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July 8, 2010

**VIA FEDERAL EXPRESS**

Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
Attention: Commission Secretary

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**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

**RE: Docket Number S-2010-2183912**

Ladies and Gentlemen:

Enclosed please find copies of exhibits to the above-referenced securities certificate, which was registered with the Commission on June 25, 2010. At the time of the filing of the securities certificate, the enclosed exhibits were not in final form and were indicated in the exhibit index of the securities certificate as "To be supplied on or before July 9, 2010".

Also enclosed please find a copy of the Answers to the Chapter 19 Securities Certificate registrations – Data Request.

Please acknowledge receipt of these filings by time stamping the enclosed copy of this letter and returning the same to the undersigned in the enclosed postage paid envelope.

Very truly yours,

Frederick C. Paine

Enclosures

cc: Russell R. Clelland – GENTW14

electronic copy: Marissa A. Boyle – PUC ([maboyle@state.pa.us](mailto:maboyle@state.pa.us))

**PPL ELECTRIC UTILITIES CORPORATION  
BALANCE SHEET ACCOUNTS**

<u>ACCT. NO.</u>	<u>TITLE OF ACCOUNT</u>	<u>MARCH 31, 2010</u>
<b>ASSETS AND OTHER DEBITS</b>		
UTILITY PLANT		
101	UTILITY PLANT IN SERVICE	\$ 5,274,729,006
105	UTILITY PLANT HELD FOR FUTURE USE	33,811,051
108	CC NOT CLASSIFIED	150,578,485
107	CONSTRUCTION WORK IN PROGRESS	136,512,258
	GROSS UTILITY PLANT	5,595,630,800
108/111	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE	(2,122,665,841)
	NET UTILITY PLANT	3,472,964,959
OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	3,521,787
122	ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY	(704,121)
	NET NONUTILITY PROPERTY	2,817,666
123	INVESTMENT IN SUBSIDIARY COMPANIES	4,157,533
124	OTHER INVESTMENTS	1,004,222
128	OTHER SPECIAL FUNDS	12,566,663
	TOTAL OTHER PROPERTY AND INVESTMENTS	20,546,084
CURRENT AND ACCRUED ASSETS		
131	CASH	4,159,369
132	INTEREST SPECIAL DEPOSITS	0
134	OTHER SPECIAL DEPOSITS	0
135	WORKING FUNDS	147,541
136	TEMPORARY CASH INVESTMENTS	279,922,845
	NOTES AND ACCOUNTS RECEIVABLE	
141	NOTES RECEIVABLE	0
142	CUSTOMER ACCOUNTS RECEIVABLE	330,770,988
143	OTHER ACCOUNTS RECEIVABLE	25,988,438
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT	(16,898,330)
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	339,861,096
	RECEIVABLES FROM ASSOCIATED COMPANIES	
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	0
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	2,761,709
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	2,761,709
	MATERIALS AND SUPPLIES	
154	PLANT MATERIALS AND OPERATING SUPPLIES	30,462,297
163	STORES EXPENSE UNDISTRIBUTED	2,591,596
	TOTAL MATERIALS AND SUPPLIES	33,053,893
165	PREPAYMENTS	144,366,564
	OTHER CURRENT AND ACCRUED ASSETS	
171	INTEREST AND DIVIDENDS RECEIVABLE	228,086
172	RENTS RECEIVABLE	9,764,261
173	ACCRUED UTILITY REVENUES	123,644,982
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	14,724,555
190	ACCUMULATED DEFERRED INCOME TAXES (CURRENT)	22,135,372
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	170,497,256
	TOTAL CURRENT AND ACCRUED ASSETS	974,770,273
DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	12,661,600
182.3	OTHER REGULATORY ASSETS	503,175,716
183	PRELIMINARY SURVEY AND INVESTIGATION CHARGES	0
184	CLEARING ACCOUNTS	0
185	TEMPORARY FACILITIES	50,902
186	MISCELLANEOUS DEFERRED DEBITS	49,959,979
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	31,646,303
190	ACCUMULATED DEFERRED INCOME TAXES	268,389,925
	LESS CURRENT ACCUMULATED DEFERRED INCOME TAXES	22,135,372
	TOTAL ACCUMULATED DEFERRED INCOME TAXES (NONCURRENT)	246,254,553
	TOTAL DEFERRED DEBITS	843,749,053
	TOTAL ASSETS AND OTHER DEBITS	\$ 5,312,030,369

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**PPL ELECTRIC UTILITIES CORPORATION  
BALANCE SHEET ACCOUNTS**

<u>ACCT.</u> <u>NO.</u>	<u>TITLE OF ACCOUNT</u> <u>LIABILITIES AND OTHER CREDITS</u>	<u>MARCH 31, 2010</u>
	<b>PROPRIETARY CAPITAL</b>	
201	COMMON STOCK ISSUED	\$ 363,833,249
204	PREFERRED STOCK ISSUED	300,518,900
207	PREMIUM ON CAPITAL STOCK	40,639
211	ADDITIONAL PAID IN CAPITAL	836,262,745
214	CAPITAL STOCK EXPENSE	(12,225,196)
216	EARNINGS REINVESTED	422,348,373
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	3,102,932
217	REACQUIRED CAPITAL STOCK	0
219	OTHER COMPREHENSIVE INCOME	65,311
	TOTAL PROPRIETARY CAPITAL	1,913,946,953
	<b>LONG-TERM DEBT</b>	
221	BONDS	1,474,040,000
222	REACQUIRED BONDS	0
224	OTHER LONG-TERM DEBT	0
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	15,771
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT-DEBIT	(2,091,410)
		1,471,964,361
	<b>LESS AMOUNTS DUE WITHIN ONE YEAR</b>	
221	BONDS	0
	TOTAL LONG-TERM DEBT	1,471,964,361
	<b>OTHER NONCURRENT LIABILITIES</b>	
227	OBLIGATIONS UNDER CAPITAL LEASES-NONCURRENT	0
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	277,050,328
229	ACCUMULATED PROVISION FOR RATE REFUNDS	0
	TOTAL OTHER NONCURRENT LIABILITIES	277,050,328
	<b>CURRENT AND ACCRUED LIABILITIES</b>	
	<b>LONG-TERM DEBT DUE WITHIN ONE YEAR</b>	
221	BONDS	0
231	NOTES PAYABLE	0
232	ACCOUNTS PAYABLE	161,063,586
233	NOTES PAYABLE - AFFILIATED COMPANIES	0
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	58,871,671
235	CUSTOMER DEPOSITS	17,799,662
236	TAXES ACCRUED	63,961,299
237	INTEREST ACCRUED	27,111,780
238	DIVIDENDS DECLARED	4,517,495
240	MATURED INTEREST	0
241	TAX COLLECTIONS PAYABLE	2,861,254
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	111,140,196
243	OBLIGATIONS UNDER CAPITAL LEASES-CURRENT	0
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	8,869,139
	TOTAL CURRENT AND ACCRUED LIABILITIES	456,196,082
	<b>DEFERRED CREDITS</b>	
252	CUSTOMER ADVANCES FOR CONSTRUCTION	237,898
253	OTHER DEFERRED CREDITS	61,546,034
254	OTHER REGULATORY LIABILITIES	52,463,316
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	7,598,179
257	UNAMORTIZED GAIN ON REQUIRED DEBT	0
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY	0
282	ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY	839,463,796
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER	240,432,561
	LESS ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	8,869,139
	TOTAL ACCUMULATED DEFERRED INCOME TAXES-OTHER (NONCURRENT)	231,563,422
	TOTAL DEFERRED CREDITS	1,192,872,645
	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 5,312,030,369</b>

Note: This schedule includes the consolidated accounts of PPL Group and PPL Receivables Corporation. PPL Receivables Corporation was formed to purchase receivables and unbilled revenues from PPL Electric Utilities Corporation to secure commercial paper financing.

