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VIA FEDERAL EXPRESS

March 8, 2010

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: PPL Electric Utilities Corporation
Revision to Proposed Generation Supply Charge for the
Application Period April 1, 2010 through June 30, 2010
Docket No. M-2009-2145482**

Dear Secretary McNulty:

On March 1, 2010, PPL Electric Utilities Corporation ("PPL Electric") filed its proposed Generation Supply Charge ("GSC") for the application period April 1, 2010 through June 30, 2010. For reasons explained below, PPL Electric requests to withdraw the proposed GSC, and continue in effect the current GSC until July 1, 2010.

The Pennsylvania Public Utility Commission's ("Commission") Orders approving PPL Electric's Competitive Bridge Plan ("CBP") for default service, for the period January 1, 2010 through December 31, 2010, directed PPL Electric to make quarterly GSC filings. The quarterly filings are to reflect projected changes in default service costs and reconciliation of prior experienced revenues and expenses. Because the CBP Plan has acquired power using competitively bid full requirements contracts, expense projections on a per kWh basis are not anticipated to vary to any substantial degree in the quarterly filings. Only small variances related to reconciliation of over/undercollections are anticipated.

PPL Electric's March 1, 2010 filing reflected a substantial undercollection amount of approximately \$125.5 million. However, upon further review of that undercollection amount, PPL Electric has concluded that it is not representative of a true over/undercollection. There are several reasons for this conclusion.

First, the reconciliation process reflects only experienced revenues and expenses. As of March 1, 2010, the only experienced data is for the single CBP month of January 2010, following expiration of the generation rate cap. Because many customer bills issued in January 2010 were prorated for usage which occurred in December 2009, or prior to implementation of the GSC, billed revenue under the GSC for January 2010 reflects only about half of the revenue that typically would be derived from a full, non-prorated billing month. However, generation supply-related costs incurred for January 2010 reflect a full month of customer electricity usage. This difference between prorated billed revenue and actual incurred costs creates a significant undercollection for

the month of January 2010. Although proration of bills can always create some over/undercollections, a full year's reconciliation of revenues and costs will generally balance out, because the proration effects are reflected in the first and last months of each annual reconciliation.

PPL Electric also has identified that the transition from a capped generation rate to a competitive market, which occurred effective on January 1, 2010, has created temporary billing issues that make uncertain the reliability of the booked January GSC revenues. Because of the many changes to PPL Electric's billing system that were required for the transition to competition, the substantial and rapid number of customers electing service from electric generation suppliers in January, and the increasing number of new suppliers whose rates had to be incorporated in consolidated bills, PPL Electric has experienced a number of billing errors in January, resulting in bills that were inaccurate or not rendered. These errors are being corrected; however, these revenue corrections will not appear on the Company's books until subsequent months.

Based upon all of the foregoing, PPL Electric respectfully requests to withdraw its proposed changes to its GSC effective April 1, 2010. PPL Electric proposes to begin its quarterly GSC reconciliation the third quarter of 2010 (for the application period July 1, 2010 through September 30, 2010), reflecting all experienced over/undercollections from February 1, 2010 through April 30, 2010. The Company further proposes to defer the January 2010 proration undercollection, and reflect that amount in GSC rates to become effective on January 2011.

PPL Electric also respectfully requests that the Commission grant any needed waivers of regulations or tariff provisions necessary to address this one-time, extraordinary situation.

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In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

Respectfully submitted,



Paul E. Russell

cc: Mr. Carl Lesney
Mr. Richard E. Wallace
Johnnie E. Simms, Esquire
Irwin A. Popowsky, Esquire
William R. Lloyd, Jr., Esquire

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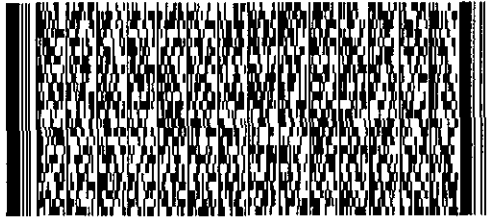
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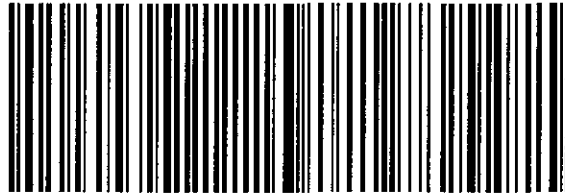
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