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**FEDERAL EXPRESS**

September 1, 2010

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120

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SEP 01 2010

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re: PPL Electric Utilities Corporation  
Generation Supply Charge Reconciliation Report  
for the Quarter Ended September 30, 2010  
Docket No. M-2009-2145482**

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Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are eight (8) copies of PPL Electric's Generation Supply Charge ("GSC") Reconciliation Report for the Quarter Ended September 30, 2010. This filing is being made pursuant to the procedures set forth in PPL Electric's Tariff - Electric Pa. P.U.C. No. 201 and the Commission's Secretarial letter dated June 16, 2010. As explained below, PPL Electric proposes to continue in effect the current GSC until January 1, 2011.

In its filing dated June 2, 2010, PPL Electric reiterated that its GSC for the first quarter of 2010 resulted in a substantial undercollection primarily due to (1) the proration of customer bills in January 2010 for usage that occurred in December 2009 and (2) multiple billing errors related to the volume of customers electing service from electric generation suppliers and the number of new suppliers whose rates had to be incorporated into consolidated bills. As a result, PPL Electric proposed to defer the January 2010 proration undercollection, without interest, until January 2011. PPL Electric also requested that the Commission grant any needed waivers of regulations or tariff provisions, as necessary, to address this situation.

In a Secretarial Letter dated June 16, 2010, the Commission approved PPL Electric's request for a waiver from the provisions of its GSC which require it to revise its GSC rates effective July 1, 2010; its proposal to continue in effect the current GSC rates until October 1, 2010; and its proposal to defer recovery of the January 2010 undercollection, without interest, until January 1, 2011, as necessary.

Although the billing issues identified in PPL Electric's June 2, 2010 filing have been substantially corrected, an undercollection balance of approximately \$67.5 million, resulting primarily from the proration of customer bills in January 2010, remains outstanding. Accordingly, PPL Electric hereby requests that the Commission grant a continued extension of the waiver set forth in its June 16 Secretarial Letter regarding the provisions of its GSC to revise the GSC rates effective October 1, 2010. PPL Electric also requests Commission approval to continue in effect the current GSC rates until January 1, 2011. In addition, because it is continuing to defer the balance of the January 2010 proration undercollection until January 1, 2011, PPL Electric also requests that the Commission grant a continued extension of the waiver of the GSC provision regarding the accrual of interest until January 1, 2011.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on September 1, 2010, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding the enclosed filing, please call me or Joseph M. Kleha, PPL Electric's Manager-Regulatory Compliance and Rates at (610) 774-4486.

Very truly yours,



Paul E. Russell

Enclosures

cc: Mr. Carl Lesney  
Mr. Richard E. Wallace  
J. Edward Simms, Esquire

Irwin A. Popowsky, Esquire  
William R. Lloyd, Esquire

**PPL ELECTRIC UTILITIES CORPORATION**

**GENERATION SUPPLY CHARGE**  
**Reconciliation Report**  
**For the Quarter Ended September 30, 2010**

**Docket No. M-2009-2145482**

September 1, 2010

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SEP 01 2010

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S OFFICE

**PPL ELECTRIC UTILITIES CORPORATION**  
**RECONCILIATION OF 2010 GENERATION SUPPLY CHARGE ("GSC") REVENUES AND EXPENSES**