**PPL ELECTRIC UTILITIES CORPORATION  
STATEMENT OF CONTINGENT LIABILITIES  
MARCH 31, 2010**

**Commitments and Contingencies**

**Energy Purchase Commitments**

From 2007 through 2009 PPL Electric Utilities Corporation (PPL Electric) conducted six competitive solicitations to purchase provider of last resort (PLR) supply in 2010 for customers who do not choose an alternative supplier.

In October 2009, PPL Electric purchased 2010 supply for fixed-price default service to large commercial and large industrial customers who elect to take that service. In November 2009, PPL Electric purchased supply to provide hourly default service to large commercial and industrial customers in 2010.

In June 2009, the Pennsylvania Public Utility Commission (PUC) approved PPL Electric's plan to purchase its PLR supply for January 2011 through May 2013. Through April 2010, PPL Electric has conducted four of its 14 planned competitive solicitations. The solicitations include a mix of long-term and short-term purchases for customer supply, including contracts for load-following, spot, block and alternative energy credits.

**Legal Matters**

PPL Electric is involved in legal proceedings, claims and litigation in the ordinary course of business. PPL Electric cannot predict the outcome of such matters, or whether such matters may result in material liabilities.

PJM/MISO Billing Dispute

In 2009, PJM Interconnection, LLC (PJM) reported that it had discovered a modeling error in the market-to-market power flow calculations between PJM and the Midwest ISO (MISO). The error was a result of incorrect modeling of certain generation resources that have an impact on power flows across the PJM/MISO border. Informal settlement discussions on this issue terminated in March 2010. Also in March 2010, MISO filed two complaints with the Federal Energy Regulatory Commission (FERC) about the modeling error and related matters with a demand for \$130 million of principal plus interest in compensation. In April 2010, PJM filed answers to the complaints and filed a related complaint against MISO. In its answers and its complaint, PJM denies that any compensation is due to MISO and seeks recovery in excess of \$25 million from MISO for alleged violations by MISO regarding market-to-market power flow calculations. PPL Corporation (PPL) participates in markets in both PJM and MISO. The amount and timing of any payments by PJM to MISO or by MISO to PJM relating to these modeling errors is uncertain, as is the method by which PJM or MISO would allocate any such payments to PJM and MISO participants. PPL cannot predict the outcome of this matter; however, the impact on PPL is not expected to be material.

**Regulatory Issues**

Pennsylvania Activities

For several years, PPL Electric worked with Pennsylvania legislators, regulators and others to develop programs to help customers transition to market rates after 2009, including rate mitigation, educational and energy conservation programs. Two such plans were approved by the PUC. Under the first plan, residential and small commercial customers could elect to pay additional amounts with their electric bills from mid-2008 through 2009, with such additional

amounts, plus accrued interest of 6%, applied to their 2010 and 2011 electric bills. Approximately 123,000 customers enrolled in the program, and at March 31, 2010, PPL Electric has recorded a liability of \$30 million related to this activity. Under the second plan, eligible residential and eligible small-business customers could elect to defer payment of any increase greater than 25% in their 2010 electric bills. Deferred amounts, plus 6% interest, will be paid by customers over a one- or two-year period, depending on their electricity use. All deferrals will be paid by the end of 2012. The deferred amounts recorded to date are insignificant.

Act 129 requires electric utilities to meet specified goals for reduction in customer electricity usage and peak demand by specified dates. Utilities not meeting the requirements of Act 129 are subject to significant penalties.

Under Act 129, Electric Distribution Companies (EDCs) must develop and file an energy efficiency and conservation plan (EE&C Plan) with the PUC and contract with conservation service providers to implement all or a portion of the EE&C Plan. Act 129 requires EDCs to cause reduced electricity consumption of 1% by 2011 and 3% by 2013, and reduced peak demand of 4.5% by 2013. EDCs will be able to recover the costs (capped at 2% of the EDC's 2006 revenue) of implementing their EE&C Plans. In October 2009, the PUC approved PPL Electric's EE&C Plan. The plan includes 14 programs, all of which are voluntary for customers. The plan includes a proposed rate mechanism for recovery of all costs incurred by PPL Electric to implement the plan.

Act 129 also requires installation of smart meters for new construction, upon the request of consumers at their cost, or on a depreciation schedule not exceeding 15 years. Under Act 129, EDCs will be able to recover the costs of providing smart metering technology. In August 2009, PPL Electric filed its proposed smart meter technology procurement and installation plan with the PUC. All of PPL Electric's metered customers currently have smart meters installed at their service locations and PPL Electric's current advanced metering technology generally satisfies the requirements of Act 129 and does not need to be replaced. PPL Electric's smart meter plan proposes to study, test and pilot applications to enhance and expand smart meter capabilities. PPL Electric estimates these studies will cost approximately \$62 million over the next five years. PPL Electric has proposed a rate mechanism for recovery of these costs. In April 2010, the PUC adopted a motion to approve PPL Electric's smart meter plan, with several modifications. The PUC has not yet issued its order. PPL Electric will submit a filing to comply with the requirements of the order when finalized.

Act 129 also requires the default service provider (DSP) to provide electric generation supply service to customers pursuant to a PUC-approved competitive procurement plan through auctions, requests for proposal and bilateral contracts at the sole discretion of the DSP. Act 129 requires a mix of spot market purchases, short-term contracts and long-term contracts (4 to 20 years, with long-term contracts limited to up to 25% of the load unless otherwise approved by the PUC). The DSP will be able to recover the costs associated with a competitive procurement plan.

Under Act 129, the DSP competitive procurement plan must ensure adequate and reliable service "at least cost to customers" over time. Act 129 grants the PUC authority to extend long-term power contracts up to 20 years, if necessary, to achieve the "least cost" standard. The PUC has approved PPL Electric's procurement plan for the period January 1, 2011 through May 31, 2013, and PPL Electric has begun purchasing under that plan.

#### PJM RPM Litigation

In May 2008, a group of state public utility commissions, state consumer advocates, municipal entities and electric cooperatives, industrial end-use customers and a single electric distribution company (collectively, the RPM Buyers) filed a complaint before the FERC objecting to the prices for capacity under the PJM Reliability Pricing Model (RPM) that were set in the 2008-09, 2009-10 and 2010-11 RPM base residual auctions. The RPM Buyers requested that the FERC reset the

rates paid to generators for capacity in those periods to a significantly lower level. Thus, the complaint requests that generators be paid less for those periods through refunds and/or prospective changes in rates. The relief requested in the complaint, if granted, could have a material effect on PPL, PPL Energy Supply, LLC (PPL Energy Supply) and PPL Electric. PJM, PPL and numerous other parties have responded to the complaint, strongly opposing the relief sought by the RPM Buyers. In September 2008, the FERC entered an order denying the complaint. In August 2009, the RPM Buyers appealed the FERC's decision to the U.S. Court of Appeals for the Fourth Circuit. PPL cannot predict the outcome of this proceeding.

In December 2008, PJM submitted amendments to certain provisions governing its RPM capacity market. The amendments were intended to permit the compensation available to suppliers that provide capacity, including PPL Energy Supply, to increase. PJM sought approval of the amendments in time for them to be implemented for the May 2009 capacity auction (for service in June 2012 through May 2013). Numerous parties, including PPL, protested PJM's filing. Certain of the protesting parties proposed changes to the capacity market auction that would result in a reduction in compensation to capacity suppliers. The changes proposed by PJM and by other parties in response to PJM proposals could significantly affect the compensation available to suppliers of capacity participating in future RPM auctions. In March 2009, the FERC entered an order approving in part and disapproving in part the changes proposed by PJM. In August 2009, the FERC issued an order granting rehearing in part, denying rehearing in part and clarifying its March 2009 order. PPL cannot predict the outcome of this proceeding. No request for rehearing or appeal of the August 2009 order has been timely filed.

