ (3,454,857)	\$ (1,345,016)	
	Adjustment for Non-recurring Items:			
5	Spinoff of Supply Business	<u>\$ 3,454,857</u>	<u>\$ 1,345,016</u>	<u>\$ -</u>
6	Total adjustments	<u>\$ 3,454,857</u>	<u>\$ 1,345,016</u>	<u>\$ -</u>
7	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 3:			
8	Taxable (Loss)	\$ (2,983,066)	\$ (875,831)	\$ (7,074,204)
	Adjustment for Non-recurring Items:			
9	Spinoff of Supply Business	<u>\$ 2,983,066</u>	<u>\$ 875,831</u>	<u>\$ 7,074,204</u>
10	Total adjustments	<u>\$ 2,983,066</u>	<u>\$ 875,831</u>	<u>\$ 7,074,204</u>
11	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 4:			
12	Taxable (Loss)	\$ (20,700)	\$ (50,185)	
	Adjustment for Non-recurring Items:			
13	Spinoff of Supply Business	<u>\$ 20,700</u>	<u>\$ 50,185</u>	<u>\$ -</u>
14	Total adjustments	<u>\$ 20,700</u>	<u>\$ 50,185</u>	<u>\$ -</u>
15	Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Note 5:			
16	Taxable (Loss)	\$ (75,405,310)	\$ (88,692,838)	\$ (41,638,880)
	Adjustment for Non-recurring Items:			
17	Spinoff of Supply Business	<u>\$ 379,785</u>	<u>\$ 202,949</u>	<u>\$ 471,349</u>
18	Equity unit remarketing		<u>16,447,418</u>	<u>15,008,001</u>
19	Total adjustments	<u>\$ 379,785</u>	<u>\$ 16,650,367</u>	<u>\$ 15,479,350</u>
20	Adjusted Taxable Income/(Loss)	<u>\$ (75,025,525)</u>	<u>\$ (72,042,471)</u>	<u>\$ (26,159,530)</u>

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2016
(Thousands of Dollars)

Note 6:			
21 Taxable (Loss)	\$ (78,961,763)	\$ (61,401,047)	\$ (337,428,438)
Adjustment for Non-recurring Items:			
22 Spinoff of Supply Business	<u>\$ (97,495,008)</u>	<u>\$ (143,179,304)</u>	<u>\$ 126,780,370</u>
23 Total adjustments	<u>\$ (97,495,008)</u>	<u>\$ (143,179,304)</u>	<u>\$ 126,780,370</u>
24 Adjusted Taxable Income/(Loss)	<u>\$ (176,456,771)</u>	<u>\$ (204,580,351)</u>	<u>\$ (210,648,068)</u>
Note 7:			
25 Taxable (Loss)	\$ (2,737,243)	\$ (927,787)	\$ (1,844,966)
Adjustment for Non-recurring Items:			
26 Spinoff of Supply Business	<u>\$ 2,737,243</u>	<u>\$ 927,787</u>	<u>\$ 1,844,966</u>
27 Total adjustments	<u>\$ 2,737,243</u>	<u>\$ 927,787</u>	<u>\$ 1,844,966</u>
28 Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Note 8:			
29 Taxable (Loss)	\$ (4,398,297)	\$ -	
Adjustment for Non-recurring Items:			
30 Spinoff of Supply Business	<u>\$ 4,398,297</u>	<u>\$ -</u>	<u>\$ -</u>
31 Total adjustments	<u>\$ 4,398,297</u>	<u>\$ -</u>	<u>\$ -</u>
32 Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Note 9:			
33 Taxable (Loss)	\$ (23,925,032)	\$ -	
Adjustment for Non-recurring Items:			
34 Service company costs	<u>\$ 24,170,684</u>	<u>\$ -</u>	<u>\$ -</u>
35 Total adjustments	<u>\$ 24,170,684</u>	<u>\$ -</u>	<u>\$ -</u>
36 Adjusted Taxable Income/(Loss)	<u>\$ 245,652</u>	<u>\$ -</u>	<u>\$ -</u>
Note 10:			
37 Taxable (Loss)	\$ (355,725)	\$ (2,680)	\$ (2,143)
Adjustment for Non-recurring Items:			
38 Spinoff of Supply Business	<u>\$ 355,725</u>	<u>\$ 2,680</u>	<u>\$ 2,143</u>
39 Total adjustments	<u>\$ 355,725</u>	<u>\$ 2,680</u>	<u>\$ 2,143</u>
40 Adjusted Taxable Income/(Loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Note 11:			
41 Consolidated Taxable Income/(Loss)	\$ (240,928,874)	\$ (96,766,677)	\$ 137,348,733
Adjustment for Non-regulated LLC's disregarded for income tax purposes:			
42 CEP Commerce, LLC	\$ 306	\$ 259	\$ 231
Adjustment for Non-recurring Items:			
43 TBD	\$ -	\$ -	\$ 0
44 TBD	\$ -	\$ -	\$ -
45 Total Adjustments	<u>\$ 306</u>	<u>\$ 259</u>	<u>\$ 231</u>
46 Adjusted Taxable Income/(Loss)	<u>\$ (240,928,568)</u>	<u>\$ (96,766,418)</u>	<u>\$ 137,348,964</u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Revenue and Applicable Tax
Related to Proposed Rate Increase
Year Ended December 31, 2016
(Thousands of Dollars)

