

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re:

SECURITIES CERTIFICATE OF	:	
PPL ELECTRIC UTILITIES	:	
CORPORATION IN RESPECT OF	:	SECURITIES CERTIFICATE
NOT IN EXCESS OF \$250 MILLION	:	
AGGREGATE PRINCIPAL AMOUNT	:	
OF DEBT SECURITIES	:	
	:	NO. S-
	:	

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 Michael A. McGrail and Frederick C. Paine, 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 of the Company, and 100% of the outstanding voting stock of the Company.

5. This Securities Certificate requests Commission authorization for the Company to (a) issue not in excess of \$250 million principal amount of its secured or unsecured debt securities, which may include Senior Secured Bonds (the "New Bonds") in one or more series from time to time, and (b) in conjunction with such issuances of New Bonds, to enter into interest rate protection arrangements with respect to a nominal amount of up to \$250 million of New Bonds.

Conditions in the capital markets underscore the need to maintain maximum flexibility in selling securities. As a result, the Company desires to be in a position quickly to respond to favorable market conditions based on the Company's capital requirements, including the refinancing of higher cost securities at a lower cost. The Company currently plans to issue the New Bonds in one or more series from time to time prior to December 31, 2012 at a price or prices and with an interest rate or rates which, in the judgment of the officers of the Company, will be competitive in the market with comparable quality securities having the same general terms and conditions.

PPL Electric proposes to issue the New Bonds under its Indenture dated as of August 1, 2001 (the "2001 Indenture"). The Company previously has issued approximately \$2.453 billion of Senior Secured Bonds under the 2001 Indenture (the "Existing Bonds," and

collectively with the New Bonds, the “Bonds”), all of which Existing Bonds were authorized by the Commission under prior Securities Certificates filed by the Company. Like the Existing Bonds, the New Bonds will be secured by a lien in favor of the Trustee on the Company’s distribution and certain of its transmission properties.

Set forth below is a description of the general terms or range of terms the Company expects will be applicable to each series of the New Bonds.

EXACT TITLE OF SECURITY:

Senior Secured Bonds, % Series due ____.

AGGREGATE PRINCIPAL AMOUNT TO BE ISSUED:

Not in excess of \$250,000,000. The principal amount of a series of the New Bonds will be determined by the Company at or about the time of the sale of that series based on the Company's capital requirements, market conditions and other factors.

NOMINAL DATE OF ISSUE:

To be determined at the time of sale.

DATE OF MATURITY:

To be determined at the time of sale. It currently is expected that each series of the New Bonds will mature not later than 30 years from its nominal date of original issue.

INTEREST RATE AND PAYMENT DATES:

Interest Rate:

To be determined at the time of sale, depending on market conditions.

Payment Dates:

To be determined at the time of sale, depending on market conditions. It currently is expected that interest will be payable semiannually.

EXTENT TO WHICH TAXES ON SECURITIES ARE ASSUMED:

Based on tax laws currently in effect, the Company will not assume any taxes associated with the New Bonds.

CALLABILITY PROVISIONS:

To be determined at the time of sale, depending on market conditions.

CONVERSION PROVISIONS:

None.

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

Sinking or Improvement Fund:

To be determined at the time of sale, depending on market conditions. None currently expected.

Maintenance and Replacement Fund:

To be determined at the time of sale, depending on market conditions. None currently expected.

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

Name and Address of Trustee:

The Bank of New York Mellon
Global Structured Finance
101 Barclay Street, 4th Floor
New York, New York 10286

Affiliation:

The Bank of New York Mellon is not an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

In addition, in order to limit the Company's exposure to interest rate fluctuations in conjunction with the New Bonds, the Company may enter into

arrangements with one or more financial institutions that will provide interest rate protection in the form of the purchase or sale of interest rate liability management instruments with respect to a nominal amount of up to \$250 million of New Bonds. Such instruments may include interest-rate swaps and/or interest-rate caps.