#### Energy Policy Act of 2005 - Reliability Standards

In August 2005, the Energy Policy Act of 2005 (the 2005 Energy Act) became law. The 2005 Energy Act substantially affects the regulation of energy companies, amends federal energy laws and provides the FERC with new oversight responsibilities. Among the important changes in this law is the appointment of the North American Electric Reliability Corporation (NERC) to establish and enforce mandatory reliability standards (Reliability Standards) regarding the bulk power system. The FERC oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk power electricity system, including electric utility companies, generators and marketers. The FERC has indicated it intends to enforce vigorously the Reliability Standards using, among other means, civil penalty authority. Under the Federal Power Act, the FERC may assess civil penalties of up to \$1 million per day, per violation, for certain violations. The first group of Reliability Standards approved by the FERC became effective in June 2007.

Since 2007, PPL Electric has self-reported to the ReliabilityFirst Corporation (RFC) potential violations of certain applicable reliability requirements and submitted accompanying mitigation plans, the resolutions of which potential violation reports are pending. In April 2010, a PPL Electric settlement with RFC resolving four self-reported potential violations became final. PPL Electric will pay a settlement amount of \$290,000 and agreed, among other things, to engage in additional vegetation clearing work at a cost of approximately \$7 million over the next three years. The resolution of other self-reports is pending. Any RFC determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC. PPL Electric cannot predict the outcome of these matters.

In the course of implementing its program to ensure compliance with the Reliability Standards by those PPL affiliates subject to the standards, certain other instances of potential non-compliance may be identified from time to time. PPL cannot predict the fines or penalties that may be imposed.

## **Environmental Matters**

Due to the environmental issues discussed below or other environmental matters, PPL Electric may be required to modify, curtail, replace or cease operating certain facilities or operations to comply with statutes, regulations and other requirements of regulatory bodies or courts. In this regard, PPL Electric also may incur capital expenditures or operating expenses in amounts which are not now determinable, but could be significant.

### Superfund and Other Remediation

PPL Electric is a potentially responsible party at several sites listed by the Environmental Protection Agency (EPA) under the federal Superfund program, including the Columbia Gas Plant Site, the Metal Bank site and the Ward Transformer site. Clean-up actions have been or are being undertaken at all of these sites, the costs of which have not been significant to PPL. However, should the EPA require different or additional measures in the future, or should PPL's share of costs at multi-party sites increase significantly more than currently expected, the costs to PPL could be significant.

PPL Electric has been remediating several sites that were not being addressed under another regulatory program such as Superfund, but for which PPL Electric may be liable for remediation. These include a number of coal gas manufacturing facilities formerly owned or operated by a predecessor to PPL Electric.

Depending on the outcome of investigations at sites where investigations have not begun or have not been completed, the costs of remediation and other liabilities could be substantial. PPL Electric also could incur other non-remediation costs at sites included in the consent orders or other contaminated sites, the costs of which are not now determinable, but could be significant.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of coal gas manufacturing. As a result of the EPA's evaluation, individual states may establish stricter standards for water quality and soil cleanup. This could require PPL Electric to take more extensive assessment and remedial actions at former coal gas manufacturing facilities. The costs to PPL Electric of complying with any such requirements are not now determinable, but could be significant.

Future cleanup or remediation work at sites currently under review, or at sites not currently identified, may result in material additional operating costs for PPL Electric that cannot be estimated at this time.

### *Electric and Magnetic Fields*

Concerns have been expressed by some members of the public regarding potential health effects of power frequency electric and magnetic fields (EMF), which are emitted by all devices carrying electricity, including electric transmission and distribution lines and substation equipment. Government officials in the U.S. and the U.K. have reviewed this issue. The U.S. National Institute of Environmental Health Sciences concluded in 2002 that, for most health outcomes, there is no evidence that EMFs cause adverse effects. The agency further noted that there is some epidemiological evidence of an association with childhood leukemia, but that the evidence is difficult to interpret without supporting laboratory evidence. The U.K. National Radiological Protection Board (part of the U.K. Health Protection Agency) concluded in 2004 that, while the research on EMFs does not provide a basis to find that EMFs cause any illness, there is a basis to consider precautionary measures beyond existing exposure guidelines. In 2007, the Stakeholder Group on Extremely Low Frequency EMF, set up by the U.K. Government, issued its interim assessment which describes a number of options for reducing public exposure to EMFs. The U.K. Government responded to this assessment in 2009, agreeing to some of the proposals, including a proposed voluntary code to optimally phase 132 kilovolt overhead lines to reduce

public exposure to EMF where it is cost effective to do so. PPL Electric believes the current efforts to determine whether EMFs cause adverse health effects should continue and is taking steps to reduce EMFs, where practical, in the design of new transmission and distribution facilities. PPL Electric is unable to predict what effect, if any, the EMF issue might have on its operations and facilities and the associated cost, or what, if any, liabilities it might incur related to the EMF issue.

## **Other**

### Labor Unions

On May 16, 2010, PPL Electric's bargaining agreement with its largest International Brotherhood of Electrical Workers (IBEW) local expired. The agreement covers approximately 72% of PPL Electric's total workforce. The process for establishing a new agreement commenced in February 2010 and is continuing. In the meantime, the parties are operating under the expired agreement and wage increases will be retroactive to the expiration date of that agreement. PPL Electric cannot predict the outcome of this process.

### Guarantees and Other Assurances

In the normal course of business, PPL Electric enters into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance the creditworthiness attributed to a subsidiary on a stand-alone basis or to facilitate the commercial activities of PPL Electric.

PPL Electric and its subsidiaries provide other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, PPL Electric and its subsidiaries have not made any significant payments with respect to these types of guarantees and the probability of payment/performance under these guarantees is remote.

PPL, on behalf of itself and certain of its subsidiaries including PPL Electric, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage requires a \$4 million deductible per occurrence and provides maximum aggregate coverage of \$150 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT OF INCOME**  
**TWELVE MONTHS ENDED MARCH 31, 2010**

ACCT. NO.		
	UTILITY OPERATING INCOME	
400	OPERATING REVENUES	\$ 3,311,627,801
	OPERATING EXPENSES	
401	OPERATION EXPENSES	2,372,154,809
402	MAINTENANCE EXPENSES	87,342,825
403/406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS	129,305,406
407.3	REGULATORY DEBITS	232,245,575
407.4	REGULATORY CREDITS	(5,965,023)
408.1	TAXES OTHER THAN INCOME TAXES	
	STATE GROSS RECEIPTS	180,095,967
	STATE CAPITAL STOCK	3,040,040
	STATE UTILITY AND LOCAL REAL ESTATE	(4,254,998)
	OTHER	7,076,931
409.1	INCOME TAXES	
	FEDERAL	23,721,751
	STATE	10,866,178
410.1	PROVISION FOR DEFERRED INCOME TAXES	
	FEDERAL	111,961,417
	STATE	22,242,153
411.1	PROVISION FOR DEFERRED INCOME TAXES-CREDIT	
	FEDERAL	(69,401,660)
	STATE	(23,278,129)
411.4	INVESTMENT TAX CREDIT ADJUSTMENT	(1,820,533)
411.6	GAINS FROM DISPOSITION OF UTILITY PLANT	(700)
411.7	LOSSES FROM DISPOSITION OF UTILITY PLANT	
411.8	GAINS FROM DISPOSITION OF EMISSION ALLOWANCES	
	TOTAL UTILITY OPERATING EXPENSES	<u>3,075,332,009</u>
	NET UTILITY OPERATING INCOME	<u>236,295,792</u>
	OTHER INCOME AND DEDUCTIONS	
	OTHER INCOME	
415/416	MERCHANDISING, JOBBING AND CONTRACT WORK	50,347
417.1	EXPENSES OF NONUTILITY OPERATIONS	
418	NONOPERATING RENTAL INCOME	(42,853)
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	1,907,162
419	INTEREST AND DIVIDEND INCOME	5,968,670
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	1,866,346
421	MISCELLANEOUS NONOPERATING INCOME	527,053
421.1	GAIN ON DISPOSITION OF PROPERTY	5,271
434	EXTRAORDINARY INCOME	
	TOTAL OTHER INCOME	<u>\$ 10,281,996</u>

