

PPL ELECTRIC UTILITIES CORPORATION

Composite Cost Rate of Preferred and Preference Stock

December 31, 2009

(Thousands of Dollars)

Line No.		(1) Amount Outstanding	(2) Percent of Total	(3) Effective Cost Rate (a)	(4) Weighted Cost Rate	(5) Annual Cost
1	4-1/2 % Preferred	\$ 24,752	8.23 %	5.03 %	0.41 %	\$ 1,245
	Series Preferred					
2	3.35%	2,061	0.69	3.37	0.02	69
3	4.60%	2,861	0.95	4.79	0.05	137
4	4.40%	11,768	3.92	4.46	0.17	525
5	6.75%	9,077	3.02	6.82	0.21	619
6	6.25% Preference Stock	<u>250,000</u>	<u>83.19</u>	6.39	<u>5.32</u>	<u>15,975</u>
7	Total Preferred and Preference Stock	300,519	<u>100.00 %</u>		6.18 %	18,570
	Unamortized Premiums and Unrecovered Original Issues Costs on Redeemed Stock (b)	<u>(318)</u>				<u>141</u>
9		<u>\$ 300,201</u>			<u>6.23 % (c)</u>	<u>\$ 18,711</u>

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

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

(c) \$18,711 / \$300,201

PPL ELECTRIC UTILITIES CORPORATION

**Computation of Preferred and Preference Stock Effective Cost Rate by Series
December 31, 2009**

Line No.	Description of Issue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Date of Issue	Date of Maturity (a)	Amount Issued	Amount Outstanding (f)	Amount Retired	Gain on Reacquisition	Issuance Expenses Net of Premium (f)	Net Proceeds (b)	Sinking Fund Requirements Annual (Shares)	Redemption Period	Nominal Dividend Rate	Average Term in Years (a)	Net Proceeds Ratio	Effective Cost Rate (c)
<u>Cumulative Preferred Stock</u>															
1	3.35 % Series	5/2/1946		\$ 4,178,300	\$ 2,060,500	\$ 2,117,800		\$ 10,370	\$ 2,050,130	0	0	3.35 %		99.50 %	3.37 %
2	4.60 % Series	10/21/1948		6,300,000	2,861,400	3,438,600		113,048	2,748,352	0	0	4.60		96.05	4.79
3	4.40 % Series	8/5/1952		22,877,300	11,767,600	11,109,700		162,966	11,604,634	0	0	4.40		98.62	4.46
4	4-1/2 % Series	12/10/1945		53,018,900	24,752,400	28,266,500		72,048 (d)	22,145,805 (e)	0	0	4.50		89.47	5.03
5	6.75 % Series	10/5/1993		85,000,000	9,077,000	75,923,000		90,879	8,986,121	0	0	6.75		99.00	6.82
6	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
7				<u>\$421,374,500</u>	<u>\$ 300,518,900</u>	<u>\$ 120,855,600</u>		<u>\$ 5,901,127</u>	<u>\$ 292,083,226</u>						

(a) None of the preferred and 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.

(d) Includes \$40,639 premium.

(e) Net proceeds after deducting \$2,534,547 (prorated portion of \$5,428,900) attributable to cost of Company refinanced issues carried forward.

(f) Amount Outstanding and Issuance Expenses Net of Premium are net of reacquired stock.

PPL ELECTRIC UTILITIES CORPORATION

**Determination of Unamortized Premiums and
Original Issue Costs on Reacquired Preferred and Preference Stock
December 31, 2009**

Line No.	Date Redeemed	(1) Premium	(2) Unrecovered Original Issue Costs	(3) Average Remaining Life-Mos.	(4) Monthly Amortization(a)	(5) Amortization through 12/31/09-Mos.	(6) Amortization(b)	(7) Unamortized Premium/OIC 12/31/2009(c)	January 1, 2010 - December 31, 2010 Amortization(e)	
<u>Preferred Stock(d)</u>										
1	9.24% Series	2/1/1992	\$ 258,900	\$ 371,446	101	\$ 6,241	101	\$ 630,346	\$ 0	\$ 0
2	9.00% Series	2/1/1992	77,630	152,830	171	1,348	171	230,460	0	0
3	7.40% Series	7/1/1993	236,800	84,230	120	2,675	120	321,030	0	0
4	8.75% Series	7/1/1993	1,074,000	134,765	111	10,890	111	1,208,765	0	0
5	8.00% Series	7/1/1993	500,000	116,531	111	5,554	111	616,531	0	0
6	8.60% Series	7/15/1993	297,976	393,860	171	4,046	171	691,836	0	0
7	7.375% Series	11/1/1993	2,106,823	492,810	221	11,763	194	2,282,022	317,611	141,156
8	7.82% Series	11/1/1993	590,500	329,639	32	28,754	32	920,139	0	0
9	6.875% Series	5/1/1994	0	202,499	23	8,804	23	202,499	0	0
10	7.00% Series	5/1/1994	0	611,359	32	19,105	32	611,359	0	0
<u>Preference Stock</u>										
11	\$15.00 Series	2/19/1986	10,000,000	1,549,988	136	84,926	136	11,549,988	0	0
12	\$13.68 Series	4/1/1986	7,000,000	1,755,915	163	53,717	163	8,755,915	0	0
13	\$13.00 Second Series	6/13/1986	7,000,000	1,553,360	144	59,398	144	8,553,360	0	0
14	\$11.60 Series	2/18/1987	7,000,000	1,443,951	141	59,886	141	8,443,951	0	0
15	\$ 8.00 Series	9/15/1993	351,944	582,445	171	5,464	171	934,389	0	0
16	\$ 8.40 Series	9/15/1993	401,333	678,905	171	6,317	171	1,080,238	0	0
17	\$ 8.70 Series	9/15/1993	400,667	621,621	171	5,978	171	1,022,288	0	0
18			<u>\$37,296,573</u>	<u>\$11,076,154</u>		<u>\$ 374,866</u>		<u>\$48,055,116</u>	<u>\$ 317,611</u>	<u>\$ 141,156</u>

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

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

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

(d) Unrecovered Original Issue Costs pro-rated based on principal amount at time of redemption.

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