

PPL ELECTRIC UTILITIES CORPORATION

**Operating Income
Pro Forma at Present and Proposed Rates
Year Ended December 31, 2010
(Thousands of Dollars)**

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total Amount Per Books	Less: Automatic Cost Recovery Clauses/Riders¹⁾	T & D Operations Per Books	Pro Forma Adjustments (D-2)	T & D Pro Forma at Present Rates	Pro Forma at Present Rates (Exhibit JMK-2)	PPUC Jurisdictional Rate Increase (D-11, Pg. 5)	
1	Operating Revenues	\$ 3,823,931	\$ (2,940,715)	\$ 883,216	\$ 5,938	\$ 889,154	\$ 724,370	\$ 114,695	\$ 839,065
	Operating Expenses								
2	Operation and Maintenance	3,203,196	(2,792,297)	410,899	1,995	412,894	368,485	963	369,448
3	Depreciation	130,331	323	130,654	14,968	145,622	123,292	0	123,292
4	Regulatory Debits/Credits	0	0	0	0	0	0	0	0
	Provision for Taxes								
5	Taxes Other Than Income	231,638	(174,555)	57,083	(1,122)	55,961	55,119	7,014	62,133
	Income Taxes								
6	Federal	20,484	8,006	28,490	1,520	30,010	12,773	33,620	46,393
7	State	5,303	2,539	7,842	1,239	9,081	3,052	10,661	13,713
8	Deferred Income Taxes	39,257	300	39,557	(11,146)	28,411	20,762	0	20,762
9	Investment Tax Credit	(1,708)	0	(1,708)	0	(1,708)	(1,192)	0	(1,192)
10	Total Taxes	294,974	(163,710)	131,264	(9,509)	121,755	90,514	51,295	141,809
11	(Gain)/Loss from Disposition of Utility Plant	0	0	0	0	0	0	0	0
12	Total Operating Expenses	3,628,501	(2,955,684)	672,817	7,454	680,271	582,291	52,258	634,549
13	Operating Income	\$ 195,430	\$ 14,969	\$ 210,399	\$ (1,516)	\$ 208,883	\$ 142,079	\$ 62,437	\$ 204,516

¹⁾ Automatic Recovery Clauses/Riders include CTC, GSC, ACR, TSC, MFC, USR, and SE Credit.