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**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT OF INCOME**  
**TWELVE MONTHS ENDED MARCH 31, 2010**

ACCT. NO.		
	OTHER INCOME AND DEDUCTIONS (CONTINUED)	
	OTHER INCOME DEDUCTIONS	
421.2	LOSS ON DISPOSITION OF PROPERTY	\$ 5,022
426.1-426.5	MISCELLANEOUS INCOME DEDUCTIONS	3,263,886
435	EXTRAORDINARY DEDUCTIONS	
	TOTAL OTHER INCOME DEDUCTIONS	<u>3,268,908</u>
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	
408.2	TAXES OTHER THAN INCOME TAXES	135
409.2	INCOME TAXES	
	FEDERAL	(1,655,916)
	STATE AND D.C.	(1,749,184)
409.3	EXTRAORDINARY ITEMS	
410.2/411.2	PROVISION FOR DEFERRED INCOME TAXES-NET	
	FEDERAL	1,692,382
	STATE	(511,058)
411.5	INVESTMENT TAX CREDIT	
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	<u>(2,223,641)</u>
	NET OTHER INCOME AND DEDUCTIONS	<u>9,236,729</u>
	INCOME BEFORE INTEREST CHARGES	<u>245,532,521</u>
	INTEREST CHARGES	
427	INTEREST ON LONG-TERM DEBT	100,952,439
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	2,783,363
428.1	AMORTIZATION OF LOSS ON REACQUIRED DEBT	3,632,937
429	AMORTIZATION OF PREMIUM ON DEBT-CREDIT	(4,290)
429.1	AMORTIZATION OF GAIN ON REACQUIRED DEBT-CREDIT	
430	INTEREST ON DEBT TO ASSOCIATED COMPANIES	910,040
431	OTHER INTEREST CHARGES	9,032,039
432	ALLOW. FOR BORROWED FUNDS USED DURING CONSTRUCTION-CREDIT	(1,927,627)
	NET INTEREST CHARGES	<u>115,378,901</u>
	NET INCOME	<u>\$ 130,153,620</u>

Note: This schedule includes the consolidated accounts of PPL Group and PPL Receivables Corporation. PPL Receivables Corporation was formed to purchase receivables and unbilled revenues from PPL Electric Utilities Corporation to secure commercial paper financing.

**PPL ELECTRIC UTILITIES CORPORATION  
STATEMENT OF RETAINED EARNINGS  
TWELVE MONTHS ENDED MARCH 31, 2010**

	<u>Total</u>
Retained earnings, March 31, 2009	\$ 580,367,666
Activity during the twelve months ended March 2010	
Net income	130,153,620
Dividends declared - preferred	(18,069,981)
Dividends declared - common	(267,000,000)
Retained earnings, March 31, 2010	<u>\$ 425,451,305</u>

**PPL ELECTRIC UTILITIES CORPORATION  
UTILITY PLANT ACCOUNTS**

Acct. <u>No.</u>		<u>MARCH 31, 2010</u>
	Utility plant in service	
101	Electric plant in service	
	Intangible plant	\$ 44,308,855
	Transmission plant	1,145,331,088
	Distribution plant	3,630,747,106
	General plant	454,341,957
	Electric plant in service	<u>5,274,729,006</u>
101.1	Property under capital leases	
	Total utility plant in service	<u>5,274,729,006</u>
105	Electric plant held for future use	33,811,051
106	CC not classified	150,578,485
107	Construction work in progress	136,512,258
	Total utility plant	<u>5,595,630,800</u>
108	Accumulated provision for depreciation of utility plant	(2,104,605,656)
111	Accumulated provision for amortization of utility plant	(18,060,185)
	Net utility plant	<u><u>\$ 3,472,964,959</u></u>

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**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT OF SECURITIES OF OTHER ENTITIES OWNED**  
**AS OF MARCH 31, 2010**

Name of Issuer	Title of Security	Number of Shares or Principal Amount	Date Acquired	Price Paid	Book Value	Approximate Value Indicated by Market Quotations March 31, 2010
Securities of Subsidiaries						
CEP Commerce, LLC	Member's Interests	\$ 10,072	7/1/2000	\$ 300,010,072	\$ 4,157,533	Not Available
				<u>300,010,072</u>	<u>4,157,533</u>	
Other Corporate Securities						
Mortgages						
Juniata County Industrial Park Expansion	Mortgage	139,901	7/24/1997	139,901	119,901	Not Available
Pike County Business Park	Mortgage	397,692	7/23/1997	397,692	397,692	Not Available
Pocono Mtn Business Park (Senda)	Mortgage	625,000	3/15/2002	625,000	375,000	Not Available
	Total Mortgages			<u>1,162,593</u>	<u>892,593</u>	
Other Corporate Securities						
Stocks						
Sears Holdings Corporation	Common	233 shares	Not Available	Not Available	25,265	\$ 25,265
Time Warner Cable	Common	1,620 shares	Not Available	Not Available	86,364	\$ 86,364
	Total Stocks				<u>111,629</u>	
Total Securities of Other Entities Owned					<u>\$ 5,161,755</u>	

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**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT SHOWING THE STATUS OF THE FUNDED DEBT**  
**AS OF MARCH 31, 2010**

Name and Description of Obligation (a)	Interest		Term at Date Of Issue (Years) (d)	Date of Maturity (e)	Total Principal Amount Authorized (1) (f)	Total Principal Amount Outstanding (Not Held by the Public Utility) (g)	Total Principal Amount Held by the Public Utility		
	Rate (b)	Dates Payable (c)					Reacquired and Held in Treasury (h)	Pledged (i)	In Sinking or Other Funds (j)
<b>First Mortgage Bonds (1):</b>									
7-3/8% Series due 2014	7-3/8%	Mar. 1 & Sep. 1	20	Mar. 1, 2014	100,000,000	10,290,000	None	None	None
						10,290,000			
<b>Senior Secured Bonds (Pollution Control Series)</b>									
Variable Rate Series due 2023 (2)	Varying	Varying	15	Oct. 1, 2023	90,000,000	90,000,000	None	None	None
4.75% Series due 2027	4.75%	Feb. 15 & Aug. 15	22	Feb. 15, 2027	108,250,000	108,250,000	None	None	None
4.70% Series due 2029	4.70%	Mar. 1 & Sept. 1	24	Sept. 1, 2029	115,500,000	115,500,000	None	None	None
						313,750,000			
<b>Senior Secured Bonds</b>									
7.125% Series due 2013	7.125%	May 30 & Nov. 30	5	Nov. 30, 2013	400,000,000	400,000,000	None	None	None
4.95% Series due 2015	4.95%	June 15 & Dec. 15	10	Dec. 15, 2015	100,000,000	100,000,000	None	None	None
5.15% Series due 2020	5.15%	June 15 & Dec. 15	15	Dec. 15, 2020	100,000,000	100,000,000	None	None	None
6.45% Series due 2037	6.45%	Feb. 15 & Aug. 15	30	Aug. 15, 2037	250,000,000	250,000,000	None	None	None
6.25% Series due 2039	6.25%	May 15 & Nov. 15	30	May 15, 2039	300,000,000	300,000,000			
						1,150,000,000			
Unamortized Premium on Long-Term Debt						15,771			
Unamortized Discount on Long-Term Debt						(2,091,410)			
<b>Total Funded Debt</b>						<b>\$ 1,471,964,361</b>			

(1) In December 2008, PPL Electric Utilities completed an in-substance defeasance of the First Mortgage Bonds by depositing sufficient funds with the trustee to satisfy the principal and remaining interest payments on the debt. Also in December 2008, PPL Electric Utilities discharged the lien under its Mortgage and Deed of Trust, dated as of October 1, 1945, which is the agreement under which the First Mortgage Bonds had been issued.

