

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re:

SECURITIES CERTIFICATE OF	:	
PPL ELECTRIC UTILITIES	:	
CORPORATION IN RESPECT OF	:	SECURITIES CERTIFICATE
NOT IN EXCESS OF \$500 MILLION	:	
AGGREGATE PRINCIPAL AMOUNT	:	
OF DEBT SECURITIES	:	
	:	NO.S-2011-
	:	

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 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 \$500 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, primarily to fund the early redemption of its \$400 million aggregate principal amount of Senior Secured Bonds 7.125% Series due 2013 (the "2013 Bonds") 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 \$500 million of New Bonds .

By calling the 2013 Bonds for early redemption, PPL Electric believes it can realize annualized interest expense savings, net of the redemption premium amortization, of approximately \$4.5 million, taking advantage of favorable current market interest rates. The redemption price to be paid will include a make-whole premium based on the sum of the present value of remaining scheduled payments on the 2013 Bonds being redeemed, discounted at an adjusted interest rate based on a specified U.S. Treasury security, plus 0.5%. The Company currently plans to issue the New Bonds in one or more series from time to time prior to December 31, 2011 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. In addition, earlier this year the Commission authorized the Company to issue an additional \$250 million of Senior Secured Bonds prior to December 31, 2012 (No. S-2011-2219042), which the Company continues to plan to issue to fund capital expenditures and for general corporate purposes.

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 \$500,000,000. The principal amount 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, including amounts necessary to redeem its 2013 Bonds.

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 original issue date.

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 \$500 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.

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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 \$500 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.....	47,000
Printing and Engraving	50,000
Fees of Trustee, including counsel and authentication fees.....	35,000
Legal Fees, Expenses and Disbursements.....	110,000
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>\$475,350</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 to redeem the 2013 Bonds in whole, with any remaining proceeds to be used for general corporate purposes, such as the retirement of other debt, and for capital expenditures. At March 31, 2011, 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 take advantage of current favorable capital market interest rates.

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 March 31, 2011.
 - (B) A statement of income and statement of retained earnings of the Company for the three months ended March 31, 2011.
 - (C) Statement of utility plant of the Company at original cost as of March 31, 2011. 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 March 31, 2011.
 - (E) Statement showing the status of the funded debt of the Company as of March 31, 2011.
 - (F) Statement showing the status of outstanding capital stock of the Company as of March 31, 2011.

- (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)

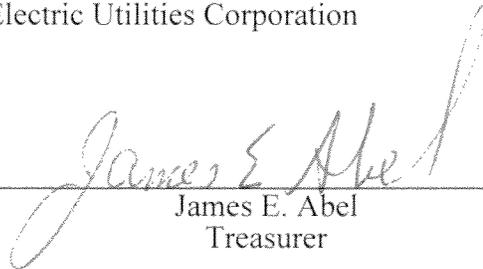
Supplemental Indenture No. 8 dated as of October 1, 2008	S-2008-2065794	(J)
Supplemental Indenture No. 9 dated as of October 1, 2008	S-2008-2060876	(J)
Supplemental Indenture No. 10 dated as of May 1, 2009	S-2009-2094547	(J)

- (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 March 31, 2011 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 March 31, 2011.

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: _____


James E. Abel
Treasurer

Dated: June 14, 2011

COMMONWEALTH OF PENNSYLVANIA)
: SS
COUNTY OF LEHIGH)

JAMES E. ABEL, being duly sworn according to law, deposes and says that he is 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 14th day of June, 2011.