Residential

Line No.	Month >>	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		January	February	March	April	May	June	July	Total
1	Actual Energy Revenues Billed (including GRT)	\$ 71,867,829	\$ 136,221,224	\$ 107,521,379	\$ 71,101,872	\$ 60,015,837	\$ 69,665,076	\$ 82,795,465	\$ 599,188,682
2	Gross Receipts Tax Factor (1)	0.941	0.941	0.941	0.941	0.941	0.941	0.941	
3	Actual Energy Revenues Billed (excluding GRT)	67,627,627	128,184,172	101,177,618	66,906,862	56,474,903	65,554,837	77,910,533	563,836,552
4	Merchant Function Charge (MFC) Factor (2)	0.9868	0.9868	0.9868	0.9868	0.9868	0.9868	0.9868	
5	Energy Revenues Available (excluding GRT and MFC)	66,734,942	126,492,141	99,842,073	66,023,691	55,729,434	64,689,513	76,882,114	556,393,908
6	Energy Procurement Administrative Expenses	143,648,183 138,575	106,150,842 298,617	74,758,601 296,609	62,658,034 224,556	60,499,915 224,730	68,266,785 191,036	81,410,980 216,667	597,393,340 1,590,790
7	Total Expenses to Recover	143,786,758	106,449,459	75,055,210	62,882,590	60,724,645	68,457,821	81,627,647	598,984,130
8	Net Over/(Under) Collection	(77,051,816)	20,042,682	24,786,863	3,141,101	(4,995,211)	(3,768,308)	(4,745,533)	(42,590,222)
9	Interest on Over/(Under) Collection	-	-	-	195,664	(284,103)	(201,369)	(210,089)	(499,897)
10	Net Over/(Under) Collection, Including Interest	\$ (77,051,816)	\$ 20,042,682	\$ 24,786,863	\$ 3,336,765	\$ (5,279,314)	\$ (3,969,677)	\$ (4,955,622)	\$ (43,090,119)

(1) Gross Receipts Tax Factor (1-.059)

(2) Market Function Charge Factor  
 Residential - (1-.0132) (1 - .0132)  
 Small Commercial & Industrial (1 - .0012)

**PPL ELECTRIC UTILITIES CORPORATION**  
**RECONCILIATION OF 2010 GENERATION SUPPLY CHARGE ("GSC") REVENUES AND EXPENSES**  
Small Commercial and Industrial

Line No.	Month >>	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		January	February	March	April	May	June	July	Total
1	Actual Energy Revenues Billed (including GRT)	\$ 36,491,713	\$ 48,030,833	\$ 33,735,520	\$ 26,666,094	\$ 22,276,610	\$ 23,913,954	\$ 24,895,285	\$ 216,010,009
2	Gross Receipts Tax Factor (1)	0.941	0.941	0.941	0.941	0.941	0.941	0.941	
3	Actual Energy Revenues Billed (excluding GRT)	34,338,702	45,197,014	31,745,124	25,092,794	20,962,290	22,503,031	23,428,463	203,265,418
4	Merchant Function Charge (MFC) Factor (2)	0.9988	0.9988	0.9988	0.9988	0.9988	0.9988	0.9988	
5	Energy Revenues Available (excluding GRT and MFC)	34,297,498	45,142,778	31,707,030	25,062,663	20,937,135	22,476,027	23,398,351	203,021,500
6	Energy Procurement	63,380,896	42,910,348	34,574,996	25,071,941	20,934,175	16,528,638	25,887,850	229,288,844
	Administrative Expenses	138,575	298,617	296,609	224,556	224,730	191,036	216,667	1,590,790
7	Total Expenses to Recover	83,519,471	43,208,965	34,871,605	25,296,497	21,158,905	16,719,674	26,104,517	230,879,634
8	Net Over/(Under) Collection	(29,221,975)	1,933,813	(3,164,575)	(233,814)	(221,770)	5,756,353	(2,706,166)	(27,858,134)
9	Interest on Over/(Under) Collection	-	-	-	(14,585)	(12,613)	307,605	(119,804)	160,823
10	Net Over/(Under) Collection, Including Interest	\$ (29,221,975)	\$ 1,933,813	\$ (3,164,575)	\$ (248,379)	\$ (234,383)	\$ 6,063,958	\$ (2,825,970)	\$ (27,697,511)

(1) Gross Receipts Tax Factor (1-.059)

(2) Market Function Charge Factor  
Residential - (1-.0132) (1 - 0132)  
Small Commercial & Industrial (1 - .0012)