(2) The interest rate and interest payment dates vary depending upon the interest rate mode of the related tax-exempt pollution control bonds that were issued by the Pennsylvania Economic Development Financing Authority. Interest rate modes include a commercial paper rate, daily rate, weekly rate or term rate of at least one year. The bonds are currently in a term rate mode and bear interest at 4.85% until October 2010, at which time the bonds will be remarketed based upon the interest rate mode elected by PPL Electric. While in this term rate mode, interest is payable semiannually on April 1 and October 1.

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**PA PUBLIC UTILITY COMMISSION  
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**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT SHOWING THE STATUS OF OUTSTANDING CAPITAL STOCK**  
**AS OF MARCH 31, 2010**

Designation of Kind and Class (a)	Number of Shares Authorized (b)	Par Value Per Share (c)	Amount Authorized (d)	Amount Outstanding (Not Held by the Public Utility) (1) (e)	Held by the Public Utility			Stated Book Value of Outstanding Stock Having No Par Value As of Date of Balance Sheet (i)
					Reacquired and Held in Treasury (f)	Pledged (g)	In Sinking or Other Funds (h)	
<b>Preferred Stock (4)</b>								
<b>\$100 par, cumulative</b>								
4-1/2% Series	629,936	\$100	\$ 62,993,600	\$ 24,752,400	None	None	None	None
3.35%	10,000,000	\$100	\$ 1,000,000,000	2,060,500	None	None	None	None
4.40%				11,767,600	None	None	None	None
4.60%				2,861,400	None	None	None	None
6.75%				9,077,000	None	None	None	None
				<u>\$ 50,518,900</u>				
<b>Preference Stock</b>	10,000,000		10,000,000 shares	<u>2,500,000 shares</u>				
6.25% Series (3)								
<b>Common Stock, no par</b>	170,000,000		170,000,000 shares	<u>66,368,056 shares</u>	None	None	None	\$ 1,613,428,053 (2)
<b>Treasury Stock</b>				<u>0 shares</u>	None	None	None	\$ 0.00

(1) All common shares of PPL Electric stock are owned by PPL.

(2) Book value of common stock held by PPL Corporation.

(3) Redeemable on or after April 6, 2011.

(4) In April 2010, PPL Electric redeemed all five series of its outstanding preferred stock, with a par value in the aggregate of \$51 million, for \$54 million, plus accumulated dividends. The redeemed shares are no longer outstanding and represent only the right to receive the applicable redemption price.

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**PA PUBLIC UTILITY COMMISSION**  
**SECRETARY'S BUREAU**

**PPL ELECTRIC UTILITIES CORPORATION**  
**FIVE LARGEST HOLDERS OF EACH CLASS OF CAPITAL STOCK AS OF MARCH 31, 2010**

<u>COMMON</u>	<u>Shares</u>	<u>3.35% SERIES PREFERRED (b)</u>	<u>Shares</u>	<u>4.40% SERIES PREFERRED (b)</u>	<u>Shares</u>
PPL Corporation Two North Ninth Street Allentown, PA 18101	66,368,056	Cede & Co. C/O The Depository Trust & Clearing Corporation 55 Water Street New York, NY 10041	17,485	Cede & Co. C/O The Depository Trust & Clearing Corporation 55 Water Street New York, NY 10041	98,520
		Janet E. Rehrer 8 Pine Crest Village Drive Pine Grove, PA 17963	250	Wanda Sheridan RD 2 Box 628 Hawley, PA 18428	500
		Orvilla G. Schnader 89 Misty Lane Ephrata, PA 17522	250	William E. Comer Jr. TTEE William E. Comer Jr. Trust DTD 9-3-99 21 Trellis Road Levittown, PA 19056	400
		Karen Pillion Szabo & Jennifer Szabo JT TEN 6726 N 33rd Avenue Phoenix, AZ 85017	200	Adam J. Bryk 201 Chapel Road Suscon Pittston Twp., PA 18640	344
		Margaret L. Neely 791 Locust Ave Apt 121 Washington, PA 15301-2778	142	Paul F. Simington 1580 State Rt. 61 Sunbury, PA 17801-9542	340
				John Cusher & Anna Cusher JT Ten 245 Maplewood Road Wind Gap, PA 18091-9763	340
<u>4.50% PREFERRED (b)</u>	<u>Shares</u>	<u>4.60% SERIES PREFERRED (b)</u>	<u>Shares</u>	<u>6.75% SERIES PREFERRED (b)</u>	<u>Shares</u>
Cede & Co. C/O The Depository Trust & Clearing Corporation 55 Water Street New York, NY 10041	177,693	Cede & Co. C/O The Depository Trust & Clearing Corporation 55 Water Street New York, NY 10041	20,931	Cede & Co. C/O The Depository Trust & Clearing Corporation 55 Water Street New York, NY 10041	90,570
Joan B. Byorek 337 Westfield Rd Fanwood, NJ 07023	1,000	Jack Rubens 6598 Grande Orchid Way Delray Beach, FL 33446-4333	1,545	Louise Liles 166 Steeplechase Circle Gibsonia, PA 15044-7871	100
Lois M. Minnich TOD Ralph H. Sweger, Jr. Subject to STA TOD Rules 201 West Main Street Lykens, PA 17048-1145	1,000	Charles J. Hornung & Mrs. Mildred T. Hornung as Joint Tenants 3763 Lower Saucon Road Hellertown, PA 18055	170	Charles E. Kerschner 441 E. Liberty Street Schuylkill Haven, PA 17972	100
Marguerite C. Travis and H. James Smith JT TEN 953 Clearfield Road Nazareth, PA 18064	1,000	Richard E. Krex 14 Melody Lane Selinsgrove, PA 17870	150	<u>6.25% SERIES PREFERRED (a)</u>	<u>Shares</u>
Karl L. Burkhardt & Barbara L. Burkhardt, JT TEN 675 Herrs Ridge Road Gettysburg, PA 17325	800	Marguerite Simons 1006 Salem Boulevard Berwick, PA 18603	120	Wells Fargo Bank NA as Depository ATTN: Suzy Swits 161 Concord Exchange N South St. Paul, MN 55075	2,500,000
Elsie M. Merkle C/O Eileen Schneck 338 Oak Street Walnutport, PA 18088	800				

(a) In April 2006, PPL Electric Utilities Corporation sold 10 million depository shares, each representing a quarter interest in a share of its 6.25% Series Preference Stock (Preference Shares), totaling \$250 million. In connection with the sale of the depository shares, PPL Electric issued 2.5 million Preference Shares to the bank which is acting as a depository.

(b) In April 2010, PPL Electric redeemed all five series of its outstanding preferred stock, with a par value in the aggregate of \$51 million, for \$54 million, plus accumulated dividends. The redeemed shares are no longer outstanding and represent only the right to receive the applicable redemption price.

PPL ELECTRIC UTILITIES CORPORATION

STATEMENT SHOWING, IN JOURNAL ENTRY FORM, ALL CHARGES AND CREDITS  
TO BE MADE ON THE BOOKS OF ACCOUNT AS A RESULT OF  
ANY BORROWINGS UNDER THE CREDIT FACILITY

Journal Entry 1

131	Cash	\$	
224	Other Long-term Debt		\$

To record borrowings under the Credit Facility.