6. Subject to the approval of the Commission, as evidenced by the registration of this Securities Certificate, the Company proposes to issue and sell the New Bonds in one or more series from time to time directly to investors, through agents or to one or more underwriters for public offering, or in private placements directly to one or more institutional investors or through agents, in each case on terms to be determined by market conditions at the time of sale. The Company will enter into one or more underwriting agreements, agency agreements or purchase agreements with underwriters, agents or other purchasers. The price to be paid to the Company by the underwriters, agents or other purchasers of the New Bonds and the compensation received by such parties will be determined at the time of sale.

* * *

None of the underwriters, agents or other purchasers described above will be an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

* * *

The estimate of expenses set forth below is based on a public offering of a series of New Bonds in the principal amount of \$250 million and would be expected to be the same whether that series of New Bonds is sold through competitive bidding or negotiated offering. These expenses would be paid from the general funds of the Company.

Filing Fee - Pennsylvania Public Utility Commission.....	\$ 350
Filing Fee – Securities and Exchange Commission.....	23,500
Printing and Engraving	50,000
Fees of Trustee, including counsel and authentication fees.....	35,000
Legal Fees, Expenses and Disbursements.....	95,000
Accounting Fees.....	40,000
Postage	4,000
Rating Agency Fees	140,000
Recording Fees.....	2,000
Blue Sky Fees and Expenses.....	10,000
Miscellaneous	<u>25,000</u>
Total	<u>\$424,850</u>

Any discounts relating to the sale of a series of the New Bonds will be charged to Unamortized Discount on Long-Term Debt. Any premiums relating to the sale of a series of the New Bonds will be credited to Unamortized Premium on Long-Term Debt. The issuance expenses related thereto will be charged to Unamortized Debt Expense. These amounts will be amortized over the life of the series being issued.

7. The net proceeds from the sale of the New Bonds will be added to the Company's treasury and used for general corporate purposes, such as the retirement of debt, and for capital expenditures. At September 30, 2010, the Company had no short-term debt outstanding.

* * *

The issuance and sale of the New Bonds (as described in this Securities Certificate) will provide a portion of the Company's currently estimated capital requirements and, therefore, is necessary for the capital needs of the Company. The registration of this Securities Certificate will place the Company in a position to react in a timely fashion to attractive financing opportunities that may become available.

8. If the Company decides to issue the New Bonds pursuant to one or more public offerings, it will issue such New Bonds under a Prospectus Supplement to Registration Statement 333-158200-01, to be filed with the Securities and Exchange Commission (the "SEC") with respect to the New Bonds.

9. There are appended hereto and made a part hereof the following:
- (A) A balance sheet of the Company as of September 30, 2010.
 - (B) A statement of income and statement of retained earnings of the Company for the twelve months ended September 30, 2010.
 - (C) Statement of utility plant of the Company at original cost as of September 30, 2010. The Company makes a part hereof by reference the revised Reclassification and Original Cost Studies heretofore filed with the Commission.
 - (D) Statement of securities of other corporations owned by the Company as of September 30, 2010.
 - (E) Statement showing the status of the funded debt of the Company as of September 30, 2010.
 - (F) Statement showing the status of outstanding capital stock of the Company as of September 30, 2010.
 - (G) Registration Statement filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the New Bonds. (To be supplied in the future if filed with the SEC)
 - (H) The Public Utility Holding Company Act has been repealed.
 - (I) Copy of resolutions of the Board of Directors of the Company authorizing the issuance and sale of the New Bonds. (To be supplied following an issuance of New Bonds)
 - (J) Proposed form of Supplemental Indenture to 2001 Indenture pursuant to which the New Bonds will be issued. (To be supplied following an issuance of New Bonds)

A copy of the 2001 Indenture is attached as Exhibit (J) to Securities Certificate No. S-00010853.

