PPL ELECTRIC UTILITIES CORPORATION

Exhibit JMK 3

Distribution Subfunctionalization/Classification Studies
Allocation of Meter Costs
Metering and Billing Credits

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PPL ELECTRIC UTILITIES CORPORATION

Distribution Subfunctionalization / Classification Studies

Allocation of Meter Costs

Metering and Billing Credits

PPL ELECTRIC UTILITIES CORPORATION

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SECTION I

Distribution Plant – Subfunctionalization/Classification Studies

Summary

This exhibit provides the results of studies used in the functionalization, subfunctionalization, and classification of PPL Electric Utilities Corporation's ("PPL Electric") distribution plant. The studies are based on distribution plant data as of December 31, 2009. The results of these studies were applied to distribution plant data for both the historic and future test years.

Distribution plant is functionalized into the following categories:

- Substations
- Overhead Lines
- Underground Lines
- Line transformers
- Services
- Meters
- Area Lighting
- Street Lighting

Distribution plant is subfunctionalized by the following voltage levels for cost allocation purposes:

- Primary voltage – 3 phase 12 KV or 3 phase 23 KV
- Secondary voltage – everything below 3 phase 12 KV

Distribution plant is subfunctionalized into primary and secondary components based on the functions of specifically identified units of property within the distribution plant accounts.

The subfunctionalization of secondary distribution plant then is classified into the demand and customer components based on a "minimum size system" study.

The following tables provide summaries of:

- Distribution Plant Account Balances as of December 31, 2009
- Distribution Plant-Subfunctionalization/Classification Percentages by Plant Account
- Distribution Plant-Subfunctionalization on a % of Account Total Basis

PPL ELECTRIC UTILITIES CORPORATION

Distribution Plant Account Balances as of December 31, 2009

Account	Description	Account Balance	
360.2	Land	$11,695,809	
360.4	Land Rights	62,416,971	
360 Total	Land & Land Rights		74,112,780
361	Structures & Improvements		27,178,013
362	Station Equipment		284,735,518
364.2	Towers & Fixtures	18,998,318	
364.4	Poles & Fixtures	769,672,901	
364.6	Clearing L& & R/W - Towers	210,421	
364.8	Clearing L& & R/W - Poles	36,808,379	
364 Total	Poles & Towers		825,690,019
365	Overhead Conductors		616,336,620
366	Underground Conduit		141,411,287
367	Underground Conductors		402,737,192
368	Line Transformers		379,090,908
369	Services		553,880,990
370	Meters		260,822,601
371	Area Lighting Fixtures		6,841,065
373	Street Lighting		87,750,466
TOTAL DISTRIBUTION PLANT			$3,660,587,459

Distribution Plant - Sunbfunctionallzation Classification

Percentages by Plant Account as of December 31, 2009

Account	Description	Primary % of Account Total	Secondary % of Account Total	Customer Component % of Primary	Demand Component % of Primary	Customer Component % of Secondary	Demand Component % of Secondary
360	L& & L& Rights	See Note	See Note	See Note	See Note	See Note	See Note
361	Structures & Improvements	99.98	0.02	0.00	0.00	0.00	100.00
362	Station Equipment	99.91	0.09	44.31	55.69	0.00	100.00
364	Poles, Towers & Fixtures	75.67	24.33	51.51	48.49	74.05	25.95
365	Overhead Conductors & Devices	75.67	24.33	73.75	26.25	69.25	30.75
366	Underground Conduit	85.40	14.60	83.66	16.34	58.50	41.50
367	Underground Conductors	85.40	14.60	83.66	16.34	58.50	41.50
368	Line Transformers	0.00	100.00	0.00	0.00	54.51	45.49
369	Services	0.00	100.00	0.00	0.00	25.93	74.07
370	Meters	0.00	100.00	0.00	0.00	100.00	0.00
371	Area Lighting Fixtures	0.00	100.00	0.00	0.00	100.00	0.00
373	Street Lighting	0.00	100.00	0.00	0.00	100.00	0.00

Note: Account 360 (Land and Land Rights) is functionalized and classified by direct assignment based on an analysis of plant records.

PPL ELECTRIC UTILITIES CORPORATION
SUBFUNCTIONALIZATION OF DISTRIBUTION PLANT
BASED ON % OF ACCOUNT TOTAL
FOR COST ALLOCATION PURPOSES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009

		3602	3604	3610	3620	3640
		Land	Land Rights	Struc. & Imp.	Station Eqiup.	Poles & Towers
Substation	Primary	78.67	0.18	99.98		
	Secondary	0.03	0.00	0.02		
	Prim. DMD				55.64	
	Prim. CUST				44.27	
	Sec. DMD				0.09	
	Sec. CUST				0.00	
	Subtotal	78.70	0.18	100.00	100.00	
Overhead Lines	Prim. DMD	5.86	27.46			33.21
	Prim. CUST	9.38	43.97			35.28
	Sec. DMD	1.57	7.37			7.32
	Sec. CUST	4.08	19.12			20.87
	Street LT	0.40	1.90			3.32
	Subtotal	21.30	99.82			100.00
Underground Lines	Prim. DMD					
	Prim. CUST					
	Sec. DMD					
	Sec. CUST					
	Street LT					
	Subtotal					
Line Transformers	Sec. DMD					
	Sec. CUST					
	Subtotal					
Services	Sec. DMD					
	Sec. CUST					
	Subtotal					
Meters	Meters					
	Subtotal					
Area Light	Area LT					
	Subtotal					
Street Lighting	Street LT					
	Subtotal					
Account Total		100.00	100.00	100.00	100.00	100.00