Journal Entry 2

181	Unamortized Debt Expense	\$	
131	Cash		\$

To record the payment of expenses in connection with the Credit Facility. Expenses will be amortized over the life of the facility.

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**PPL ELECTRIC UTILITIES CORPORATION  
CAPITAL STRUCTURE**

The capital structure of the Company at March 31, 2010, and on a pro forma basis to give effect to the transactions footnoted below, is as follows:

	Actual Amount	Adjustments (a)	Pro Forma Amount	% of Capitalization
<b>Common Equity</b>				
Common Stock Issued.....	\$ 363,833,249		\$ 363,833,249	
Miscellaneous Paid-In Capital.....	836,262,745		836,262,745	
Capital Stock Expense.....	(12,184,557)		(12,184,557)	
Treasury Stock.....	-		-	
Other Comprehensive Income.....	65,311		65,311	
Earnings Reinvested.....	425,451,305		425,451,305	
Total Common Equity.....	<u>1,613,428,053</u>	<u>-</u>	<u>1,613,428,053</u>	48%
<b>Preferred Securities</b>				
Preferred Stock without Mandatory Redemption.....	300,518,900		300,518,900	9%
<b>Long-Term Debt (b)</b>				
First Mortgage Bonds.....	10,290,000		10,290,000	
Senior Secured Bonds (Pollution Control Series).....	313,750,000		313,750,000	
Senior Secured Bonds.....	1,150,000,000		1,150,000,000	
Unamortized Premium/Discount- Net.....	(2,075,639)		(2,075,639)	
Total Long-Term Debt.....	<u>1,471,964,361</u>	<u>-</u>	<u>1,471,964,361</u>	43%
Total Capitalization.....	<u>\$ 3,385,911,314</u>	<u>\$ -</u>	<u>\$ 3,385,911,314</u>	100%

(a) No pro forma adjustments are made as no specific application of the funds has been identified for the amounts to be available under the subject Credit Facility.

(b) Long-term debt includes amounts due within one year.

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PA PUBLIC UTILITY COMMISSION  
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**PPL ELECTRIC UTILITIES CORPORATION**  
**BOOK VALUE OF COMMON STOCK**  
**MARCH 31, 2010**

<u>Acct. No.</u>			
	Common Equity		
201	Common stock issued	\$	363,833,249
207	Premium on capital stock		40,639
211	Additional paid in capital		836,262,745
214	Capital stock expense		(12,225,196)
216	Unappropriated retained earnings		422,348,373
216.1	Unappropriated undistributed subsidiary earnings		3,102,932
217	Reacquired capital stock		-
219	Other comprehensive income		65,311
	Total Common Equity	\$	<u>1,613,428,053</u>
	Shares of common stock issued at March 31, 2010		66,368,056
	Shares repurchased and held in treasury		<u>0</u>
	Shares of common stock outstanding at March 31, 2010		<u>66,368,056</u>
	 Book Value of Common Stock		
	Total common equity + shares of common stock outstanding at March 31, 2010	\$	<u>24.31</u>

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SECRETARY'S BUREAU

**Chapter 19 Securities Certificate registrations-Data Request Answers for  
Docket Number S-2010-2183912**

To the extent the following information has not been filed with Applicant's registration:

1.) Previous registration balances. Provide docket numbers, initial registration amount, issuances by type, amount and date and current remaining balance. Plans for these balances vis-à-vis the current registration.

*Answer:*

*The existing multi-year credit agreement (Docket Number S-00040993) of \$189,722,222 (\$200,000,000 less \$10,277,778 due to the Lehman Brothers Bankruptcy) is scheduled to expire in May 2012; however, the existing facility will be terminated upon execution of this new multi-year credit facility. As of June 18, 2010, there was \$13,187,472 in Letters of Credit outstanding against the current facility (schedule below), which will be replaced using this new credit facility.*

\$ (000's)

<b>Issue Date</b>	<b>Issue Type</b>	<b>Beneficiary</b>	<b>Purpose</b>	<b>Amount</b>
04/14/08	LOC	Commonwealth of PaDOT	Minimum Use Driveways	\$ 5
07/25/08	LOC	Zurich American Insurance	Workman's Comp	\$ 759
09/03/08	LOC	South Whitehall Township Authority Commonwealth of PA Dept of Conserv	PPL Walbert Training Center	\$ 405
05/29/09	LOC	Bureau of Forestry	Road Use Agreement	\$ 18
08/19/09	LOC	PJM Interconnection, L.L.C.	Margining	\$ 12,000
<b>Total</b>				<b>\$ 13,187</b>
<b>Total Facility</b>				<b>\$ 189,722</b>
<b>Available</b>				<b>\$ 176,535</b>

2.) What effect will this issuance have upon the capital structure of the utility? Show calculations.

*Answer:*

*The new \$200 million credit facility is replacing a similarly sized existing credit facility at PPL Electric. If the new credit facilities were fully drawn, the capital structure of PPL Electric would appear as follows:*

\$ (000's)	<u>31-Mar-10</u>
Total LT Debt	\$ 1,472,000
Fully Drawn Credit Facility	\$ 200,000
Total Debt	<u>\$ 1,672,000</u>
Total Capitalization	\$ 3,588,000

Debt / Total Capitalization % 46.6%

3.) Current and three year projections for; (Provide details of calculation)

*Answer:*

*Sources and Uses of Funds*

(000's)	<u>2010</u>	<u>2011</u>	<u>2012</u>
Construction	\$ 422,941	\$ 559,273	\$ 673,338
Act 129 Spending	\$ 65,849	\$ 66,834	\$ 78,582
Pension Funding	\$ 57,326	\$ 74,294	\$ 69,249
Security Maturities, Redemptions and Sinking Funds	50,000	-	-
Other (including changes in working capital)	20,901	(20,086)	(5,281)
Total Requirements	<u>\$ 617,017</u>	<u>\$ 680,314</u>	<u>\$ 815,889</u>
Sources			
Total Internal	\$ 614,771	\$ 430,336	\$ 595,902
Sale of Investments	\$ -	\$ -	\$ -
Outside Financing			
Long-term debt	-	250,000	220,000
Short-term debt change	2,246	(22)	(13)
Other	-	-	0
Total Outside	<u>2,246</u>	<u>249,978</u>	<u>219,987</u>
Total Fund Sources	<u>\$ 617,017</u>	<u>\$ 680,314</u>	<u>\$ 815,889</u>

*Capital Expenditures*

*Ratio of Capital Expenditures to Depreciation and Amortization*

\$ (000's)	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital Expenditure	\$ 422,941	\$ 559,273	\$ 673,338
Depreciation	\$ 130,332	\$ 136,453	\$ 148,247
Amortization	\$ 75,151	\$ 76,641	\$ 78,204
Total Depreciation & Amortization	<u>\$ 205,483</u>	<u>\$ 213,094</u>	<u>\$ 226,451</u>
Capital / Depreciation & Amortization	206%	262%	297%

*Capitalization Ratios*

\$ (000's)	2010	2011	2012
Total LT Debt	\$ 1,472,181	\$ 1,722,430	\$ 1,942,679
Total ST Debt	2,246	2,224	2,211
<b>Total Debt</b>	<b>\$ 1,474,427</b>	<b>\$ 1,724,654</b>	<b>\$ 1,944,890</b>
 Total Capitalization	 \$ 3,412,304	 \$ 3,780,443	 \$ 4,259,371
Debt / Total Capitalization %	43.2%	45.6%	45.7%

*Dividend payout ratio:*

\$ (000's)	2010	2011	2012
Earnings Available for Common	\$ 101,791	\$ 143,912	\$ 169,692
Total Dividend Paid to Parent	\$ 60,000	\$ 86,000	\$ 86,000
<i>% of Earnings Available for Common</i>	<i>58.9%</i>	<i>59.8%</i>	<i>50.7%</i>

