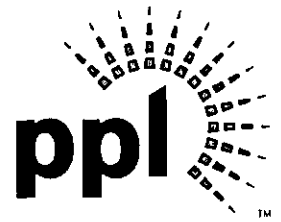


**Frederick C. Paine**  
Senior Counsel

**PPL**  
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January 12, 2011

**VIA FEDERAL EXPRESS**

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

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JAN 12 2011

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**RE: Docket Number S-2011-2219042**

Ladies and Gentlemen:

Enclosed please find a copy of the Answers to the Chapter 19 Securities Certificate registrations – Data Request to the above-referenced securities certificate, which was filed electronically with the Commission on January 6, 2011. At the time of the filing of the securities certificate, the enclosed Answers were not in final form.

Please acknowledge receipt of this filing 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,

A handwritten signature in cursive script that reads "Frederick C. Paine".

Frederick C. Paine

Enclosures

cc: Russell R. Clelland – GENTW14

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

**Chapter 19 Securities Certificate registrations-Data Request**

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.

No previous registration balances.

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

The issuance is a new issuance to support new investment within the utility. Including the requested issuance the capital structure of PPL Electric will be the following:

\$ (000's)	<u>30-Nov-10</u>
Total LT Debt as of November 30. 2010	\$ 1,472,000
Requested Issuance	<u>\$ 250,000</u>
Total Debt	\$ 1,722,000
Total Capitalization	\$ 3,661,000
Debt / Total Capitalization %	47.0%

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

Sources and Uses of Funds			
(000's)	<u>2011</u>	<u>2012</u>	<u>2013</u>
Construction	\$ 453,747	\$ 603,411	\$ 869,894
Act 129 Spending	\$ 79,010	\$ 70,410	\$ 75,807
Pension Funding	\$ 140,333	\$ 55,950	\$ 120,154
Security Maturities, Redemptions and Sinking Funds	\$ -	\$ -	\$ 400,000
Other (including changes in working capital)	\$ 6,734	\$ (27,409)	\$ (19,537)
<b>Total Requirements</b>	<b><u>\$ 679,823</u></b>	<b><u>\$ 702,361</u></b>	<b><u>\$ 1,446,318</u></b>
<b>Sources</b>			
Total Internal	\$ 429,823	\$ 702,361	\$ 681,318
Sale of Investments	\$ -	\$ -	\$ -
<b>Outside Financing</b>			
Long-term debt	\$ 250,000	\$ -	\$ 765,000
Short-term debt change	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
<b>Total Outside</b>	<b><u>\$ 250,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 765,000</u></b>
<b>Total Fund Sources</b>	<b><u>\$ 679,823</u></b>	<b><u>\$ 702,361</u></b>	<b><u>\$ 1,446,318</u></b>

Capital Expenditures  
Ratio of Capital Expenditures to Depreciation and Amortization

\$ (000's)	2011	2012	2013
Capital Expenditure	\$ 453,747	\$ 603,411	\$ 869,894
Depreciation	\$ 146,038	\$ 154,753	\$ 166,580
Amortization	\$ 80,686	\$ 80,637	\$ 77,163
Total Depreciation & Amortization	\$ 226,724	\$ 235,390	\$ 243,742
Capital / Depreciation & Amortization	200%	256%	357%

Capitalization Ratios

\$ (000's)	2011	2012	2013
Total LT Debt	\$ 1,722,330	\$ 1,722,570	\$ 2,087,798
Total ST Debt	\$ -	\$ -	\$ -
Total Debt	\$ 1,722,330	\$ 1,722,570	\$ 2,087,798
Total Capitalization	\$ 3,730,230	\$ 4,007,715	\$ 4,737,359
Debt / Total Capitalization %	46.2%	43.0%	44.1%

Dividend payout ratio

\$ (000's)	2011	2012	2013
Earnings Available for Common	\$ 147,841	\$ 127,246	\$ 181,586
Total Dividend Paid to Parent	\$ 90,000	\$ 80,000	\$ 110,000
% of Earnings Available for Common	60.9%	62.9%	60.6%

Interest coverage ratios – both SEC and Indenture basis

\$ (000's)	2011	2012	2013
Income Before Income Taxes	\$ 253,038	\$ 217,921	\$ 310,315
Total Interest (as shown below)	\$ 111,080	\$ 114,166	\$ 136,236
Less interest component of AFUDC (est)	\$ (2,500)	\$ (3,200)	\$ (2,300)
Total Earnings	\$ 361,618	\$ 328,887	\$ 444,252
Fixed charges, as defined:			
Interest on long term debt	\$ 102,095	\$ 105,229	\$ 129,927
Interest on short term debt	\$ -	\$ -	\$ -
Other Interest	\$ 1,500	\$ 1,500	\$ 1,500
Amortization of debt discount, expense and premium - net	\$ 7,486	\$ 7,437	\$ 4,810
Total Interest	\$ 111,080	\$ 114,166	\$ 136,236
Earnings / Interest	3.26	2.88	3.26

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

	Ratings (as of Dec. 31, 2008)			Ratings (as of Dec. 31, 2009)		
	Moody's	S&P	Fitch	Moody's	S&P	Fitch
Issuer Rating	Baa1	A-	BBB/F-2	Baa1	A-	BBB/F-2
First Mortgage Bonds	A3	A-	A-	A3	A-	A-
Tax Exempt Bonds	Baa1	AA/A-		A3/Baa1	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	Baa3	BBB	BBB
Preference Stock	Baa3	BBB	BBB	Baa3	BBB	BBB
Outlook	STABLE	STABLE	STABLE	Negative	Negative	STABLE

	Ratings (as of Dec. 31, 2010)		
	Moody's	S&P	Fitch
Issuer Rating	Baa2	A-	BBB/F2
First Mortgage Bonds	A3	A-	A-
Tax Exempt Bonds	A3/Baa2	A/A-	
Senior Secured Bonds	A3	A-	A-
Commercial Paper	P-2	A-2	F-2
Preferred Stock			
Preference Stock	Ba1	BBB	BBB-
Outlook	Stable	Stable	Stable

5.) Projected refinancing savings or costs, if applicable

The projected increase to interest expense on an annual basis will be \$8.9MM per year after-tax.

