

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

---

In Re:

SECURITIES CERTIFICATE OF	:	
PPL ELECTRIC UTILITIES	:	
CORPORATION IN RESPECT OF	:	SECURITIES CERTIFICATE
CERTAIN BANK LOANS EVIDENCED	:	
BY UNSECURED PROMISSORY	:	
NOTES ISSUED OR OTHER	:	
OBLIGATIONS INCURRED	:	
PURSUANT TO ONE OR MORE	:	
CREDIT FACILITIES IN AN	:	
AGGREGATE AMOUNT NOT	:	NO. S-
IN EXCESS OF \$300 MILLION	:	
TO BE OUTSTANDING AT ANY	:	
ONE TIME	:	

---

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. The name of the public utility filing this Securities Certificate is PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), Two North Ninth Street, Allentown, Pennsylvania 18101-1179.

2. The name and address of PPL Electric’s attorneys are Frederick C. Paine and Michael A. McGrail, Two North Ninth Street, Allentown, Pennsylvania 18101-1179.

3. PPL Electric is a corporation that was organized on June 4, 1920 under the laws of the Commonwealth of Pennsylvania to exist perpetually. The Company is subject to the Pennsylvania Associations Code (15 Pa. C.S. §101 et seq.), including the Pennsylvania Business Corporation Law of 1988 (15 Pa. C.S. §1101 et seq.) for the

government and regulation of its affairs. PPL Electric is engaged, *inter alia*, in the distribution of electricity and its intrastate rates and services are regulated by the Pennsylvania Public Utility Commission (“PUC” or “Commission”) pursuant to the Public Utility Code, 66 Pa.C.S. §§ 101 *et seq.* PPL Electric presently serves approximately 1.4 million customers in its service territory, which encompasses approximately 10,000 square miles in eastern and central Pennsylvania. PPL Electric's service territory encompasses all or portions of 29 counties and includes 129 communities with populations over 5,000. The largest cities served by PPL Electric are Allentown, Bethlehem, Harrisburg, Hazleton, Lancaster, Scranton, Wilkes-Barre and Williamsport.

4. The Company is a direct subsidiary of PPL Corporation. PPL Corporation owns all of the Common Stock and all of the voting stock of the Company.

5. The Company intends to enter into one or more credit facilities, effective not later than December 31, 2010, with an initial term of up to four years (with the ability on each anniversary date of the execution thereof to extend the scheduled term for an additional year, with consent of 51% percent of the applicable lenders), in an aggregate amount of up to \$300 million (“Credit Facility”) with one or more banks or other financial institutions (“Banks”). Borrowings under the Credit Facility would be evidenced by secured or unsecured promissory notes or other evidences of indebtedness (“Notes”). The purpose of the borrowings would be for general working capital and other general corporate purposes, including providing backup liquidity for commercial paper and direct borrowing capacity at times when commercial paper markets may be unavailable or unfavorable. In addition, the Company expects to have the ability under the Credit Facility to cause Banks to issue letters of credit.

The Credit Facility would replace the Company’s existing \$200 million, five-year credit facility scheduled to expire in May 2012 that was authorized by the Commission at Securities Certificate No. S-00040993. In connection with the April 28,

2010 announcement by PPL Corporation, the Company's parent, of its agreement to acquire the businesses of Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU"), PPL Corporation has undertaken to arrange financing both to pay a portion of the purchase price of the acquisition and to provide operating credit facilities for its subsidiaries' businesses following completion of the acquisition. The acquisition is expected to close by the end of 2010. As part of that larger financing project, the Company determined that it would be commercially beneficial to negotiate the terms of a replacement for its existing credit facility in conjunction with PPL Corporation's negotiations with banks to provide financing for other of PPL Corporation's operating subsidiaries. Renegotiating now has enabled the Company to take advantage of economies of scale and sharing of costs as part of PPL Corporation's larger finance syndication effort, as well as enabling the Company to access the credit markets in advance of expected rising interest rates over the period between now and the scheduled expiration of the existing credit facility. Consequently, the Company intends to enter into the Credit Facility upon receipt of the Commission's approval, with the effective date of the facility to be the earlier of the closing of PPL's acquisition or December 31, 2010.