Line No.	Description	Amount
1	Additional operating revenue from proposed rate increase	\$ 167,479
	Less:	
2	Provision for uncollectible accounts expense (line 1 x 2.21%)	3,701
3	PA gross receipts tax (line 1 x 59 mills)	9,881
4	PA Capital stock tax	<u>0</u>
5	Taxable income for PA Corporate net income tax	153,897
6	PA corporate net income tax (line 5 x 9.99%)	<u>15,374</u>
7	Taxable income for Federal income tax	138,523
8	Federal income tax (line 7 x 35%)	<u>48,483</u>
9	Operating income	<u><u>\$ 90,040</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Deferred Income Taxes
As of December 31, 2016
(Thousands of Dollars)

Line No.	Provision	Debit	Credit	Net	Adjustment	Adjusted
Distribution Property:						
1	ACRS & MACRS	\$ 4,415	\$ -	\$ 4,415	\$ (2,107)	\$ 2,308
2	Contributions In Aid of Construction (CIAC)	0	(2,346)	(2,346)	269	(2,077)
3	Other Basis Adjustments	6,993	0	6,993	(737)	6,256
4	Federal NOL Carryforward	35,812	0	35,812	2,139	37,951
5	State NOL Carryforward	3,125	0	3,125	287	3,412
6	Prior Year Tax Return Adjustments	0	0	0	0	0
7	Total Distribution Property	<u>50,345</u>	<u>(2,346)</u>	<u>47,999</u>	<u>(149)</u>	<u>47,850</u>
General Property:						
8	ACRS & MACRS	6,031	0	6,031	(4,147)	1,884
9	Other Basis Adjustments	0	(47)	(47)	129	82
10	Prior Year Tax Return Adjustments	0	0	0	0	0
11	Total General Property	<u>6,031</u>	<u>(47)</u>	<u>5,984</u>	<u>(4,018)</u>	<u>1,966</u>
Transmission Property:						
12	Contributions In Aid of Construction (CIAC)	0	(11)	(11)	31	20
13	Net Book/Net Tax Plant (Excluding CIAC)	69,084	0	69,084	(886)	68,198
	Federal NOL Carryforward	3,318	0	3,318	0	3,318
14	Prior Year Tax Return Adjustments	0	0	0	0	0
15	Total Transmission Property	<u>72,402</u>	<u>(11)</u>	<u>72,391</u>	<u>(855)</u>	<u>71,536</u>
Total						
16	ACRS & MACRS	10,446	0	10,446	(6,254)	4,192
17	Contributions In Aid of Construction (CIAC)	0	(2,357)	(2,357)	300	(2,057)
18	Other Basis Adjustments	6,993	(47)	6,946	(608)	6,338
19	Net Book/Net Tax Plant (Excluding CIAC)-Transmission	69,084	0	69,084	(886)	68,198
20	Federal NOL Carryforward	39,130	0	39,130	2,139	41,269
21	State NOL Carryforward	3,125	0	3,125	287	3,412
22	Prior Year Tax Return Adjustments	0	0	0	0	0
23	Total	<u>\$ 128,778</u>	<u>\$ (2,404)</u>	<u>\$ 126,374</u>	<u>\$ (5,022)</u>	<u>\$ 121,352</u>
24	Less: Deferred income taxes on T&D operations per budget					<u>109,479</u>
25	Net increase/(decrease) in deferred income taxes					<u>\$ 11,873</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Provision For Deferred Income Taxes
As of December 31, 2016
(Thousands of Dollars)

