

PPL ELECTRIC UTILITIES CORPORATION

**Composite Cost Rate of Preference Stock
December 31, 2010
(Thousands of Dollars)**

<u>Line No.</u>		<u>(1) Amount Outstanding</u>	<u>(2) Percent of Total</u>	<u>(3) Effective Cost Rate (a)</u>	<u>(4) Weighted Cost Rate</u>	<u>(5) Annual Cost</u>
1	6.25% Preference Stock	<u>250,000</u>	<u>100.00</u>	6.39	<u>6.39</u>	<u>15,975</u>
2	Unamortized Premiums and Unrecovered Original Issues Costs on Redeemed Stock (b)	<u>0</u>				<u>0</u>
3		<u>\$ 250,000</u>			<u>6.39 % (c)</u>	<u>\$ 15,975</u>

(a) Effective cost rate from Schedule B-7, Page 2.

(b) See Schedule B-7, Page 3 for determination of these amounts.

(c) \$15,975 / \$250,000

PPL ELECTRIC UTILITIES CORPORATION

**Computation of Preference Stock Effective Cost Rate by Series
December 31, 2010**

Line No.	(1) Description of Issue	(2) Date of Issue	(3) Date of Maturity (a)	(4) Amount Issued	(5) Amount Outstanding	(6) Amount Retired	(7) Gain on Reacquisition	(8) Issuance Expenses Net of Premium (f) Net Proceeds (b)	(9) Sinking Fund Requirements Annual Requirements (Shares)	(10) Redemption Period	(11) Nominal Dividend Rate	(12) Average Term in Years (a)	(13) Net Proceeds Ratio	(14) Effective Cost Rate (c)
<u>Cumulative Preference Stock</u>														
1	6.25 % Preference Stock	4/6/2006		250,000,000	250,000,000	0		5,451,816	244,548,184	0	0	6.25	97.82	6.39
2				<u>\$ 250,000,000</u>	<u>\$ 250,000,000</u>	<u>\$ 0</u>		<u>\$ 5,451,816</u>	<u>\$ 244,548,184</u>					

(a) None of the preference stock has sinking fund requirements, therefore these fields are not applicable.

(b) Amount outstanding less issuance expenses net of premium.

(c) For issues without sinking fund requirements the effective cost rate is computed by dividing the nominal dividend rate by the net proceeds ratio.

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**Determination of Unamortized Premiums and
Original Issue Costs on Recquired Preference Stock
December 31, 2010**

Line No.	Date Redeemed	(1) Premium	(2) Unrecovered Original Issue Costs	(3) Average Remaining Life-Mos.	(4) Monthly Amortization(a)	(5) Amortization through 12/31/10-Mos.	(6) Amortization(b)	(7) Unamortized Premium/OIC 12/31/2010(c)	January 1, 2011 - December 31, 2011 Amortization(e)
<u>Preference Stock</u>									
1	\$15.00 Series 2/19/1986	10,000,000	1,549,988	136	84,926	136	11,549,988	0	0
2	\$13.68 Series 4/1/1986	7,000,000	1,755,915	163	53,717	163	8,755,915	0	0
3	\$13.00 Second Series 6/13/1986	7,000,000	1,553,360	144	59,398	144	8,553,360	0	0
4	\$11.60 Series 2/18/1987	7,000,000	1,443,951	141	59,886	141	8,443,951	0	0
5	\$ 8.00 Series 9/15/1993	351,944	582,445	171	5,464	171	934,389	0	0
6	\$ 8.40 Series 9/15/1993	401,333	678,905	171	6,317	171	1,080,238	0	0
7	\$ 8.70 Series 9/15/1993	400,667	621,621	171	5,978	171	1,022,288	0	0
8		<u>\$ 32,153,944</u>	<u>\$ 8,186,185</u>		<u>\$ 275,686</u>		<u>\$ 40,340,129</u>	<u>\$ 0</u>	<u>\$ 0</u>

(a) $((1) + (2)) / (3) = (4)$

(b) $(5) \times (4) = (6)$

(c) $(1) + (2) - (6) = (7)$

(d) $(4) \times 12$ months or (7) if remaining life is less than 12 months.