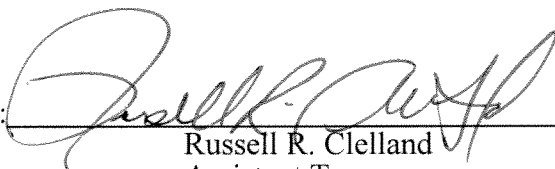
Copies of supplements to the 2001 Indenture pursuant to which Senior Secured Bonds are currently outstanding have been filed as exhibits to Securities Certificates of the Company as follows:

	<u>Securities Certificate Number</u>	<u>Exhibit</u>
Supplemental Indenture No. 1 dated as of August 1, 2001	S-00010853	(J)
Supplemental Indenture No. 2 dated as of February 1, 2003	S-00020932	(J)
Supplemental Indenture No. 3 dated as of May 1, 2003	S-00020933	(J)
Supplemental Indenture No. 4 dated as of February 1, 2005	S-00041035	(J)
Supplemental Indenture No. 5 dated as of May 1, 2005	S-00041035	(J)
Supplemental Indenture No. 6 dated as of December 1, 2005	S-00051056	(J)
Supplemental Indenture No. 7 dated as of August 1, 2007	S-2008-2035720	(J)
Supplemental Indenture No. 8 dated as of October 1, 2008	S-2008-2065794	(J)
Supplemental Indenture No. 9 dated as of October 1, 2008	S-2008-2060876	(J)
Supplemental Indenture No. 10 dated as of May 1, 2009	S-2009-2094547	(J)
(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 New Bonds.	
(L)	Proposed form of underwriting, agency or other purchase agreement. (To be supplied following an issuance of New Bonds)	
(M)	No Net Earnings Certificate is required for the issuance of the New Bonds.	

- (N) Not applicable.
- (O) Requirements and Sources of Funds.
- (P) Capital Structure of the Company at September 30, 2010 and as adjusted to give effect, among other things, to the issuance and sale of the New Bonds.
- (Q) Calculation of the book value per share of the Company's Common Stock as of September 30, 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: 

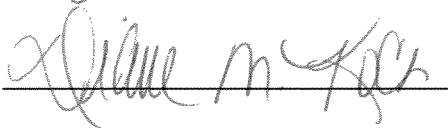
Russell R. Clelland
Assistant Treasurer

Dated: January 6, 2011

COMMONWEALTH OF PENNSYLVANIA)
 : SS
COUNTY OF LEHIGH)

RUSSELL R. CLELLAND, being duly sworn according to law, deposes and says that he is Assistant Treasurer of PPL Electric Utilities Corporation; that he is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct to the best of his knowledge, information and belief and he expects the said PPL Electric Utilities Corporation to be able to prove the same at any hearing hereof.

Sworn to and subscribed before me
This 6th day of January, 2011.





COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
DIANE M. KOCH, NOTARY PUBLIC
CITY OF ALLENTOWN, LEHIGH COUNTY
MY COMMISSION EXPIRES SEPT. 29, 2011

PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS

ACCT. NO.	TITLE OF ACCOUNT	SEPTEMBER 30, 2010
ASSETS AND OTHER DEBITS		
UTILITY PLANT		
101	UTILITY PLANT IN SERVICE	\$ 5,386,576,764
105	UTILITY PLANT HELD FOR FUTURE USE	34,326,724
106	CC NOT CLASSIFIED	151,079,782
107	CONSTRUCTION WORK IN PROGRESS	193,777,802
	GROSS UTILITY PLANT	5,765,761,072
108/111	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE	(2,170,824,677)
	NET UTILITY PLANT	3,594,936,395
OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	3,728,964
122	ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY	(725,547)
	NET NONUTILITY PROPERTY	3,003,417
123	INVESTMENT IN SUBSIDIARY COMPANIES	3,144,339
124	OTHER INVESTMENTS	996,625
128	OTHER SPECIAL FUNDS	12,187,219
	TOTAL OTHER PROPERTY AND INVESTMENTS	19,331,600
CURRENT AND ACCRUED ASSETS		
131	CASH	2,065,578
132	INTEREST SPECIAL DEPOSITS	0
134	OTHER SPECIAL DEPOSITS	0
135	WORKING FUNDS	130,000
136	TEMPORARY CASH INVESTMENTS	291,797,853
NOTES AND ACCOUNTS RECEIVABLE		
141	NOTES RECEIVABLE	0
142	CUSTOMER ACCOUNTS RECEIVABLE	271,479,512
143	OTHER ACCOUNTS RECEIVABLE	36,031,026
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT	(17,929,732)
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	289,580,806
RECEIVABLES FROM ASSOCIATED COMPANIES		
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	0
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	9,174,269
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	9,174,269
MATERIALS AND SUPPLIES		
154	PLANT MATERIALS AND OPERATING SUPPLIES	30,611,581
163	STORES EXPENSE UNDISTRIBUTED	2,751,466
	TOTAL MATERIALS AND SUPPLIES	33,363,047
165	PREPAYMENTS	94,963,248
OTHER CURRENT AND ACCRUED ASSETS		
171	INTEREST AND DIVIDENDS RECEIVABLE	429,442
172	RENTS RECEIVABLE	3,817,312
173	ACCRUED UTILITY REVENUES	115,637,546
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	16,907,176
190	ACCUMULATED DEFERRED INCOME TAXES (CURRENT)	16,704,588
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	153,496,064
	TOTAL CURRENT AND ACCRUED ASSETS	874,570,865
DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	14,299,603
182.3	OTHER REGULATORY ASSETS	494,594,342
183	PRELIMINARY SURVEY AND INVESTIGATION CHARGES	0
184	CLEARING ACCOUNTS	0
185	TEMPORARY FACILITIES	154,972
186	MISCELLANEOUS DEFERRED DEBITS	47,184,990
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	28,864,507
190	ACCUMULATED DEFERRED INCOME TAXES	248,398,565
	LESS CURRENT ACCUMULATED DEFERRED INCOME TAXES	16,704,588
	TOTAL ACCUMULATED DEFERRED INCOME TAXES (NONCURRENT)	231,693,977
	TOTAL DEFERRED DEBITS	816,792,391
TOTAL ASSETS AND OTHER DEBITS		\$ 5,305,631,251

PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS

ACCT. NO.	<u>TITLE OF ACCOUNT</u>	<u>SEPTEMBER 30, 2010</u>
	LIABILITIES AND OTHER CREDITS	
	PROPRIETARY CAPITAL	
201	COMMON STOCK ISSUED	\$ 363,833,249
204	PREFERRED STOCK ISSUED	250,000,000
207	PREMIUM ON CAPITAL STOCK	0
211	ADDITIONAL PAID IN CAPITAL	891,262,745
214	CAPITAL STOCK EXPENSE	(11,735,245)
216	EARNINGS REINVESTED	443,290,780
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	2,089,738
217	REACQUIRED CAPITAL STOCK	0
219	OTHER COMPREHENSIVE INCOME	66,718
	TOTAL PROPRIETARY CAPITAL	1,938,807,985
	LONG-TERM DEBT	
221	BONDS	1,474,040,000
222	REACQUIRED BONDS	0
224	OTHER LONG-TERM DEBT	0
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	13,621
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT-DEBIT	(2,022,832)
	TOTAL LONG-TERM DEBT	1,472,030,789
	LESS AMOUNTS DUE WITHIN ONE YEAR	
221	BONDS	0
	TOTAL LONG-TERM DEBT	1,472,030,789
	OTHER NONCURRENT LIABILITIES	
227	OBLIGATIONS UNDER CAPITAL LEASES-NONCURRENT	0
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	271,110,711
229	ACCUMULATED PROVISION FOR RATE REFUNDS	0
	TOTAL OTHER NONCURRENT LIABILITIES	271,110,711
	CURRENT AND ACCRUED LIABILITIES	
	LONG-TERM DEBT DUE WITHIN ONE YEAR	
221	BONDS	0
231	NOTES PAYABLE	0
232	ACCOUNTS PAYABLE	170,281,953
233	NOTES PAYABLE - AFFILIATED COMPANIES	0
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	71,391,318
235	CUSTOMER DEPOSITS	17,354,358
236	TAXES ACCRUED	49,435,068
237	INTEREST ACCRUED	27,302,551
238	DIVIDENDS DECLARED	3,906,250
240	MATURED INTEREST	0
241	TAX COLLECTIONS PAYABLE	2,204,538
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	83,321,069
243	OBLIGATIONS UNDER CAPITAL LEASES-CURRENT	0
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	17,457,363
	TOTAL CURRENT AND ACCRUED LIABILITIES	442,654,468
	DEFERRED CREDITS	
252	CUSTOMER ADVANCES FOR CONSTRUCTION	216,788
253	OTHER DEFERRED CREDITS	57,834,525
254	OTHER REGULATORY LIABILITIES	40,834,547
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	6,744,135
257	UNAMORTIZED GAIN ON REAQUIRED DEBT	0
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY	0
282	ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY	850,338,300
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER LESS ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	242,516,366 17,457,363
	TOTAL ACCUMULATED DEFERRED INCOME TAXES-OTHER (NONCURRENT)	225,059,003
	TOTAL DEFERRED CREDITS	1,181,027,298
	TOTAL LIABILITIES AND OTHER CREDITS	\$ 5,305,631,251