Interest coverage ratios – both SEC and Indenture basis

**Computation of Ratio of Earnings to Combined Fixed Charges  
as required under Item 503 (d) of Regulation S-K of the Securities Act of 1933**

\$ (000's)	2010	2011	2012
<i>Income Before Income Taxes</i>	\$ 172,405	\$ 244,628	\$ 289,018
Total Interest (as shown below)	\$ 99,683	\$ 104,489	\$ 127,855
Less interest component of AFUDC (est)	\$ (2,500)	\$ (4,800)	\$ (6,300)
<b>Total Earnings</b>	<b>\$ 269,587</b>	<b>\$ 344,318</b>	<b>\$ 410,574</b>
 Fixed charges, as defined:			
Interest on long term debt	\$ 91,104	\$ 99,951	\$ 113,948
Interest on short term debt	\$ 1,424	\$ 341	\$ 9,748
Other Interest	\$ -	\$ -	\$ -
Amortization of debt discount, expense and premium - net	\$ 7,154	\$ 4,197	\$ 4,159
<b>Total Interest</b>	<b>\$ 99,683</b>	<b>\$ 104,489</b>	<b>\$ 127,855</b>
 <b>Earnings / Interest</b>	 <b>2.70</b>	 <b>3.30</b>	 <b>3.21</b>

NOTE: PPL Electric's current indenture does not require interest coverage calculations.

4.) Three year history of credit ratings – By credit rating agency and class

	Ratings (as of Dec. 31, 2007)			Ratings (as of Dec. 31, 2008)		
	Moodys	S&P	Fitch	Moodys	S&P	Fitch
Issuer Rating	Baa1	A-	BBB	Baa1	A-	BBB/F-2
First Mortgage Bonds	A3	A-	A-	A3	A-	A-
Tax Exempt Bonds	Aaa	AAA		Baa1	AA/A-	
Senior Secured Bonds	A3	A-	A-	A3	A-	A-
Commercial Paper	P-2	A-2	F-2	P-2	A-2	F-2
Preferred Stock	Baa3	BBB	BBB+	Baa3	BBB	BBB
Preference Stock	Baa3	BBB	BBB	Baa3	BBB	BBB
Outlook	<b>STABLE</b>	<b>STABLE</b>	<b>STABLE</b>	<b>STABLE</b>	<b>STABLE</b>	<b>STABLE</b>

	Ratings (as of Dec. 31, 2009)			Ratings (as of May 28, 2010)		
	Moodys	S&P	Fitch	Moodys	S&P	Fitch
Issuer Rating	Baa1	A-	BBB/F-2	Baa2	A-	BBB/F-2
First Mortgage Bonds	A3	A-	A-	A3	A-	A-
Tax Exempt Bonds	A3/Baa1	A/A-		A3/Baa2	A/A-	
Senior Secured Bonds	A3	A-	A-	A3	A-	A-
Commercial Paper	P-2	A-2	F-2	P-2	A-2	F-2
Preferred Stock	Baa3	BBB	BBB	N/A	N/A	N/A
Preference Stock	Baa3	BBB	BBB	Ba1	BBB	BBB-
Outlook	<b>Negative</b>	<b>Negative</b>	<b>STABLE</b>	<b>Stable</b>	<b>Negative</b>	<b>Stable</b>

5.) Projected refinancing savings or costs, if applicable

*Answer:*

*Assuming the current balance of LCs remains outstanding, the incremental annual overall after-tax cost of the \$200MM credit facility is expected to be approximately \$575,000.*

6.) Affiliated interest agreement applicable to instant registration, if financing involves an affiliate

*Answer:*

*Not applicable.*

7.) List all unregulated affiliates of the applicant

Aztec Insurance Limited  
 B-G Mechanical Contractors, Inc.  
 B-G Mechanical Service, Inc.  
 BDW Corp.  
 Brunner Island Services, LLC  
 Burns Mechanical, Inc.  
 CEP Commerce, LLC  
 CEP Lending, Inc.  
 CEP Reserves, Inc.  
 Colstrip Comm Serv, LLC  
 EA Technology Limited  
 Ebusiness South West Limited  
 Electralink Limited

Electricity Pensions Limited  
 Electricity Pensions Trustee Limited  
 Elmsford Sheet Metal Works, Inc.  
 Energy Networks Association Limited  
 ESN Holdings Limited  
 Fred Williams, Inc.  
 Gemserv Limited  
 General Control Systems, Inc.  
 General Mechanical Systems, Inc.  
 H. T. Lyons Co.  
 H. T. Lyons, Inc.  
 Hyder Limited  
 Hyder Profit Sharing Trustee Limited

Hyder Share Scheme Trustee (2) Limited  
 Hyder Share Scheme Trustee Limited  
 Hyder Utilities (Holdings) Limited  
 Infralec 1992 Pension Trustee Limited  
 Kelston Properties Limited  
 Kelston Properties 2 Limited  
 Lady Jane Collieries, Inc.  
 Lower Mount Bethel Energy, LLC  
 McCarl's Inc.  
 McClure Company  
 Meter Operator Services Limited  
 Meter Reading Services Limited  
 Millennium Builders, Inc.  
 Montour Services, LLC  
 Ninth Street & Hamilton Corporation  
 Northmere Limited  
 Pennsylvania Mines, LLC  
 Penobscot Hydro Co., Inc.  
 PMDC Chile II, LLC  
 PMDC Chile, LLC  
 PMDC Europe B.V.  
 PMDC India Ltd.  
 PMDC International Holdings, Inc.  
 PMDC International N.V.  
 PPL Bell Bend Holdings, LLC  
 PPL Bell Bend, LLC  
 PPL Broadband, LLC  
 PPL Brunner Island, LLC  
 PPL Capital Funding, Inc.  
 PPL Capital Trust (Business Trust)  
 PPL Capital Trust II (Business Trust)  
 PPL Cayman, LLC  
 PPL Chile Energia Ltda.  
 PPL Chile Inversiones Energeticas S.A.  
 PPL Colstrip I, LLC  
 PPL Colstrip II, LLC  
 PPL Energy Funding Corporation  
 PPL Energy Services Group, LLC  
 PPL Energy Services Holdings, LLC  
 PPL Energy Services Mid-Atlantic, LLC  
 PPL Energy Services Northeast, Inc.  
 PPL Energy Supply, LLC  
 PPL EnergyPlus, LLC  
 PPL Generation Services, LLC  
 PPL Generation, LLC  
 PPL Global, LLC  
 PPL Great Works, LLC  
 PPL Holtwood, LLC  
 PPL Infrastructure Services, LLC  
 PPL Investment Corporation  
 PPL Land Holdings, LLC  
 PPL Leasing Company, LLC  
 PPL Maine, LLC  
 PPL Martins Creek, LLC  
 PPL Montana Holdings, LLC  
 PPL Montana, LLC  
 PPL Montour, LLC  
 PPL New Jersey Biogas, LLC  
 PPL New Jersey Solar, LLC  
 PPL Nuclear Development, LLC  
 PPL Power Insurance Ltd.  
 PPL Properties, Inc.  
 PPL Receiveables Corporation  
 PPL Renewable Energy, LLC  
 PPL SavageALERT, Inc.  
 PPL Services Corporation  
 PPL Spectrum, Inc.  
 PPL Susquehanna, LLC  
 PPL Synfuel Investments, LLC  
 PPL Treasure State, LLC  
 PPL UK Holdings, LLC  
 PPL UK Resources Limited  
 PPL University Park, LLC  
 PPL Wallingford Energy LLC  
 PPLG El Salvador Holdings, S.A. de C.V.  
 PPLSolutions, LLC  
 Realty Company of Pennsylvania  
 REC Collect Limited  
 Safe Harbor Water Power Corporation  
 SIUK Finance  
 SIUK Investments  
 SIUK Limited  
 South Wales Electricity Share Scheme  
 Trustees Limited  
 South Western Helicopters Limited  
 Surf Telecoms Limited  
 The Energy Saving Trust Limited  
 The Ombudsman Service Limited  
 Titan Mechanical Contractors, Inc.  
 Trystate Mechanical, Inc.  
 Westech International, Inc.  
 Western Power Distribution (South Wales) plc  
 Western Power Distribution (South West) plc  
 Western Power Distribution Holdings Limited  
 Western Power Distribution Investments  
 Limited  
 Western Power Distribution LLP  
 Western Power Generation Limited  
 Western Power Pension Trustee Limited  
 WPD 1957 Limited  
 WPD 1975 Limited  
 WPD Finance Limited  
 WPD Guernsey Limited  
 WPD Holdings UK  
 WPD Investment Holdings Limited  
 WPD Investments Limited  
 WPD Limited  
 WPD Limited (Guernsey)  
 WPD Property Developments Limited  
 WPD Property Investments Limited  
 WPD Property Limited  
 WPD Share Scheme Trustees Limited  
 WPDH Limited  
 WW Share Scheme Trustees Limited