**PPL ELECTRIC UTILITIES CORPORATION**  
**RECONCILIATION OF 2010 GENERATION SUPPLY CHARGE ("GSC") REVENUES AND EXPENSES**  
**Large Commercial & Industrial - Fixed Price - Primary**

Line No.	Month >>	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		January	February	March	April	May	June	July	Total
1	Actual Energy Revenues Billed (including GRT)	\$ 5,061,266	\$ 2,274,277	\$ 951,046	\$ 758,588	\$ 736,813	\$ 805,523	\$ 819,298	\$ 11,406,811
2	Gross Receipts Tax Factor (1)	0.941	0.941	0.941	0.941	0.941	0.941	0.941	
3	Actual Energy Revenues Billed (excluding GRT)	4,762,651	2,140,095	894,934	713,831	693,341	757,997	770,959	10,733,808
4	Merchant Function Charge (MFC) Factor (2)								
5	Energy Revenues Available (excluding GRT and MFC)	4,762,651	2,140,095	894,934	713,831	693,341	757,997	770,959	10,733,808
6	Energy Procurement	5,146,765	2,295,854	1,832,333	216,815	743,270	746,200	811,216	11,792,453
	Administrative Expenses	11,327	24,410	24,246	18,356	18,370	15,615	17,711	130,035
7	Total Expenses to Recover	5,158,092	2,320,264	1,856,579	235,171	761,640	761,815	828,927	11,922,488
8	Net Over/(Under) Collection	(395,441)	(180,169)	(961,645)	478,660	(68,299)	(3,818)	(57,968)	(1,188,680)
9	Interest on Over/(Under) Collection	-	-	-	29,817	(3,885)	(204)	(2,586)	23,162
10	Net Over/(Under) Collection, Including Interest	\$ (395,441)	\$ (180,169)	\$ (961,645)	\$ 508,477	\$ (72,184)	\$ (4,022)	\$ (60,534)	\$ (1,165,518)

(1) Gross Receipts Tax Factor (1-.059)

(2) Market Function Charge Factor - not applicable for Large C&I customers  
 Residential - (1-.0132) (1-.0132)  
 Small Commercial & Industrial (1-.0012) (1-.0012)

**PPL ELECTRIC UTILITIES CORPORATION**  
**RECONCILIATION OF 2010 GENERATION SUPPLY CHARGE ("GSC") REVENUES AND EXPENSES**  
**Large Commercial & Industrial - Fixed Price - Transmission**

Line No.	Month >>	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(G)
		January	February	March	April	May	June	July	Total
1	January	Actual Energy Revenues Billed (including GRT) \$ (977,330)	\$ 6,617,833	\$ 2,359,412	\$ (1,059,041)	\$ 43,959	\$ 66,431	\$ 15,041	\$ 7,066,305
2		Gross Receipts Tax Factor (1) 0.941	0.941	0.941	0.941	0.941	0.941	0.941	
3		Actual Energy Revenues Billed (excluding GRT) (919,668)	6,227,381	2,220,207	(996,558)	41,365	62,512	14,154	6,649,393
4		Merchant Function Charge (MFC) Factor (2)							
5		Energy Revenues Available (excluding GRT and MFC) (919,668)	6,227,381	2,220,207	(996,558)	41,365	62,512	14,154	6,649,393
6		Energy Procurement 1,147,170	511,728	(214,079)	48,326	165,668	166,322	180,813	2,005,946
		Administrative Expenses 4,989	10,751	10,679	8,085	8,091	6,878	7,801	57,274
7		Total Expenses to Recover 1,152,159	522,477	(203,400)	56,411	173,759	173,200	188,614	2,063,220
8		Net Over/(Under) Collection (2,071,827)	5,704,904	2,423,607	(1,052,969)	(132,394)	(110,688)	(174,460)	4,586,173
9		Interest on Over/(Under) Collection -	-	-	(65,591)	(7,530)	(5,915)	(7,723)	(86,759)
10		Net Over/(Under) Collection, Including Interest \$ (2,071,827)	\$ 5,704,904	\$ 2,423,607	\$ (1,118,560)	\$ (139,924)	\$ (116,603)	\$ (182,183)	\$ 4,499,414