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
SEPTEMBER 30, 2010**

Commitments and Contingencies

Energy Purchase Commitments

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

In 2009, the Pennsylvania Public Utility Commission (PUC) approved PPL Electric's procurement plan for the period January 2011 through May 2013. Through October 2010, PPL Electric has conducted six of its 14 planned competitive solicitations. The solicitations include a mix of long-term and short-term purchases to fulfill PPL Electric's obligation to provide for customer supply as PLR.

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, unless otherwise noted.

PJM/MISO Billing Dispute

In 2009, PJM Interconnection, L.L.C. (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) concerning the modeling error and related matters with a demand for \$130 million of principal plus interest. In April 2010, PJM filed answers to the complaints and filed a related complaint against MISO. In its answers and 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. In June 2010, the FERC ordered the complaints to be consolidated and set for settlement discussions, followed by hearings if the discussions are unsuccessful. PPL cannot predict the outcome of this matter; however, the impact on PPL Electric is not currently expected to be material.

Regulatory Issues

Pennsylvania Activities

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. In September 2010, PPL Electric filed its Program Year 1 Annual Report and Process Evaluation Report.

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. In June 2010, the PUC entered its order approving PPL Electric's smart meter plan with several modifications. In compliance with the order, in the third quarter of 2010, PPL Electric submitted a revised plan with a cost estimate of \$38 million to be incurred over a five-year period, beginning in 2009, and filed a rider to recover these costs beginning January 1, 2011.

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, and the appeal was subsequently transferred to the U.S. Court of Appeals for the District of Columbia 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. No request for rehearing or appeal of the August 2009 order was timely filed. In October 2010, the August 2009 Order became final and will not have a material impact on PPL Electric. As a result, the remaining issues in this matter are those referred to in the paragraph above.

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 potential violations of certain applicable reliability requirements and submitted accompanying mitigation plans. The resolution of certain of these potential violation reports is pending. In April 2010, a

PPL Electric settlement with ReliabilityFirst Corporation (RFC) resolving four self-reported potential violations became final. PPL Electric agreed to pay a settlement amount of \$290,000 and, among other things, to engage in additional vegetation clearing at a cost of approximately \$7 million over the next three years. The settlement amount was paid in May 2010. The resolution of certain other self-reported matters is pending. Any regional reliability entity 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 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. The Stakeholder Group on Extremely Low Frequency EMF, set up by the U.K. Government, has issued two reports, one in April 2007 and one in June 2010, describing options for reducing public exposure to EMF. The U.K. Government responded to the first report 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. The U.K. Government is currently considering the second report which concentrates on EMF exposure from distribution systems. 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.

Guarantees and Other Assurances

In the normal course of business, PPL Electric may enter into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Such agreements may 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 in which these subsidiaries enter.