- 8.) List all debt for which the applicant is a guarantor of affiliated company debt instruments

*Answer:*  
None.

- 9.) For any corporate money pool from which applicant may potentially borrow, lend or deposit excess cash to, provide;

Commission ordered reporting requirements  
Current balances of borrowed and lent funds  
Eligible borrowing and lending entities  
Accounting for money pool transactions  
3 year history of borrowing and lending to the pool

*Answer:*  
Not applicable.

- 10.) Describe historical reliance by type of both corporate internal and external sources of financing

*Answer:*  
*PPL Electric historically has used a combination of equity and debt to fund its ongoing operations and expand/maintain its capital infrastructure in a manner that supports its investment-grade credit ratings. PPL Electric typically relies on issuing either external first mortgage bonds or, temporarily, incurring bank debt as a bridge to the external debt capital markets. Equity sources have been preferred/preference stock, retained earnings or capital contributions from its parent, PPL Corporation.*

- 11.) Where current dividend payout ratio exceeds 75%, provide three year history and plan for future dividend payouts.

*Answer:*

\$ (000's)	2007	2008	2009	2010	2011	2012
Earnings Available for Common	\$ 145,000	\$ 158,000	\$ 123,586	\$ 101,791	\$ 143,912	\$ 169,692
Ordinary Dividends Paid to Parent % of Earnings Available for Common	\$ 119,000 82.1%	\$ 98,000 62.0%	\$ 74,000 59.9%	\$ 60,000 58.9%	\$ 86,000 59.8%	\$ 86,000 50.7%
Special Dividend Paid to Parent % of Earnings Available for Common	\$ - 0.0%	\$ - 0.0%	\$ 200,000 161.8%	\$ - 0.0%	\$ - 0.0%	\$ - 0.0%
Total Dividend Paid to Parent % of Earnings Available for Common	\$ 119,000 82.1%	\$ 98,000 62.0%	\$ 274,000 221.7%	\$ 60,000 58.9%	\$ 86,000 59.8%	\$ 86,000 50.7%

- 12.) Where the debt to total capital ratio exceeds 55%, provide plan for managing future debt to total capital levels.

*Answer:*

*Debt to total capital ratio does not exceed 55%.*

13.) With respect to the purpose for which you propose to issue or assume securities;

A. If the purpose is the purchase or construction of new facilities, or the betterment of existing facilities, provide:

1. Estimated final cost
2. A brief description of the new facilities or betterments
3. The date when it is expected that the purchase or construction or betterment will be completed.
4. Estimated amount of AFUDC included in the project costs

*Answer:*

*Not applicable.*

B. If the purpose is to obtain working capital, explain any unusual condition which exists, or will exist, in the public utility's current assets or current liabilities, stating:

1. The approximate cost of average materials and supplies inventory which the public utility expects to carry

*Answer:*

*\$33 million.*

2. The average time elapsing between the date when the public utility furnishes or begins a period of furnishing services to customers and the date when collection is made from customers for the service.

*Answer:*

*PPL Electric Days Sales Outstanding (DSO) is 28.7 days*

*2009 Receivables / 2009 Revenue \* 365  
(\$259 million / \$3,292 million) \* 365 days = 28.7 days*

3. The minimum bank balance requirements.

No minimum balance is required.

C. If the purpose is to refund obligations, describe obligations in detail.

1. Explain the purpose for which obligations were issued, or refer to the number of securities certificate in which the purpose appears.

2. State whether refunding is to meet maturity, or to effect saving in interest or other annual charges; if to effect savings, state date when, and at price which obligations are to be called, and submit statement showing savings to be effected as a result of refunding.

*Answer:*  
*Not applicable.*

D. If the purpose is for the payment of dividends, please justify the use of funds from the registration to pay dividends.

*Answer:*  
*Not applicable.*

E. If the purpose is to fund pension obligations;

1. Provide the current Accumulated Benefit Obligation (except where no longer used consistent with FASB Statement No. 158), the projected benefit obligation, the current fair value of plan assets, and the percent that the current benefit obligation is funded.

2. Provide the annual contributions to the plan from 2006 to the present, and the projected contributions for the next five years.

3. Provide an explanation as to how compliance with the Pension Protection Act of 2006 will be accomplished.

*Answer:*  
*Not applicable.*

14.) Reconcile total capitalization with total rate base for ratemaking purposes. Are any of the funds to be issued for a non-utility purpose? If so, please describe that purpose.

As of December 31, 2009

(\$'s in millions)		Utility Plant	Working Capital	Other Deductions	Total
Rate Base	C-1	\$ 3,273	\$ 64	\$ (600)	\$ 2,737
Adjustments to Capital-Base		\$ (132)			\$ (132)
CWIP/Future Use/Not Classified	107	\$ 296			\$ 296
Depreciation Adjustments		\$ 8			\$ 8
Other Property	B-1	\$ 17			\$ 17
Deferred Tax				\$ (205)	\$ (205)
Working Capital Adjustment			\$ 516		\$ 516
Subtotal		<u>\$ 3,462</u>	<u>\$ 581</u>	<u>\$ (805)</u>	<u>\$ 3,237</u>
Equity & Capital Adjustments Capitalization					<u>\$ 14</u>
					<u>\$ 3,251</u>

No funds are to be used for non-utility purposes.

15.) Three year history and three year projections for ratio of capital expenditures to depreciation expense. Show calculations.

(\$ (000's))	2007	2008	2009	2010	2011	2012
Capital Expenditure	\$ 286,000	\$ 268,000	\$ 288,000	\$ 422,941	\$ 559,273	\$ 673,338
Depreciation	\$ 132,000	\$ 131,000	\$ 128,000	\$ 130,332	\$ 136,453	\$ 148,247
Capital / Depreciation	217%	205%	225%	325%	410%	454%

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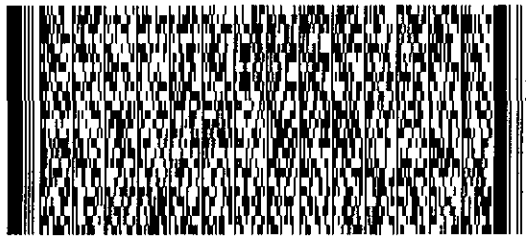
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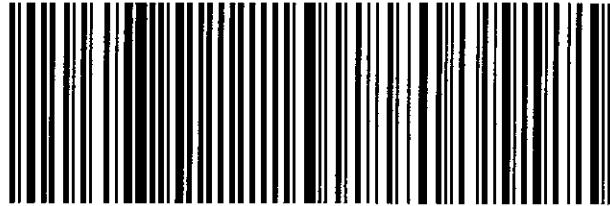
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