PPL ELECTRIC UTILITIES CORPORATION
SUBFUNCTIONALIZATION OF DISTRIBUTION PLANT
BASED ON % OF ACCOUNT TOTAL
FOR COST ALLOCATION PURPOSES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009

		3650	3660	3670	3680	3690
		O.H. Conductors	U.G. Conduit	U.G. Conductors	Line Transformers	Services
Substation	Primary					
	Secondary					
	Prim. DMD					
	Prim. CUST					
	Sec. DMD					
	Sec. CUST					
	Subtotal					
Overhead Lines	Prim. DMD	19.86				
	Prim. CUST	55.81				
	Sec. DMD	7.48				
	Sec. CUST	16.85				
	Street LT	0.00				
	Subtotal	100.00				
Underground Lines	Prim. DMD		13.92	13.92		
	Prim. CUST		71.48	71.48		
	Sec. DMD		6.06	6.06		
	Sec. CUST		8.54	8.54		
	Street LT		0.00	0.00		
	Subtotal		100.00	100.00		
Line Transformers	Sec. DMD				45.49	
	Sec. CUST				54.51	
	Subtotal				100.00	
Services	Sec. DMD					74.07
	Sec. CUST					25.93
	Subtotal					100.00
Meters	Meters					
	Subtotal					
Area Light	Area LT					
	Subtotal					
Street Lighting	Street LT					
	Subtotal					
Account Total		100.00	100.00	100.00	100.00	100.00

PPL ELECTRIC UTILITIES CORPORATION
SUBFUNCTIONALIZATION OF DISTRIBUTION PLANT
BASED ON % OF ACCOUNT TOTAL
FOR COST ALLOCATION PURPOSES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009

		3700	3710	3730
		Meters	Area Lights	Street Lighting
Substation	Primary			
	Secondary			
	Prim. DMD			
	Prim. CUST			
	Sec. DMD			
	Sec. CUST			
	Subtotal			
Overhead Lines	Prim. DMD			
	Prim. CUST			
	Sec. DMD			
	Sec. CUST			
	Street LT			
	Subtotal			
Underground Lines	Prim. DMD			
	Prim. CUST			
	Sec. DMD			
	Sec. CUST			
	Street LT			
	Subtotal			
Line Transformers	Sec. DMD			
	Sec. CUST			
	Subtotal			
Services	Sec. DMD			
	Sec. CUST			
	Subtotal			
Meters	Meters	100.00		
	Subtotal	100.00		
Area Light	Area LT		100.00	
	Subtotal		100.00	
Street Lighting	Street LT			100.00
	Subtotal			100.00
Account Total		100.00	100.00	100.00

Distribution Plant – Subfunctionalization

Substations

Distribution substations are subfunctionalized by analyzing engineering "one line" diagrams to identify the voltage levels of each substation. The associated plant account retirement units for the substations are used to determine the investment at each voltage level.

The associated distribution plant in Land (Account 360.2), Land Rights (Account 360.4), and Structures & Improvements (Account 361) are subfunctionalized based on an analysis of Station Equipment (Account 362).

Overhead Conductors and Devices (Account 365)

The subfunctionalization of Overhead Conductors and Devices (Account 365) is based on plant account retirement units that are used to determine the investment at primary and secondary voltages. Because this account contains retirement units for property other than conductors (e.g., circuit breakers), the total investment in the account is subfunctionalized based on the analysis of overhead conductors.

Land (Account 360.2) and Land Rights (Account 360.4) associated with overhead conductors are subfunctionalized based on the total subfunctionalized investment of Overhead Conductors and Devices (Account 365) and Poles, Towers, and Fixtures (Account 364).

Poles, Towers and Fixtures (Account 364)

Account 364 is composed of the following subaccounts:

- 364.2 – Towers and Fixtures
- 364.4 – Poles and Fixtures
- 364.6 – Clearing, Land and Right-of-Way – Towers
- 364.8 – Clearing, Land and Right-of-Way - Poles

Investment in Subaccounts 364.2 and 364.6 is segmented to the primary subfunctions only.

Subaccount 364.4, Poles and Fixtures, is segmented to primary and secondary subfunctions based on plant account retirement units. Investment in 40-foot and 45-foot poles can be assigned to either the primary or secondary subfunction. Accordingly, segmentation is based on the ratio of investment in overhead conductors assigned to the subtransmission/primary and secondary subfunctions.

The remaining investment in Account 364 (hardware and devices, guys, anchors, etc.) is assigned to the primary and secondary subfunctions based on the number of poles assigned to each subfunction. The number of poles used to segment

the primary subfunction is doubled to reflect the fact that primary poles require twice the investment in attachments.

Investment in Subaccount 364.8, Clearing, Land and Right-of-Way-Poles, is split into subfunctions based on the segmentation of Subaccount 364.4, Poles and Fixtures.

The investment for street lighting/area lighting is based on the number of wood poles used for street/area lighting and the determination as to whether those poles are used for sole-use or joint-use purposes.

Underground Conductors and Devices (Account 367)

The subfunctionalization of Underground Conductors and Devices (Account 367) is based on plant account retirement units which are used to determine the investment in the primary and secondary voltages. The segmented investment is used to determine the segmentation between the primary and secondary voltages.

Land (Account 360.2) and Land Rights (Account 360.4) associated with underground conductors are subfunctionalized based on the total subfunctionalized investment in Underground Conductors (Account 367) and Underground Conduit (Account 366).