(1) Gross Receipts Tax Factor (1-.059)

(2) Market Function Charge Factor - not applicable for Large C&I customers  
 Residential - (1-.0132) (1 -.0132)  
 Small Commercial & Industrial (1 -.0012)

**PPL ELECTRIC UTILITIES CORPORATION**  
**INTEREST EXPENSE ON 2010 GENERATION SUPPLY CHARGE**  
**OVER/(UNDER) COLLECTIONS**

Line No.	Month	(A)	(B)	(C)		(D)	(E)		(F)	(G)	(H)	(I)		(J)	(K)	(L)
		Interest Rate	Weighting Factor	Over/(Under) Collection Total (1)	Interest on Over/(Under) Collection	Residential	Interest on Over/(Under) Collection	Small Comm. & Industrial	Interest on Over/(Under) Collection	Large Comm. & Industrial - Primary	Interest on Over/(Under) Collection	Large Comm. & Industrial - Transmission	Over/(Under) Collection	Interest on Over/(Under) Collection		
1	January 2010	6.25%	0	\$ (108,741,059)	\$ -	\$ (77,051,816)	\$ -	\$ (29,221,975)	\$ -	\$ (395,441)	\$ -	\$ (2,071,827)	\$ -			
2	February 2010	6.50%	0	27,501,230	-	20,042,682	-	1,933,813	-	(180,169)	-	5,704,904	-			
3	March 2010	6.50%	0	23,084,250	-	24,786,863	-	(3,164,575)	-	(961,645)	-	2,423,607	-			
4	April 2010	6.50%	11.5/12	2,332,978	145,325	3,141,101	195,664	(233,814)	(14,565)	478,660	29,817	(1,052,969)	(65,591)			
5	May 2010	6.50%	10.5/12	(5,417,674)	(308,131)	(4,995,211)	(284,103)	(221,770)	(12,613)	(68,299)	(3,885)	(132,394)	(7,530)			
6	June 2010	6.75%	9.5/12	1,873,539	100,117	(3,768,308)	(201,389)	5,756,353	307,605	(3,818)	(204)	(110,688)	(5,915)			
7	July 2010	6.25%	8.5/12	(7,684,127)	(340,182)	(4,745,533)	(210,089)	(2,706,166)	(119,804)	(57,968)	(2,566)	(174,460)	(7,723)			
				<b>\$ (67,050,863)</b>	<b>\$ (402,871)</b>	<b>\$ (42,590,222)</b>	<b>\$ (499,897)</b>	<b>\$ (27,858,134)</b>	<b>\$ 160,623</b>	<b>\$ (1,186,680)</b>	<b>\$ 23,162</b>	<b>\$ 4,586,173</b>	<b>\$ (86,759)</b>			

(1) From Schedule 1, Line 8, for the respective rate group.

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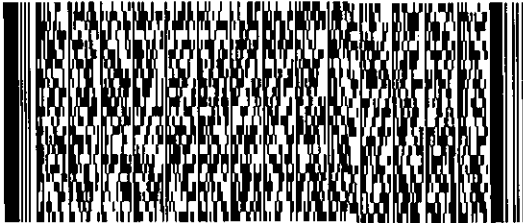


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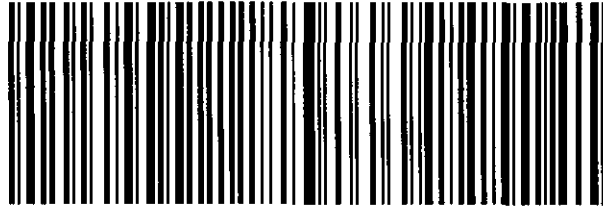


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