This adjustment provides for the annual provision for deferred income taxes due to the (1) Accelerated Cost Recovery System (ACRS) of the Economic Recovery Act of 1981, (2) Modified Accelerated Cost Recovery System (MACRS) of the Tax Reform Act of 1986 and (3) Other 263A & Repair Allowance.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Distribution Property	
1	Excess Book over Tax depreciation on ACRS and MACRS property	\$ (9,726)
2	Other 263A, Repair Allowance and CIAC book and tax basis adjustments and reversals	<u>6,424</u>
3	Plant activity for the calculation of deferred income taxes	<u>(3,302)</u>
	General Property	
4	Excess Tax over Book depreciation on ACRS and MACRS property	7,952
5	Other 263A, Repair Allowance and CIAC book and tax basis adjustments and reversals	<u>208</u>
6	Plant activity for the calculation of deferred income taxes	<u>8,160</u>
	Transmission Property	
7	Net Tax over Net Book plant activity (excluding CIAC)	160,570
8	CIAC tax basis adjustment and reversal	<u>48</u>
9	Plant activity for the calculation of deferred income taxes	<u>160,618</u>
10	Total plant activity for the calculation of deferred income taxes	<u>\$ 165,476</u>
11	Tax Rate Provisions for Distribution and General Property - 35% Reversals for Distribution and General Property - Average Rate Assumption Method Provisions and Reversals for Transmission Property - 41.4935% Provisions and Reversals for Other 263A, Repair Allowance and CIAC	
12	Net annual deferred tax debit / (credit)	<u>\$ 121,352</u>
	Less: Net provision on T&D operations per books	
13	Provision for deferred taxes - debit	128,778
14	Provision for deferred taxes - credit	<u>(2,404)</u>
15		<u>126,374</u>
16	Net increase in deferred income tax provision	<u>\$ (5,022)</u>

PPL ELECTRIC UTILITIES CORPORATION

**Adjustment to Amortization of
Deferred Investment Tax Credit
Year Ended December 31, 2016**
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>4% Investment Tax Credit</u>	<u>10% Investment Tax Credit</u>	<u>Total</u>
Transmission Property:				
4	1982	0	4	4
5	1983	0	0	0
6	1984	0	4	4
7	1985	0	4	4
8	1986	0	4	4
9	1987	0	3	3
10	1988	0	1	1
11	1989	0	0	0
12	1990	0	0	0
Total Transmission Property				<u>20</u>
Distribution Property:				
16	1982	0	0	0
17	1983	0	0	0
18	1984	0	0	0
19	1985	0	0	0
20	1986	0	0	0
21	1987	0	56	56
22	1988	0	22	22
23	1989	0	5	5
24	1990	0	7	7
Total Distribution Property				<u>90</u>
25	Total Amount of Amortization			110
26	Less: Amortization on T&D operations per budget			<u>110</u>
27	Decrease in Amortization			<u>\$ -</u>