Underground Conduit (Account 366)

The subfunctionalization of Underground Conduit (Account 366) is based on the subfunctionalization of underground conductor. Consequently, the same percentages of subtransmission, primary, and secondary apply.

Line Transformers (Account 368)

The investment in Line Transformers (Account 368) is considered to be a 100% secondary subfunction.

Services (Account 369)

The investment in Services (Account 369) is considered to be a 100% secondary subfunction.

Area Lighting (Account 371)

The investment in area lighting is considered to be a 100% secondary subfunction.

Street Lighting (Account 373)

The investment in street lighting is considered to be a 100% secondary subfunction.

Distribution Plant – Classification

Minimum Size System Study

A "minimum size system" study, using plant balances as of December 31, 2009, was conducted to determine the demand and customer components of the primary and secondary voltage level distribution plant accounts. The "minimum size" method, which is described in the NARUC Cost Allocation Manual, was used as a guide in the preparation of this study.

The study involved the determination of the current cost of the "minimum size" plant investment (poles, conductors, cables, transformers, and services) that is necessary to provide reliable electric service to customers.

To address the issue that certain components of the minimum size unit potentially may have some load-carrying capability, which was raised in the Company's prior distribution rate case proceedings, and referred to in the NARUC Manual, a "no-load adjustment factor" was developed. This adjustment factor was derived from the Capitalized Cost Method for determining the total "owning cost" for transformers. The owning costs consist of the cost of the transformer plus the cost of core (no load) losses and the cost of load losses. The no-load adjustment factor reflects the cost of the transformer plus the cost of core losses as a percent of total owning costs.

The no-load adjustment factor reduces the current average book costs of the appropriate minimum size units to exclude the estimated level of load-carrying capability. The adjusted current average book costs of the minimum size units are used to determine the customer component of the account; the remaining balance represents the demand component.

The following table provides a summary of the calculations.

SECONDARY MINIMUM SIZE SYSTEM STUDY SUMMARY RESULTS

Account	Description	% Customer	% Demand
364	Poles, Towers and Fixtures	74.05%	25.95%
365	Overhead Conductors & Devices	69.25%	30.75%
366	Underground Conduit	58.50%	41.50%
367	Underground Conductors & Devices	58.50%	41.50%
368	Line Transformers	54.51%	45.49%
369	Services	25.93%	74.07%

PRIMARY MINIMUM SIZE SYSTEM STUDY SUMMARY RESULTS

Account	Description	% Customer	% Demand
362	Transformers	44.31%	55.69%
364	Poles, Towers and Fixtures	51.51%	48.49%
365	Overhead Conductors & Devices	73.75%	26.25%
366	Underground Conduit (Use same Results as 367)	83.66%	16.34%
367	Underground Conductors & Devices	83.66%	16.34%

Account Details

Substation Transformers (Account 362)

The Company's Plant Account Records were analyzed to determine the average installed book cost per transformer. A 10MVA transformer is the "minimum size" transformers currently being installed on PPL Electric's system.

The current average book cost of the "minimum size" transformer is multiplied by the applicable no-load adjustment factor, and the result is multiplied by the total number of transformers in the distribution system to determine the customer component. The balance of the plant account represents the demand component.

Poles, Towers & Fixtures (Account 364)

PPL Electric's Plant Account Records were analyzed to determine the average installed book cost per pole. A 40-foot wood pole is the "minimum size" pole currently being installed on PPL Electric's system. The current average book cost of the 40-foot pole is multiplied by the total number of poles in the distribution system to determine the customer component. The balance of the plant account represents the demand component.

Overhead Conductors and Devices (Account 365)

The Company's Plant Account Records were analyzed to determine the average installed book cost per foot of overhead conductor. The "minimum size" overhead conductor currently being installed on PPL Electric's system is 1/0 aluminum conductor-steel reinforced ("ACSR"). The current average book cost for 1/0 ACSR is multiplied by the total number of feet of overhead conductor in the distribution system to determine the customer component. The balance of the plant account represents the demand component.

The unit of property retirement code for 1/0 aluminum conductor contains all conductors (2/0 through 1/0 aluminum); however, 1/0 ACSR is the predominant size conductor.

Underground Conduit (Account 366)

This account is assigned the same customer/demand ratio as Underground Conductors (Account 367).

Underground Conductors (Account 367)

The Company's Plant Account Records were analyzed to determine the average installed book cost per foot of underground conductor. The "minimum size" underground conductor currently being installed on PPL Electric's system is 1/0 aluminum. The current average book cost for 1/0 aluminum is multiplied by the total number of feet of underground conductor in the distribution system to determine the

customer component. The balance of the plant account represents the demand component.

The unit of property retirement code for 1/0 aluminum conductor contains all conductors (2/0 through 1/0 aluminum); however, 1/0 aluminum is the predominant size conductor.

Line Transformers (Account 368)

The Company's Plant Account Records were analyzed to determine the average installed book cost per transformer. A 10KVA overhead transformer and a 25 KVA underground transformer are the "minimum size" transformers currently being installed on PPL Electric's system.

The current average book cost of the "minimum size" overhead transformer is multiplied by the applicable no-load adjustment factor, and the result is multiplied by the total number of overhead transformers in the distribution system to determine the customer component.

The current average book cost of the "minimum size" underground transformer is multiplied by the applicable no-load adjustment factor, and the result is multiplied by total number of underground transformers to determine the customer component.

The customer components of the overhead and underground transformers are combined to determine the total weighted customer component for the account. The balance of the plant account represents the demand component.

