

- Q.3. Provide the following information concerning bank notes payable for test year and for latest comparable annual historical period prior to the test year:
- a) Line of credit at each bank.
 - b) Average daily balances of notes to each bank, by name of bank.
 - c) Interest rate charged on each bank note (Prime rate, formula rate, or other).
 - d) Purpose of each bank note (for example, construction, fuel storage, working capital, debt retirement).
 - e) Prospective future need for this type of financing.

A.3. a) & b) The requested information is provided in Attachments III-B-3a and III-B-3b.

- c) The applicable interest rate (effective May 2007) charged on borrowings is either a Eurodollar rate or base rate. In all cases, a utilization fee is charged if borrowings (including outstanding letters of credit), in aggregate, exceed 50% of total commitments. The borrowing formulas based on the credit ratings in effect for PPL Electric as of December 31, 2009 are as follows:

Eurodollar borrowings: LIBOR +0.25%

Base Rate borrowings: The higher of: (i) the Prime Rate, or (ii) the Federal Funds Rate +0.50%

Utilization Fee: 0.050%

- d) PPL Electric has established its credit facilities primarily as a means to provide liquidity support for its unsecured commercial paper program.
- e) PPL Electric expects to continue to utilize the credit facilities to support its unsecured commercial paper program.