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 SEPTEMBER 30, 2010

ACCT. NO.		
	UTILITY OPERATING INCOME	
400	OPERATING REVENUES	\$ 2,803,133,212
	OPERATING EXPENSES	
401	OPERATION EXPENSES	2,044,000,897
402	MAINTENANCE EXPENSES	98,503,747
403/406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS	133,860,129
407.3	REGULATORY DEBITS	89,864,940
407.4	REGULATORY CREDITS	(23,337,020)
408.1	TAXES OTHER THAN INCOME TAXES	
	STATE GROSS RECEIPTS	146,881,456
	STATE CAPITAL STOCK	3,622,895
	STATE UTILITY AND LOCAL REAL ESTATE	(4,002,073)
	OTHER	7,364,381
409.1	INCOME TAXES	
	FEDERAL	22,285,569
	STATE	4,775,438
410.1	PROVISION FOR DEFERRED INCOME TAXES	
	FEDERAL	87,485,618
	STATE	16,517,594
411.1	PROVISION FOR DEFERRED INCOME TAXES-CREDIT	
	FEDERAL	(30,195,477)
	STATE	(13,422,256)
411.4	INVESTMENT TAX CREDIT ADJUSTMENT	(1,745,570)
411.6	GAINS FROM DISPOSITION OF UTILITY PLANT	(273,456)
411.7	LOSSES FROM DISPOSITION OF UTILITY PLANT	
411.8	GAINS FROM DISPOSITION OF EMISSION ALLOWANCES	
	TOTAL UTILITY OPERATING EXPENSES	<u>2,582,186,812</u>
	NET UTILITY OPERATING INCOME	<u>220,946,400</u>
	OTHER INCOME AND DEDUCTIONS	
	OTHER INCOME	
415/416	MERCHANDISING, JOBBING AND CONTRACT WORK	(60,593)
417.1	EXPENSES OF NONUTILITY OPERATIONS	
418	NONOPERATING RENTAL INCOME	(42,853)
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	577,117
419	INTEREST AND DIVIDEND INCOME	6,123,007
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	3,752,812
421	MISCELLANEOUS NONOPERATING INCOME	1,000,359
421.1	GAIN ON DISPOSITION OF PROPERTY	49,967
434	EXTRAORDINARY INCOME	
	TOTAL OTHER INCOME	<u>\$ 11,399,816</u>

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF INCOME
TWELVE MONTHS ENDED SEPTEMBER 30, 2010

ACCT. <u>NO.</u>		
	OTHER INCOME AND DEDUCTIONS (CONTINUED)	
	OTHER INCOME DEDUCTIONS	
421.2	LOSS ON DISPOSITION OF PROPERTY	\$ 614,663
426.1-426.5	MISCELLANEOUS INCOME DEDUCTIONS	3,102,520
435	EXTRAORDINARY DEDUCTIONS	
	TOTAL OTHER INCOME DEDUCTIONS	<u>3,717,183</u>
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	
408.2	TAXES OTHER THAN INCOME TAXES	335
409.2	INCOME TAXES	
	FEDERAL	(302,238)
	STATE AND D.C.	(3,618,991)
409.3	EXTRAORDINARY ITEMS	
410.2/411.2	PROVISION FOR DEFERRED INCOME TAXES-NET	
	FEDERAL	2,483,588
	STATE	(260,162)
411.5	INVESTMENT TAX CREDIT	
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	<u>(1,697,468)</u>
	NET OTHER INCOME AND DEDUCTIONS	<u>9,380,101</u>
	INCOME BEFORE INTEREST CHARGES	<u>230,326,501</u>
	INTEREST CHARGES	
427	INTEREST ON LONG-TERM DEBT	90,057,457
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	2,337,853
428.1	AMORTIZATION OF LOSS ON REACQUIRED DEBT	4,999,424
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	
431	OTHER INTEREST CHARGES	(4,670,066)
432	ALLOW. FOR BORROWED FUNDS USED DURING CONSTRUCTION-CREDIT	(2,154,830)
	NET INTEREST CHARGES	<u>90,565,548</u>
	NET INCOME	<u>\$ 139,760,953</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 SEPTEMBER 30, 2010