The minimum size 10 KVA overhead transformer is recorded in the unit of property retirement code labeled "Less Than 30 KVA" overhead transformers. The predominant KVA sizes included are 10, 15 and 25. The cost of 10 KVA transformers was determined by prorating the plant investment based on current quantities and current replacement costs.

The minimum size 25 KVA underground transformer is recorded in the unit of property retirement code labeled "Less Than 50 KVA" underground transformers. The 25 KVA size is the predominant unit in this retirement code.

Services (Account 369)

The Company's Plant Account Records were analyzed to determine the average installed book cost per service (#4 Triplex Overhead Service and #10 Aluminum Underground Service are the "minimum size" services currently being installed on PPL Electric's system). Because these are the only units of property maintained for services, the total current installed book costs of overhead and underground services are combined to determine the customer component of Account 369. The balance of the plant account represents the demand component.

The following table provides a summary of the calculations.

PPL ELECTRIC UTILITIES CORPORATION
SECONDARY MINIMUM SIZE SYSTEM STUDY
AS OF DECEMBER 31, 2009

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			Minimum Size				Expand to Total Account				
Account	Minimum Size (Unit Code)	Unit	Total Installed Cost	Total Installed Units	Average Unit Cost (4)/(5)	Adjusted Unit Cost x Min. Load Factor	Total Units	Total Customer Component	Account Total	% Customer (9)/(10)	% Demand 100-(11)
364	40 Foot Wood Pole (613007)	Pole	$50,973,064	94,081	$ 541.80	$ -	355,459	$192,588,482	$260,092,356	74.05%	25.95%
365	1/0 and below Aluminum Overhead Conductor (625210)	Feet	$64,220,759	24,814,912	$ 2.59	$ -	40,127,498	$103,849,588	$149,954,700	69.25%	30.75%
366	Underground Conduit - Uses Same percentages as Account 367	Feet							$141,411,287	58.50%	41.50%
367	1/0 and below Aluminum Underground Conductor (625210)	Feet	$11,341	3,230	$ 3.51	$ -	9,796,674	$34,397,546	$58,799,630	58.50%	41.50%
368.2	10 KVA Overhead Transformer (388354)	Number	$27,472,408	80,657	340.61	298.64	366,249	$109,374,917			
368.4	25 KVA Underground Transformer (388407)	Number	$33,694,306	24,934	1,351.34	1,215.26	80,029	$97,256,254			
368 Total	**Total Overhead and Underground Transformers**		$61,166,714	105,591			446,278	$206,631,172	$379,090,908	54.51%	45.49%
369	Overhead Service (683801)	Number	$107,490,783	173,765	$ 618.60	$ -	173,765	$107,490,783			
	Underground Service (683802)	Number	$36,109,150	28,426	$ 1,270.29	$ -	28,426	$36,109,150			
369 Total	**Total Overhead and Underground Service**		$143,599,933	202,191	$ 710.22			$143,599,933	$553,880,990	25.93%	74.07%

Notes:

1. Account 366 Underground Conduit is split the same for customer and demand percentages as Account 367 Underground Conductor as stated in the NARUC Cost Allocation Manual.
2. Account 368.2 Overhead Line Transformers ranging predominantly between 10-25 KVA, 74% Residential and 26% Commercial
3. Account 368.4 Underground Transformers predominantly 25 KVA, 96% Residential and 4% Commercial
4. Account 368 Line Transformers are first split between overhead and underground to determine the customer component and then summarized for the account
5. Account 369 Services are first split between overhead and underground service to determine the customer component and then summarized for the account.
6. Minimum Load Adjustment Factor - Adjusts costs of normal load facilities to minimum load capability.

Overhead Transformer	87.7%
Underground Transformer	89.9%

PPL ELECTRIC UTILITIES CORPORATION
PRIMARY MINIMUM SIZE SYSTEM STUDY
AS OF DECEMBER 31, 2009

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			Minimum Size				Expand to Total Account				
Account	Minimum Size (Unit Code)	Unit	Total Installed Cost	Total Installed Units	Average Unit Cost (4)/(5)	Adjusted Unit Cost x Min. Load Factor	Total Units	Total Customer Component	Account Total	% Customer (9)/(10)	% Demand 100-(11)
362	10 MVA Transformer		$10,918,431	185	$ 59,019	$ 55,480	632	$35,063,325	$79,138,810	44.31%	55.69%
364	40 Foot Wood Pole (613007)	Pole	$158,533,979	292,605	$ 541.80	$ -	537,720	$291,337,711	$565,597,663	51.51%	48.49%
365	1/0 and below Aluminum Overhead Conductor (625210)	Feet	$167,977,835	186,616,480	$ 0.90	$ -	382,133,663	$343,967,400	$466,381,920	73.75%	26.25%
366	Underground Conduit - Uses Same percentages as Account 367	Feet							$120,765,239	83.66%	16.34%
367	1/0 and below Aluminum Underground Conductor (625210)	Feet	$269,992,551	86,179,857	$ 3.13	$ -	91,844,220	$287,738,411	$343,937,562	83.66%	16.34%

Notes:

1. Account 366 Underground Conduit is split the same for customer and demand percentages as Account 367 Underground Conductor as stated in the NARUC Cost Allocation Manual.
2. Minimum Load Adjustment Factor - Adjusts costs of normal load facilities to minimum load capability.
   Overhead Transformer 94.0%

Operation & Maintenance Expense

The process of subfunctionalizing Distribution Operation & Maintenance ("O&M") expense begins with the proration of Supervision and Engineering (Accounts 580 and 590) expense to the other distribution O&M accounts based on the ratio of the labor component of each account to the total distribution labor cost. After prorating the Supervision and Engineering expense, the other O&M accounts are subfunctionalized and classified based on the subfunctionalization of distribution plant.