The following is a description of the terms the Company expects will be applicable to the Notes:

**EXACT TITLE OF SECURITY:**

Notes. The Company may issue promissory notes to evidence some or all of its obligations under the Credit Facility.

**AGGREGATE PRINCIPAL AMOUNT TO BE ISSUED:**

Not in excess of \$300,000,000 aggregate principal amount at any one time outstanding.

**NOMINAL DATE OF ISSUE:**

The Notes will be issuable by the Company at any time up to a specified time prior to the maturity date, as agreed upon by the Company and the Banks at the time of execution of the Credit Facility. The Notes will be initially dated as of the date of the first borrowing made under the terms of the Credit Facility.

**DATE OF MATURITY:**

Up to five years from the date of execution of the Credit Facility, with the ability on each anniversary date of the execution thereof to extend the scheduled term of the Credit Facility for an additional year, with consent of 51% percent of the applicable lenders.

**INTEREST RATE AND PAYMENT DATES:**

Interest Rate:

To be determined in negotiations with the Banks. The Notes will bear interest from the date thereof on the unpaid principal amount thereof at ascertainable, market-based rates, which could be based upon the prime interest rate of specified banks, the overnight federal funds rate for transactions with Federal Reserve System members, the London Interbank Offered Rate or other market rates.

Payment Dates:

To be determined in negotiations with the Banks.

**EXTENT TO WHICH TAXES ON SECURITIES ARE ASSUMED:**

Taxes on Securities

None, except for any stamp or documentation taxes that may be imposed in connection with loans pursuant to the Credit Facility.

Additional Costs:

The Credit Facility will provide that if any change in applicable law or regulation or in the interpretation or administration thereof shall increase the cost to a participating Bank of making a loan or reduce the amount

of principal or interest receivable by a Bank, the Company will be obligated to pay such Bank such additional amount as may be necessary to compensate the Bank for such additional costs or reductions.

**CALLABILITY PROVISIONS:**

It is currently expected that the Notes will be payable without premium at any time. However, the Company may be required to compensate the Banks for the costs of redeploying funds at lower interest rates in certain circumstances.

**CONVERSION PROVISIONS:**

None.

**MAINTENANCE, DEPRECIATION AND SINKING  
FUND OR OTHER PROVISIONS:**

None.

**NAME AND ADDRESS OF TRUSTEE AND  
WHETHER AFFILIATED:**

Not applicable.

6. Subject to the approval of the Commission, as evidenced by the registration of this Securities Certificate, the Company proposes to issue Notes under the Credit Facility, which it expects to negotiate with one or more participating Banks. Because of the size of this transaction, the expected number of participating Banks and expected interest rate terms and options to be available to the Company, it is anticipated that one of the Banks will be designated as administrative agent (“Administrative Agent”) under the Credit Facility to represent all of the participating Banks. In addition, one of the Banks will act as syndication agent (“Syndication Agent”) to assemble the participating Banks.

None of the Banks that will participate in the Credit Facility (including the agents) will be an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

It is expected that the Company will be required to pay each of the participating Banks customary fees, such as commitment fees based on each Bank's unborrowed commitment, letter of credit fees, if applicable, based on the amount of each issuing Bank's letter of credit exposure and utilization fees based on the amount of outstanding borrowings. Interest and fees payable under the Credit Facility will be based on the Company's credit ratings.

In addition, the Company will be required to pay the Administrative Agent a fee for its agency services, including the administration of the Credit Facility and the issuance of the Notes thereunder. It is expected that this agency fee will be approximately \$30,000 per year. The Company will pay the Syndication Agent a one-time syndication fee for establishing the Credit Facility and assembling the participating Banks, which fee is expected to be approximately \$200,000. Finally, the Company will be required to pay the Administrative Agent for the fees and expenses of its counsel in connection with the preparation of the Credit Facility. Such fees and expenses are not expected to exceed \$100,000.