Deborah A. Muhr

:
:
:
:
:
:

James E. Abel

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Deborah A. Muhr, Notary Public
City of Allentown, Lehigh County
My Commission Expires July 16, 2012

PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS

ACCT. NO.	TITLE OF ACCOUNT	MARCH 31, 2011
ASSETS AND OTHER DEBITS		
UTILITY PLANT		
101	UTILITY PLANT IN SERVICE	\$ 5,531,986,033
105	UTILITY PLANT HELD FOR FUTURE USE	36,634,280
106	CC NOT CLASSIFIED	240,058,701
107	CONSTRUCTION WORK IN PROGRESS	196,306,410
	GROSS UTILITY PLANT	6,004,985,424
108/111	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE	(2,198,862,513)
	NET UTILITY PLANT	3,806,122,911
OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	3,728,964
122	ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY	(746,974)
	NET NONUTILITY PROPERTY	2,981,990
123	INVESTMENT IN SUBSIDIARY COMPANIES	3,969,385
124	OTHER INVESTMENTS	1,032,114
128	OTHER SPECIAL FUNDS	11,807,775
	TOTAL OTHER PROPERTY AND INVESTMENTS	19,791,264
CURRENT AND ACCRUED ASSETS		
131	CASH	4,924,709
132	INTEREST SPECIAL DEPOSITS	0
134	OTHER SPECIAL DEPOSITS	0
135	WORKING FUNDS	31,615
136	TEMPORARY CASH INVESTMENTS	1,093,255
NOTES AND ACCOUNTS RECEIVABLE		
141	NOTES RECEIVABLE	0
142	CUSTOMER ACCOUNTS RECEIVABLE	336,943,692
143	OTHER ACCOUNTS RECEIVABLE	28,476,724
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT	(20,407,068)
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	345,013,348
RECEIVABLES FROM ASSOCIATED COMPANIES		
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	0
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	8,546,623
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	8,546,623
MATERIALS AND SUPPLIES		
154	PLANT MATERIALS AND OPERATING SUPPLIES	45,899,349
163	STORES EXPENSE UNDISTRIBUTED	4,688,963
	TOTAL MATERIALS AND SUPPLIES	50,588,312
165	PREPAYMENTS	119,261,641
OTHER CURRENT AND ACCRUED ASSETS		
171	INTEREST AND DIVIDENDS RECEIVABLE	987
172	RENTS RECEIVABLE	6,997,776
173	ACCRUED UTILITY REVENUES	100,654,716
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	3,743,896
190	ACCUMULATED DEFERRED INCOME TAXES (CURRENT)	9,082,506
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	120,479,881
	TOTAL CURRENT AND ACCRUED ASSETS	649,939,384
DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	13,887,482
182.3	OTHER REGULATORY ASSETS	558,812,341
183	PRELIMINARY SURVEY AND INVESTIGATION CHARGES	0
184	CLEARING ACCOUNTS	2,406,168
185	TEMPORARY FACILITIES	64,614
186	MISCELLANEOUS DEFERRED DEBITS	49,132,423
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	26,097,911
190	ACCUMULATED DEFERRED INCOME TAXES	259,914,194
	LESS CURRENT ACCUMULATED DEFERRED INCOME TAXES	9,082,506
	TOTAL ACCUMULATED DEFERRED INCOME TAXES (NONCURRENT)	250,831,688
	TOTAL DEFERRED DEBITS	901,232,627
TOTAL ASSETS AND OTHER DEBITS		\$ 5,377,086,186

PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS

ACCT. <u>NO.</u>	<u>TITLE OF ACCOUNT</u>	<u>MARCH 31, 2011</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	480,243,305
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	2,914,785
217	REACQUIRED CAPITAL STOCK	0
219	OTHER COMPREHENSIVE INCOME	87,480
	TOTAL PROPRIETARY CAPITAL	1,976,606,319
	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	11,482
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT-DEBIT	(1,954,630)
	TOTAL LONG-TERM DEBT	1,472,096,852
	LESS AMOUNTS DUE WITHIN ONE YEAR	
221	BONDS	0
	TOTAL LONG-TERM DEBT	1,472,096,852
	OTHER NONCURRENT LIABILITIES	
227	OBLIGATIONS UNDER CAPITAL LEASES-NONCURRENT	0
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	221,269,010
229	ACCUMULATED PROVISION FOR RATE REFUNDS	0
	TOTAL OTHER NONCURRENT LIABILITIES	221,269,010
	CURRENT AND ACCRUED LIABILITIES	
	LONG-TERM DEBT DUE WITHIN ONE YEAR	
221	BONDS	0
231	NOTES PAYABLE	0
232	ACCOUNTS PAYABLE	190,321,684
233	NOTES PAYABLE - AFFILIATED COMPANIES	0
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	48,856,748
235	CUSTOMER DEPOSITS	17,716,850
236	TAXES ACCRUED	49,452,598
237	INTEREST ACCRUED	25,009,003
238	DIVIDENDS DECLARED	3,906,250
240	MATURED INTEREST	0
241	TAX COLLECTIONS PAYABLE	2,108,255
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	56,352,001
243	OBLIGATIONS UNDER CAPITAL LEASES-CURRENT	0
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	9,781,745
	TOTAL CURRENT AND ACCRUED LIABILITIES	403,505,134
	DEFERRED CREDITS	
252	CUSTOMER ADVANCES FOR CONSTRUCTION	198,708
253	OTHER DEFERRED CREDITS	47,480,913
254	OTHER REGULATORY LIABILITIES	30,132,460
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	5,925,021
257	UNAMORTIZED GAIN ON REAQUIRED DEBT	0
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY	0
282	ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY	953,082,868
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER	276,570,646
	LESS ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	9,781,745
	TOTAL ACCUMULATED DEFERRED INCOME TAXES-OTHER (NONCURRENT)	266,788,901
	TOTAL DEFERRED CREDITS	1,303,608,871
	TOTAL LIABILITIES AND OTHER CREDITS	\$ 5,377,086,186

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, 2011**

Commitments and Contingencies

Energy Purchase Commitments

In 2009, the Pennsylvania Public Utility Commission (PUC) approved PPL Electric Utilities Corporation's (PPL Electric) procurement plan for the period January 2011 through May 2013. Through April 2011, PPL Electric has conducted seven of its 14 planned competitive solicitations. The solicitations include a mix of long-term and short-term purchases ranging from five months to ten years to fulfill PPL Electric's obligation to provide for customer supply as a provider of last resort (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. In January 2011, the parties to this dispute filed a settlement with the FERC under which no compensation would be paid to either PJM or MISO and providing for certain improvements in how the calculations are administered going forward. The settlement requires FERC approval. PPL Electric cannot predict the outcome of this matter.

Regulatory Issues

Pennsylvania Activities

Act 129

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. PPL Electric also filed a petition requesting permission to modify two components of its EE&C Plan. Various responses were filed to that petition which the PUC assigned to two Administrative Law Judges for hearings and a recommended decision. In December 2010, the Administrative Law Judges issued a recommended decision approving PPL Electric's request. Parties filed exceptions and reply exceptions to the recommended decision. The PUC issued its final order in January 2011, approving the changes proposed by PPL Electric and directing PPL

Electric to re-file its plan to reflect all changes made since its initial approval. Several parties filed comments to PPL Electric's revised plan and PPL Electric filed replies to those comments. This matter remains pending before the PUC.

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. In December 2010, the PUC approved PPL Electric's rate rider to recover the costs of its smart meter program.

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 (four 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. In December 2010, the PUC approved PPL Electric's rate rider to recover the costs of providing default service.

PUC Investigation of Retail Market

In April 2011, the PUC opened an investigation of Pennsylvania's retail electricity market. The investigation will be conducted in two phases. Phase one will address the status of the current retail market and explore potential changes. Questions promulgated by the PUC for this phase of the investigation focus primarily on default service issues. Phase two will study how best to address issues identified by the PUC as being most relevant to improving the current retail electricity market. The investigation probably will not be completed before the end of the year. PPL Electric cannot predict the outcome of the investigation.