The following tables provide summaries of the subfunctionalization of distribution O&M expense by account.

PPL ELECTRIC UTILITIES CORPORATION
DISTRIBUTION EXPENSE ACCOUNTS
FOR COST ALLOCATION PURPOSES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009
($000)

CATEGORY	ACCOUNT	DESCRIPTION	AMOUNT
OPERATION	580	SUPERVISION & ENGINEERING	21,325
	581	LOAD DISPATCHING	169
	582	STATION EXPENSE	552
	583	OVERHEAD LINES EXPENSE	15,646
	584	UNDERGROUND LINES EXPENSE	7,233
	585	STREET LIGHTING & SIGNAL SYSTEMS	51
	586	METER EXPENSE	7,873
	587	CUSTOMER INSTALLATION EXPENSE	4,567
	588	MISCELLANEOUS DISTRIBUTION EXPENSE	2,879
	589	RENTS	9,968
	SUBTOTAL		$70,266
MAINTENANCE	590	SUPERVISION & ENGINEERING	1,182
	591	MAINTENANCE OF STRUCTURES	35
	592	MAINTENANCE OF STATION EQUIPMENT	3,893
	593	MAINTENANCE OF SERVICES	37,710
	593.5	MAINTENANCE OF OVERHEAD SERVICES	983
	594	MAINTENANCE OF UNDERGROUND LINES	2,691
	594.3	MAINTENANCE OF UNDERGROUND SERVICES	18
	594.6	MAINTENANCE OF UNDERGROUND OTHER SERVICES	3,051
	595	MAINTENANCE OF LINE TRANSFORMERS	1,699
	596	MAINTENANCE OF STREET LIGHTING	2,436
	597	MAINTENANCE OF METERS	9
	598	MAINTENANCE OF MISCELLANEOUS DISTRIBUTION PLANT	2,216
	SUBTOTAL		$55,921
TOTAL DISTRIBUTION EXPENSES			**$126,187**

PPL ELECTRIC UTILITIES CORPORATION
SUBFUNCTIONALIZATION OF DISTRIBUTION EXPENSE ACCOUNTS
PRORATION OF SUPERVISION AND ENGINEERING ACCOUNTS
FOR COST ALLOCATION PURPOSES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009
($000)

ACCOUNT	CATEGORY	TOTAL	LABOR	MATERIAL	ACCOUNT 580 PRORATION
582	SUBSTATIONS	$552	$228	$325	$231
583	OVERHEAD LINES	$15,646	$7,559	$8,087	$7,664
584	UNDERGROUND LINES	$7,233	$3,835	$3,398	$3,888
585	STREET LIGHTING	$51	$26	$25	$26
586	METERS	$7,873	$5,226	$2,647	$5,298
587	CUST INSTALLATIONS	$4,567	$2,312	$2,255	$2,344
588,589	MISCELLANEOUS	$12,848	$1,848	$11,000	$1,874
TOTAL		**$48,771**	**$21,035**	**$27,736**	**$21,325**

PPL ELECTRIC UTILITIES CORPORATION
SUBFUNCTIONALIZATION OF DISTRIBUTION EXPENSE ACCOUNTS
PRORATION OF SUPERVISION AND ENGINEERING ACCOUNTS
FOR COST ALLOCATION PURPOSES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009
($000)

ACCOUNT	CATEGORY	TOTAL	LABOR	MATERIAL	ACCOUNT 590 PRORATION
591	SUBSTATIONS	$35	$11	$24	$1
592	SUBSTATIONS	$3,893	$1,914	$1,979	$170
593	OVERHEAD LINES	$37,710	$6,780	$30,930	$603
593.5	OVERHEAD SERVICES	$983	$328	$654	$29
594	UNDERGROUND LINES	$2,691	$1,313	$1,378	$117
594.3	UNDERGROUND SERVICES	$18	$1	$17	$0
594.6	UG. OTHER SERVICES	$3,051	$775	$2,276	$69
595	LINE TRANSFORMERS	$1,699	$820	$879	$73
596	STREET LIGHTING	$2,436	$845	$1,591	$75
597	METERS	$9	$8	$1	$1
598	STREET LIGHTING	$2,216	$493	$1,723	$44
TOTAL		**$54,740**	**$13,287**	**$41,453**	**$1,182**

PPL ELECTRIC UTILITIES CORPORATION
SUBFUNCTIONALIZATION OF DISTRIBUTION EXPENSE ACCOUNTS
BASED ON % OF ACCOUNT TOTAL
FOR COST ALLOCATION PURPOSES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009