7. The Company generally finances short-term liquidity requirements in excess of internally generated funds through the sale of commercial paper to institutional investors. Commercial paper provides needed capital on a short-term basis at rates that are generally lower than for direct bank borrowings. The Banks' commitment to lend pursuant to the Credit Facility provides an additional source of funds to repay commercial paper in the event short-term markets were unfavorable or unavailable at a time the Company would otherwise refinance outstanding commercial paper at maturity. Such

additional liquidity is required to sell the Company's commercial paper and, thereby, achieve the lowest available cost for short-term financing.

The commitment of the Banks to lend pursuant to the terms of the Credit Facility also will provide the Company with maximum flexibility during periods when the commercial paper markets may be unavailable to the Company and during periods when capital market conditions become unfavorable for sales of long-term securities, such as First Mortgage Bonds and Senior Secured Bonds.

During 2004, the Company began participating in a \$150 million asset-backed commercial paper program, which was authorized by the Commission at Securities Certificate No. S-00030972. The Company may use a portion of the Credit Facility to replace the asset-backed commercial paper program, which expires in July 2010, if the asset-backed commercial paper program is not economical to renew.

In addition, the Company expects to have the ability under the Credit Facility to cause the Banks to issue letters of credit. Such letters of credit can be used by the Company to satisfy collateral requirements under its energy or other contracts instead of depositing cash or other collateral with its counterparties.

For the reasons set forth above, the Company deems the issuance of the Notes pursuant to the Credit Facility necessary to satisfy a portion of the Company's capital requirements and, therefore, is necessary for the present and future capital needs of the Company.

8. The Company does not propose to file a Registration Statement with respect to the Notes with the Securities and Exchange Commission ("SEC") under the


Securities Act of 1933, as amended (“Securities Act”), because the issuance of the Notes will constitute exempt transactions under Section 4 of the Securities Act.

9. There are appended hereto and made a part hereof the following:
  - (A) A balance sheet of the Company as of December 31, 2009. (To be supplied on or before July 9, 2010).
  - (B) A statement of income and statement of retained earnings of the Company for the twelve months ended December 31, 2009. (To be supplied on or before July 9, 2010).
  - (C) Statement of utility plant of the Company at original cost as of December 31, 2009. The Company makes a part hereof by reference the revised Reclassification and Original Cost Studies heretofore filed with the Commission. (To be supplied on or before July 9, 2010).
  - (D) Statement of securities of other corporations owned by the Company as of December 31, 2009. (To be supplied on or before July 9, 2010).
  - (E) Statement showing the status of the funded debt of the Company as of December 31, 2009. (To be supplied on or before July 9, 2010).
  - (F) Statement showing the status of outstanding capital stock of the Company as of December 31, 2009. (To be supplied on or before July 9, 2010).
  - (G) No filing is required under the Securities Act.
  - (H) The Public Utility Holding Company Act has been repealed.
  - (I) Copy of resolutions of the Board of Directors of the Company authorizing the Credit Facility. (To be supplied on or before July 9, 2010).
  - (J) See Exhibit L to this Securities Certificate.
  - (K) Statement showing, in journal entry form, all charges to be made on the books of account of the Company as a result of the proposed sale, issuance and delivery of the Notes. (To be supplied on or before July 9, 2010).
  - (L) Proposed form of Credit Facility. (To be supplied when negotiated).
  - (M) No Net Earnings Certificate is required for the issuance of the Notes.
  - (N) Not applicable.

- (O) Requirements and Sources of Funds (To be supplied on or before July 9, 2010).
- (P) Capital structure of the Company at December 31, 2009 and as adjusted to give effect, among other things, to the Notes (To be supplied on or before July 9, 2010).
- (Q) Calculation of book value per share of the Company's Common Stock as of December 31, 2009 (To be supplied on or before July 9, 2010).

WHEREFORE, PPL Electric Utilities Corporation requests the Commission to register this Securities Certificate pursuant to Chapter 19 of the Public Utility Code and evidence such registration by an Order.

PPL Electric Utilities Corporation

By:   
\_\_\_\_\_  
(Russell R. Clelland  
Assistant Treasurer

Dated: June 25, 2010