Retained earnings, September 30, 2009	\$	443,011,256
Activity during the twelve months ended September 30, 2010		
Net income		139,760,953
Dividends declared - preferred		(16,942,572)
Dividends declared - common		(117,000,000)
Preferred stock redemption		(3,449,119)
Retained earnings, September 30, 2010	<u>\$</u>	<u>445,380,518</u>

**PPL ELECTRIC UTILITIES CORPORATION
UTILITY PLANT ACCOUNTS**

Acct. <u>No.</u>		<u>SEPTEMBER 30, 2010</u>
	Utility plant in service	
101	Electric plant in service	
	Intangible plant	\$ 48,594,720
	Transmission plant	1,161,786,204
	Distribution plant	3,711,872,651
	General plant	464,323,189
	Electric plant in service	<u>5,386,576,764</u>
101.1	Property under capital leases	
	Total utility plant in service	<u>5,386,576,764</u>
105	Electric plant held for future use	34,326,724
106	CC not classified	151,079,782
107	Construction work in progress	193,777,802
	Total utility plant	<u>5,765,761,072</u>
108	Accumulated provision for depreciation of utility plant	(2,148,673,151)
111	Accumulated provision for amortization of utility plant	(22,151,526)
	Net utility plant	<u><u>\$ 3,594,936,395</u></u>

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF SECURITIES OF OTHER ENTITIES OWNED
AS OF SEPTEMBER 30, 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 September 30, 2010
Securities of Subsidiaries						
CEP Commerce, LLC	Member's Interests	\$ 10,072	7/1/2000	\$ 10,072	\$ 3,144,339	Not Available
				<u>10,072</u>	<u>3,144,339</u>	
Other Corporate Securities						
Mortgages						
Juniata County Industrial Park Expansion	Mortgage	139,901	7/24/1997	139,901	109,901	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>882,593</u>	
Other Corporate Securities						
Stocks						
Sears Holdings Corporation	Common	233 shares	Not Available	Not Available	14,423	\$ 14,423
Time Warner Cable	Common	1,620 shares	Not Available	Not Available	83,543	\$ 83,543
Quad/Graphics Inc.	Common	349 shares	Not Available	Not Available	16,066	\$ 16,066
Total Stocks					<u>114,032</u>	
Total Securities of Other Entities Owned					<u>\$ 4,140,964</u>	

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF THE FUNDED DEBT
AS OF SEPTEMBER 30, 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)	
First Mortgage Bonds (1):										
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	None
						<u>10,290,000</u>				
Senior Secured Bonds (Pollution Control Series)										
Variable Rate Series due 2023 (2)	Varying	Varying	15	Oct. 1, 2023	90,000,000	90,000,000	None	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	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	None
						<u>313,750,000</u>				
Senior Secured Bonds										
7.125% Series due 2013	7.125%	May 30 & Nov. 30	5	Nov. 30, 2013	400,000,000	400,000,000	None	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	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	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	None
6.25% Series due 2039	6.25%	May 15 & Nov. 15	30	May 15, 2039	300,000,000	300,000,000				
						<u>1,150,000,000</u>				
Unamortized Premium on Long-Term Debt							13,621			
Unamortized Discount on Long-Term Debt							<u>(2,022,832)</u>			
Total Funded Debt							<u>\$ 1,472,030,789</u>			

(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 were in a term rate mode bearing interest at 4.85% until October 2010. Effective October 2010, the term rate on the bonds was set at 4.00% through maturity. While in this term rate mode, interest is payable semiannually on April 1 and October 1.

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF OUTSTANDING CAPITAL STOCK
AS OF SEPTEMBER 30, 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)	
Preference Stock 6.25% Series (3)	10,000,000		10,000,000 shares	<u>2,500,000 shares</u>				
Common Stock, no par (4)	170,000,000		170,000,000 shares	<u>66,368,056 shares</u>	None	None	None	\$ 1,688,807,985 (2)
Treasury Stock				<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.