		580	581	582	583	584	585	586	587	588	589
Substation	Primary	0.12	1.53	11.36							
	Secondary	0.00	0.00	0.00							
	Prim. DMD	0.53	6.65	49.32							
	Prim. CUST	0.43	5.29	39.24							
	Sec. DMD	0.00	0.01	0.08							
	Sec. CUST	0.00	0.00	0.00							
	Subtotal	1.08	13.49	100.00							
Overhead Lines	Prim. DMD	9.89	17.48		27.51						
	Prim. CUST	15.83	28.00		44.06						
	Sec. DMD	2.65	4.69		7.39						
	Sec. CUST	6.88	12.17		19.15						
	Street LT	0.68	1.21		1.90						
	Subtotal	35.94	63.56		100.00						
Underground Lines	Prim. DMD	2.54	3.20			13.92					
	Prim. CUST	13.03	16.41			71.48					
	Sec. DMD	1.10	1.39			6.06					
	Sec. CUST	1.56	1.96			8.54					
	Subtotal	18.23	22.95			100.00					
Services	Sec. DMD										
	Sec. CUST										
	Subtotal										
Line Transformers	Sec. DMD										
	Sec. CUST										
	Subtotal										
Miscellaneous	Miscellaneous	8.79								100.00	100.00
	Subtotal	8.79								100.00	100.00
Meters	Meters	24.84						100.00			
	Subtotal	24.84						100.00			
Street Lighting	Street LT	0.12					100.00				
	Subtotal	0.12					100.00				
Customer Installations	Customer Installations	10.99							100.00		
	Subtotal	10.99							100.00		
Account Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

PPL ELECTRIC UTILITIES CORPORATION
SUBFUNCTIONALIZATION OF DISTRIBUTION EXPENSE ACCOUNTS
BASED ON % OF ACCOUNT TOTAL
FOR COST ALLOCATION PURPOSES
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009

		590	591	592	593	594	595	596	597	598
Substation	Primary	1.64	11.36	11.36						
	Secondary	0.00	0.00	0.00						
	Prim. DMD	7.14	49.32	49.32						
	Prim. CUST	5.68	39.24	39.24						
	Sec. DMD	0.01	0.08	0.08						
	Sec. CUST	0.00	0.00	0.00						
	Subtotal	14.47	100.00	100.00						
Overhead Lines	Prim. DMD	14.04			26.81					
	Prim. CUST	22.48			42.94					
	Sec. DMD	3.77			7.20					
	Sec. CUST	9.77			18.67					
	Street LT	0.97			1.85					
	Subtotal	51.03			97.46					
Underground Lines	Prim. DMD	1.38				6.50				
	Prim. CUST	7.08				33.39				
	Sec. DMD	0.60				2.83				
	Sec. CUST	0.85				3.99				
	Subtotal	9.90				46.71				
Services	Sec. DMD	6.14			1.88	39.47				
	Sec. CUST	2.15			0.66	13.81				
	Subtotal	8.29			2.54	53.29				
Line Transformers	Sec. DMD	2.81					45.49			
	Sec. CUST	3.37					54.51			
	Subtotal	6.18					100.00			
Miscellaneous	Miscellaneous									
	Subtotal									
Meters	Meters	0.08							100.00	
	Subtotal	0.08							100.00	
Street Lighting	Street LT	10.04						100.00		
	Subtotal	10.04						100.00		
Customer Installations	Customer Installations									
	Subtotal									
Account Total		**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	

SECTION II

Allocation of Meter Investment

Meters (Account 370)

A Meter Investment study, using data as of December 31, 2009, was conducted to estimate the metering cost per customer. The process included the following steps.

1. Typical metering configurations were identified.

2. The total material cost was calculated by using the current purchase price for each material item in the typical metering configuration. For items where a large quantity is purchased from several vendors, a weighted average cost is calculated based on the number of units purchased from each vendor and each vendor's price. Stores Expense, which includes the cost of stocking and handling the materials, is added to the purchase price to obtain the total material cost.

3. The total labor cost for each typical meter configuration is calculated using current labor costs. Labor costs include: shop labor, overheads on shop labor, field labor, overheads on field labor, and vehicle use.

4. The total cost for each typical meter configuration is the sum of the material and labor costs.

5. The estimated meter investment for each rate class designation is calculated by multiplying the estimated meter cost per customer, based on the typical meter configuration, by the total number of customers.

6. The difference between the Meter Investment (Account 370) and the total of meter investment by rate class is prorated by rate class designation based on the current estimated metering costs so that the total meter investment is equal to the investment in Account 370 Meters.

The current estimated metering investment by rate class, using historical costs and prorated costs, is summarized on the following tables.

PPL ELECTRIC UTILITIES CORPORATION
ALLOCATION OF METER COSTS
FOR THE 12 MONTHS ENDED DECEMBER 31, 2009
($000)

Rate Class	Meter Type	Unit Cost	Customers	Total Cost
RS	A	131	1,222,423	159,636,220
	B	499	456	227,631
	C	369	361	133,061
	Total Rate Class		1,223,240	159,996,911
RTS	C	369	13,356	4,922,888
	Total Rate Class		13,356	4,922,888
GS-1	A	131	8,849	1,155,591
	B	499	71	35,442
	C	369	849	312,933
	A	5,670	145,969	19,062,092
	D	1,154	22	124,747
	Total Rate Class		155,760	20,690,805
GS-3,IS-1	A	131	50	6,530
	E	1,174	23,083	26,642,318
	F	2,260	2,315	2,718,658
	G	5,696	74	167,227
	Total Rate Class		25,522	29,534,733
LP-4	H	2,146	1,180	6,720,824
	I	2,146	9	19,314
	Total Rate Class		1,189	6,740,138
IS-P	J	7,184	28	201,152
	Total Rate Class		28	201,152
LP-5	J	26,325	209	5,501,934
	Total Rate Class		209	5,501,934
L5-S	J	26,325	6	157,950
	Total Rate Class		6	157,950
LP-6	J	53,612	12	643,339
	Total Rate Class		12	643,339
IS-T	J	19,541	45	879,345
	Total Rate Class		45	879,345
LPEP	J	63,024	4	252,096
	Total Rate Class		4	252,096
ISA	J	235,633	2	471,266
	Total Rate Class		2	471,266
GH	E	1,174	2,981	3,440,660
	F	2,260	75	88,077
	Total Rate Class		3,056	3,528,737
TOTAL METER COST			**$1,422,429**	**$233,521,294**

