

PPL ELECTRIC UTILITIES CORPORATION

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

	<u>2011</u>	<u>2012</u>
Operating Revenues		
Electric Operations	\$ 3,106,716	\$ 3,144,974
Wholesale & Energy Trading	319	319
Intercompany Sales	6,607	6,630
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Total Electric Operating Revenue	3,113,642	3,151,923
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Operating Expenses		
Energy Purchases - External	1,990,201	2,002,681
Energy Purchases - Internal	0	0
O&M Expense	578,660	586,522
Regulatory Debits/Credits	0	0
Depreciation	136,453	148,247
Taxes Other Than Income	184,581	184,965
Income Taxes-Federal	27,123	26,165
Income Taxes-State	(413)	(790)
Deferred Income Taxes	47,230	51,140
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Total Operating Expenses	2,963,835	2,998,930
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Operating Income	\$ 149,807	\$ 152,993
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¹⁾ Does not include any effect of this rate filing.

PPL ELECTRIC UTILITIES CORPORATION

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

<u>Budget Category</u>	<u>2011</u>	<u>2012</u>
Provide Electric Service	\$ 73,275	\$ 76,321
Revenue Cycle Service	10,345	13,601
Upgrade System Facilities	219,784	263,495
Asset Optimization Strategy	90,531	157,055
Maintain System Reliability	60,204	60,548
Improve System Reliability	25,399	21,358
Respond To Customer	24,602	24,337
Other ¹⁾	35,825	37,188
Buildings and Improvements	<u>18,119</u>	<u>17,807</u>
Total	<u>\$ 558,084</u>	<u>\$ 671,710</u>

¹⁾ Includes office furniture, technology projects, and site acquisitions