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

Answer:  
Not Applicable

7.) List all unregulated affiliates of the applicant

Airborne Pollution Control, Inc.  
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  
DHA, LLC

EA Technology Limited  
Ebusiness South West Limited  
Electralink Limited  
Electric Energy, Inc.  
Electricity Pensions Limited  
Electricity Pensions Trustee Limited  
Eimsford Sheet Metal Works, Inc.  
Energy Networks Association Limited  
ESN Holdings Limited  
FCD LLC  
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  
 Indiana-Kentucky Electric Corporation  
 Infralec 1992 Pension Trustee Limited  
 Kelston Properties Limited  
 Kelston Properties 2 Limited  
 Kentucky Utilities Company  
 Lady Jane Collieries, Inc.  
 Lexington Utilities Company  
 LG&E and KU Capital LLC  
 LG&E and KU Energy LLC  
 LG&E and KU Foundation Inc.  
 LG&E and KU Hydro I LLC  
 LG&E and KU Services Company  
 LG&E Energy Inc.  
 LG&E Energy Marketing Inc.  
 LG&E Home Services Inc.  
 LG&E International Inc.  
 LG&E Power Argentina III LLC  
 Louisville Gas and Electric Company  
 Lower Mount Bethel Energy, LLC  
 LSP University Park, 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  
 Ohio Valley Electric Corporation  
 Pennsylvania Mines, LLC  
 Penobscot Hydro Co., Inc.  
 PMDC Chile II, LLC  
 PMDC Chile, LLC  
 PMDC Europe B.V.  
 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 Interstate Energy Company  
 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 Receivables Corporation  
 PPL Renewable Energy, LLC  
 PPL SavageALERT, Inc.  
 PPL Services Corporation  
 PPL Spectrum, Inc.  
 PPL Strategic Development, LLC  
 PPL Susquehanna, 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 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 1975 Limited  
WPD Finance Limited  
WPD Guernsey Limited  
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.

\$ (000's)	2008	2009 *	2010	2011	2012	2013
Earnings Available for Common	\$ 158,000	\$ 123,586	\$ 114,026	\$ 147,841	\$ 127,246	\$ 181,586
Ordinary Dividends Paid to Parent	\$ 98,000	\$ 74,000	\$ 64,000	\$ 90,000	\$ 80,000	\$ 110,000
<i>% of Earnings Available for Common</i>	<i>62.0%</i>	<i>59.9%</i>	<i>56.1%</i>	<i>60.9%</i>	<i>62.9%</i>	<i>60.6%</i>
Special Dividend Paid to Parent	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 1
<i>% of Earnings Available for Common</i>	<i>0.0%</i>	<i>161.8%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Total Dividend Paid to Parent	\$ 98,000	\$ 274,000	\$ 64,000	\$ 90,000	\$ 80,000	\$ 110,001
<i>% of Earnings Available for Common</i>	<i>62.0%</i>	<i>221.7%</i>	<i>56.1%</i>	<i>60.9%</i>	<i>62.9%</i>	<i>60.6%</i>

\* High dividend distribution reflects the cash proceeds associated with the final year receipt of stranded costs collected through the Competitive Transition Clause ("CTC") at PPL Electric Utilities.

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.

\$ (000's)		<u>Utility Plant</u>		<u>Working Capital</u>		<u>Other Deductions</u>		<u>Total</u>
Rate Base	C-1	\$ 3,487,400	\$	63,600	\$	(633,600)	\$	2,917,400
Adjustments to Capital-Base		\$ (74,600)	\$	-	\$	-	\$	(74,600)
CWIP/Future Use/Not Classified	107	\$ 356,800	\$	-	\$	-	\$	356,800
Depreciation Adjustments		\$ (9,500)	\$	-	\$	-	\$	(9,500)
Other Property	B-1	\$ 16,800	\$	-	\$	-	\$	16,800
Deferred Tax		\$ -	\$	-	\$	(213,900)	\$	(213,900)
Working Capital Adjustment		\$ -	\$	301,500	\$	-	\$	301,500
Subtotal		<u>\$ 3,776,900</u>	\$	<u>365,100</u>	\$	<u>(847,500)</u>	\$	<u>3,294,500</u>
Equity & Capital Adjustments							\$	-
Capitalization							\$	<u>14,100</u>
							\$	<u>3,308,600</u>

*NOTE: Reconciliation schedule above is consistent with the 2010 rate case future test year. Current capitalization may be slightly different.*

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

\$ (000's)	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Capital Expenditure	\$ 268,000	\$ 288,000	\$ 402,770	\$ 453,747	\$ 603,411	\$ 869,894
Depreciation	\$ 131,000	\$ 128,000	\$ 136,443	\$ 146,038	\$ 154,753	\$ 166,580
Capital / Depreciation	205%	225%	295%	311%	390%	522%

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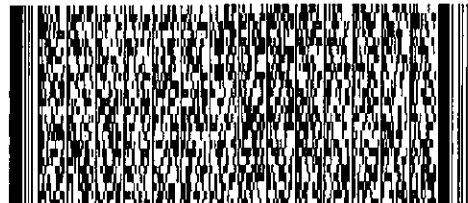
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