PPL ELECTRIC UTILITIES CORPORATION
ALLOCATION OF METER COSTS
METER PLANT INVESTMENT (CW1)
AS OF DECEMBER 31, 2009

RATE CLASS	TOTAL P.21 METER COST	PRORATED METER COST	2009 YEAR END CUSTOMERS	AVERAGE METER COST
RS	159,996,911	178,477,000	1,208,094	148
RTS	4,922,888	5,488,000	13,349	411
GS-1	20,690,805	23,064,000	146,335	158
GS-3	29,534,733	32,922,000	24,986	1,318
LP-4	6,740,138	7,513,000	1,085	6,924
IS-P	201,152	224,000	26	8,615
LP-5	5,501,934	6,133,000	109	56,266
L5-S	157,950	176,000	8	22,000
LP-6	643,339	717,000	5	143,400
IS-T	879,345	980,000	24	40,833
LPEP	252,096	281,000	1	281,000
ISA	471,266	525,000	1	525,000
GH	3,528,737	3,934,000	2,967	1,326
SL/AL	-	-	1,471	-
TOTAL PPUC	233,521,294	260,434,000	1,398,461	
RES12	89,366	89,366	9	9,930
TOTAL RESALE	89,366	89,366	9	
TOTAL SYSTEM	233,610,660	260,523,366	1,398,470	

Distribution O&M Expense

Meter Reading Expense (Account 902)

The Meter Reading expense account has a balance of $2,013,136. The expense is prorated to the specific rate classes on the basis of the number of customers in each rate class. A summary of the proration is provided on the following table. The table is set up to handle a variation in the number of customers. For the historic test year, the number of customers is constant.

SECTION III

PPL ELECTRIC UTILITIES CORPORATION
ALLOCATION OF METER COSTS
METER PLANT INVESTMENT (CW1)
AS OF DECEMBER 31, 2009

RATE CLASS	CUSTOMERS	PRORATED EXPENSE	INDICATED COSTS	CUSTOMERS	AVERAGE METER READING EXPENSE
RS	1,208,094	1,740,916	1,740,916	1,208,094	1.44
RTS	13,349	19,236	19,236	13,349	1.44
GS-1,BL	146,335	210,875	210,875	146,335	1.44
GS-3,IS-1	24,986	36,006	36,006	24,986	1.44
LP-4	1,085	1,564	1,564	1,085	1.44
ISP	26	37	37	26	1.44
LP-5	109	157	157	109	1.44
IST	24	35	35	24	1.44
LP-6	5	7	7	5	1.44
LPEP	1	1	1	1	1.44
ISA	1	1	1	1	1.44
GH	2,967	4,276	4,276	2,967	1.44
SL/AL	-	-	-	-	-
L5-S	8	12	12	8	1.44
TOTAL PPUC	1,396,990	2,013,123	2,013,123	1,396,990	
RES12	9	13	13	9	
TOTAL RESALE	9	13	13	9	
TOTAL SYSTEM	1,396,999	2,013,136	2,013,136	1,396,999	

PPL ELECTRIC UTILITIES CORPORATION
SUMMARY OF METERING AND BILLING CREDITS
12 MONTHS ENDED DECEMBER 31, 2010

RATE SCHEDULES	NUMBER OF CUSTOMERS	METERS REVENUE REQTS.	METER CREDIT PER MONTH	METER READING REVENUE REQTS.	METER READING CREDIT PER MONTH	CUSTOMER BILLING AND COLLECTIONS REV. REQTS.	BILLING AND COLLECTIONS CREDIT PER MONTH
RESIDENTIAL:							
RS, RTD, and RTS	1,224,230	32,682,082	2.22	2,189,025	0.15	34,332,852	2.34
SECONDARY OTHER:							
GS-1, BL, GS-3, IS1, GH, and SL/AL	176,545	12,793,146	6.04	315,677	0.15	4,951,111	2.34
PRIMARY:							
LP-4 and ISP	1,134	1,763,800	129.61	2,028	0.15	31,802	2.34
69KVA SUPPLY:							
LP-5, LP-6, and LPEP	151	1,221,517	674.13	270	0.15	4,235	2.34