PPL ELECTRIC UTILITIES CORPORATION
HOLDERS OF EACH CLASS OF CAPITAL STOCK AS OF SEPTEMBER 30, 2010

<u>COMMON (a)</u>		<u>6.25% SERIES PREFERRED (b)</u>	
	<u>Shares</u>		<u>Shares</u>
PPL Corporation Two North Ninth Street Allentown, PA 18101	66,368,056	Wells Fargo Bank NA as Depositary ATTN: Suzy Swits 161 Concord Exchange N South St. Paul, MN 55075	2,500,000

(a) 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.

(b) In April 2006, PPL Electric Utilities Corporation sold 10 million depositary 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 depositary shares, PPL Electric issued 2.5 million Preference Shares to the bank which is acting as a depositary.

PPL ELECTRIC UTILITIES CORPORATION

STATEMENT SHOWING, IN JOURNAL ENTRY FORM, ALL CHARGES AND CREDITS
TO BE MADE ON THE BOOKS OF ACCOUNT TO GIVE EFFECT TO
THE PROPOSED ISSUANCE FROM TIME TO TIME OF NOT IN EXCESS OF
\$250,000,000 AGGREGATE PRINCIPAL AMOUNT OF DEBT SECURITIES

Journal Entry 1

143	Other Accounts Receivable	\$	
221	Long-Term Debt - Bonds		\$

To give effect to the sale of a particular series of Debt Securities.

Journal Entry 2

131	Cash	\$	
143	Other Accounts Receivable		\$

To record receipt of proceeds from the sale of a particular series of Debt Securities.

Journal Entry 3

181	Unamortized Debt Expense	\$	
131	Cash		\$

To record the payment of expenses in connection with the issuance and sale of a particular series of Debt Securities. Expenses will be amortized over the life of the debt.

**PPL ELECTRIC UTILITIES CORPORATION
CAPITAL STRUCTURE**

The capital structure of the Company at September 30, 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
Common Equity				
Common Stock Issued.....	\$ 363,833,249		\$ 363,833,249	
Miscellaneous Paid-In Capital.....	891,262,745		891,262,745	
Capital Stock Expense.....	(11,735,245)		(11,735,245)	
Treasury Stock.....	-		-	
Other Comprehensive Income.....	66,718		66,718	
Earnings Reinvested.....	445,380,518		445,380,518	
Total Common Equity.....	<u>1,688,807,985</u>	<u>-</u>	<u>1,688,807,985</u>	46%
Preferred Securities				
Preferred Stock without Mandatory Redemption.....	250,000,000		250,000,000	7%
Long-Term Debt (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	\$ 250,000,000 (a)	1,400,000,000	
Unamortized Premium/Discount- Net.....	(2,009,211)		(2,009,211)	
Total Long-Term Debt.....	<u>1,472,030,789</u>	<u>250,000,000</u>	<u>1,722,030,789</u>	47%
Total Capitalization.....	<u>\$ 3,410,838,774</u>	<u>\$ 250,000,000</u>	<u>\$ 3,660,838,774</u>	100%

(a) The planned issuance of \$250 million of Debt Securities. The net proceeds from the issuance will be used for general corporate purposes.

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

PPL ELECTRIC UTILITIES CORPORATION
BOOK VALUE OF COMMON STOCK
SEPTEMBER 30, 2010

<u>Acct. No.</u>			
	Common Equity		
201	Common stock issued	\$	363,833,249
207	Premium on capital stock		-
211	Additional paid in capital		891,262,745
214	Capital stock expense		(11,735,245)
216	Unappropriated retained earnings		443,290,780
216.1	Unappropriated undistributed subsidiary earnings		2,089,738
217	Reacquired capital stock		-
219	Other comprehensive income		66,718
	Total Common Equity	\$	<u>1,688,807,985</u>
	Shares of common stock issued at September 30, 2010		66,368,056
	Shares repurchased and held in treasury		<u>0</u>
	Shares of common stock outstanding at September 30, 2010		<u>66,368,056</u>
	Book Value of Common Stock		
	Total common equity + shares of common stock outstanding at September 30, 2010	\$	<u>25.45</u>