PPL ELECTRIC UTILITIES CORPORATION
METERING AND BILLING DATA BY CUSTOMER GROUP

	Residential	Secondary Other	Primary	69KV Supply	Total
MWH SALES	14,480,729	11,025,216	6,348,181	5,540,314	37,394,440
METERS CW1	187,622	62,174	8,033	9,307	267,136
METER READING CW2	1,982,183	283,440	1,830	240	2,267,693
WAGES ALLOCATOR K939	67,539	19,049	1,966	191	88,745
NUMBER OF CUSTOMERS C10	1,224,229	176,545	1,134	151	1,402,059
REVENUE REQUIREMENTS:					
METERS	34,096,283	11,298,596	1,459,778	1,691,343	48,546,000
METER RATE BASE	76,478,189	25,342,826	3,274,292	3,793,693	108,889,000
RETURN	6,967,312	2,308,781	298,294	345,613	9,920,000
REV REQT EX RETURN	27,128,971	8,989,815	1,161,484	1,345,730	38,626,000
CLASS RATE OF RETURN	7.03%	14.53%	17.81%	-3.17%	-
CALCULATED CLASS ROR	5,376,417	3,682,313	583,151	(120,260)	9,521,621
RETURN ALLOCATED ON CLASS ROR	5,553,111	3,803,331	602,317	(124,212)	9,834,546
REVENUE REQUIREMENT	32,682,082	12,793,146	1,763,800	1,221,517	48,460,546
MONTHLY CUST METER CREDIT	2.22	6.04	129.61	674.13	2.88
METER READING REV. REQTS. ALLOCATED ON CW2	2,189,025	315,677	2,028	270	2,507,000
MONTHLY CUST METER READING CREDIT	0.15	0.15	0.15	0.15	0.15
CUSTOMER ACCTS REV. REQTS. ALLOCATED ON WAGES K433	34,332,852	4,951,111	31,802	4,235	39,320,000
MONTHLY CUST BILLING AND COLLECTION CREDIT	2.34	2.34	2.34	2.34	2.34

PPL ELECTRIC UTILITIES CORPORATION
METERING AND BILLING DATA BY CUSTOMER GROUP

	PA JURISDICTION	RS	RTS	GS-1	GS-3	LP-4	ISP	LP-5	LP-6	LPEP	GH	SL/AL	TOTAL
MWH SALES	37,394,440	14,124,166	356,563	1,995,324	8,582,129	6,089,044	259,137	4,814,680	635,550	90,084	334,130	113,633	37,394,440
METERS CW1	267,136	182,121	5,501	23,455	34,980	7,814	219	8,778	243	286	3,739	-	267,136
METER READING CW2	2,267,693	1,960,893	21,290	236,720	42,230	1,790	40	240	-	-	4,490	-	2,267,693
WAGES ALLOCATOR K939	88,745	66,226	1,313	8,467	7,845	1,877	89	139	4	48	565	2,172	88,745
NUMBER OF CUSTOMERS C10	1,402,059	1,211,083	13,146	146,201	26,081	1,109	25	148	2	1	2,770	1,493	1,402,059
REVENUE REQUIREMENTS:													
METERS	48,546,000	33,096,721	999,562	4,262,339	6,356,613	1,419,971	39,808	1,595,222	44,177	51,944	679,644	-	48,546,000
METER RATE BASE	108,889,000	74,236,165	2,242,025	9,560,454	14,257,926	3,185,003	89,289	3,578,093	99,089	116,511	1,524,446	-	108,889,000
RETURN	9,920,000	6,763,059	204,253	870,976	1,298,925	290,160	8,134	325,971	9,027	10,614	138,880	-	9,920,000
REV REQT EX RETURN	38,626,000	26,333,662	795,309	3,391,363	5,057,688	1,129,811	31,673	1,269,250	35,150	41,330	540,764	-	38,626,000
CLASS RATE OF RETURN	9.11%	7.20%	-0.26%	10.53%	19.45%	17.85%	16.98%	-8.00%	-10.62%	16.14%	11.78%	9.35%	0.00%
CALCULATED CLASS ROR	9,604,355	5,345,004	(5,829)	1,006,716	2,773,167	568,523	15,161	(286,247)	(10,523)	18,805	179,580	-	9,604,355
RETURN ALLOCATED ON CLASS ROR	9,920,000	5,520,666	(6,021)	1,039,801	2,864,306	587,207	15,660	(295,655)	(10,869)	19,423	185,482	-	9,920,000
REVENUE REQUIREMENT	48,546,000	31,854,328	789,288	4,431,164	7,921,994	1,717,018	47,333	973,596	24,281	60,753	726,246	-	48,546,000
MONTHLY CUST METER CREDIT	2.89	2.19	5.00	2.53	25.31	129.02	157.78	548.20	1,011.69	5,062.73	21.85	-	2.89
METER READING REV. REQTS. ALLOCATED ON CW2	2,507,000	2,165,519	23,506	261,420	46,635	1,983	45	265	4	2	4,953	2,670	2,507,000
MONTHLY CUST METER READING CREDIT	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	
CUSTOMER ACCTS REV. REQTS. ALLOCATED ON WAGES K433	39,320,000	33,964,180	368,673	4,100,129	731,428	31,101	701	4,151	56	28	77,683	41,870	39,320,000
MONTHLY CUST BILLING AND COLLECTION CREDIT	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	

PPL ELECTRIC UTILITIES CORPORATION
SUMMARY OF METERING AND BILLING COSTS FOR
12 MONTHS ENDED DECEMBER 31, 2010

	METERS	METER READING	CUSTOMER ACCOUNTS	REVENUE CYCLE
RATE BASE				
Plant	267,164	0	0	267,164
Depreciation Reserve	125,966	0	0	125,966
Net Plant	141,198	0	0	141,198
Accum Deferred Taxes	34,324	0	0	34,324
Misc Additions/Deductions	0	0	0	0
Working Capital	2,015	0	0	2,015
TOTAL RATE BASE	108,889	0	0	108,889
RETURN ON RATE BASE	9,920	0	0	9,920
PLUS OPERATING EXPENSES				
O&M Expenses	14,700	2,301	36,032	53,033
Depreciation Expense	16,145	0	0	16,145
Taxes Other Than Income	6,032	253	4,026	10,311
Income Taxes - Current & Deferred	5,065	0	0	5,065
Revenue Requirements From Rates	51,862	2,554	40,058	94,474
Less: Revenue Credits	3,320	47	738	4,105
NET REVENUE REQUIREMENT	48,542	2,507	39,320	90,369