New Jersey Capacity Legislation

In January 2011, New Jersey enacted a law that intervenes in the wholesale capacity market exclusively regulated by the FERC: S. No. 2381, 214th Leg. (N.J. 2011) (the Act). To create incentives for the development of new, in-state electric generation facilities, the Act implements a "long-term capacity agreement pilot program (LCAPP)." The Act requires New Jersey utilities to pay a guaranteed fixed price for wholesale capacity, imposed by the New Jersey Board of Public Utilities (BPU), to certain new generators participating in PJM, with the ultimate costs of that guarantee to be borne by New Jersey ratepayers. PPL believes the intent and effect of the LCAPP is to encourage the construction of new generation in New Jersey even when, under the FERC-approved PJM economic model, such new generation would not be economic. The Act could depress capacity prices in PJM in the short term and harm the long-term ability of the PJM capacity market to incent necessary generation investment throughout PJM. In February 2011, the PJM Power Providers Group (P3), an organization in which PPL is a member, filed a complaint before the FERC seeking changes in PJM's capacity market rules designed to ensure that subsidized generation, such as may result from the implementation of the LCAPP, will not be able to set capacity prices artificially low as a result of their exercise of buyer market power. In April 2011, the FERC issued an order granting in part and denying in part P3's complaint and ordering changes in PJM's capacity rules consistent with a significant portion of P3's requested changes. PPL Electric cannot predict the outcome of this proceeding.

In addition, in February 2011, PPL, with several other generating companies and utilities, filed a complaint in Federal Court in New Jersey challenging the Act on the grounds that it violates well-established principles under the Supremacy Clause and the Commerce Clause of the U.S. Constitution. In this action, the Plaintiffs request declaratory and injunctive relief barring implementation of the Act by the Commissioners of the BPU. PPL Electric cannot predict the outcome of this proceeding.

FERC Formula Rates

In 2009, the FERC approved PPL Electric's request to change the method for calculating its transmission rates to formula-based rates to support continued investment in its transmission system. As part of the approval, for the period commencing with the effective date November 1, 2008 through May 31, 2011, no opposing party may formally challenge the established return on equity.

In May 2010, PPL Electric initiated the 2010 Annual Update of its formula rate. In November 2010, a group of municipal customers taking transmission service in PPL Electric's zone filed a preliminary challenge to the update, and in December, 2010 they filed a formal challenge. In January 2011, PPL Electric filed a motion to dismiss a number of the challenges and submitted responses to all of the challenges. The group of municipal customers filed answers to PPL Electric's motion to dismiss and its responses to the formal challenge. PPL Electric cannot predict the outcome of this proceeding which remains pending before the FERC.

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 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. In February 2011, the U.S. Court of Appeals for the District of Columbia Circuit issued an order denying the appeal. PPL Electric cannot predict the outcome of this proceeding.

Tax Litigation

In January 2011, the Internal Revenue Service (IRS) appealed, to the U.S. Court of Appeals for the Third Circuit, the U.S. Tax Court's decision that the 1997 U.K. Windfall Profits Tax (WPT) is a creditable tax for U.S. Federal income tax purposes. In its decision, the Tax Court ruled on two issues: (1) the 1997 U.K. WPT imposed on all U.K. privatized utilities, including PPL's U.K. subsidiary, was creditable against the Company's U.S. income taxes; and (2) PPL Electric's street lighting assets could be depreciated for tax purposes over seven years as permitted for "property without a class life" instead of the 20-year depreciation recovery period argued by the IRS. The IRS is not appealing the street lighting decision. PPL Electric filed its tax returns for 1997 and all intervening years on the basis that the appropriate tax depreciable life for its street lighting assets was seven years. Therefore, the cash benefit resulting from this item has already been realized.

Energy Policy Act of 2005 - Reliability Standards

North American Electric Reliability Corporation (NERC) is responsible for establishing and enforcing 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.

PPL Electric continues to self-report potential violations of certain applicable reliability requirements and submit accompanying mitigation plans. The resolution of a number of these potential violation reports 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 PPL Electric, certain other instances of potential non-compliance may be identified from time to time. PPL Electric 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.

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 Electric. However, should the EPA require different or additional measures in the future, or should PPL Electric's share of costs at multi-party sites increase significantly more than currently expected, the costs to PPL Electric could be significant.

PPL Electric is remediating or has completed the remediation of several sites that were not addressed under a regulatory program such as Superfund, but for which PPL Electric may be liable for remediation. These include a number of former coal gas manufacturing facilities in Pennsylvania previously owned or operated or currently owned by a predecessor of PPL Electric. There are additional sites, formerly owned or operated by a PPL Electric predecessor, for which PPL Electric lacks information on current site conditions and is therefore unable to predict what, if any, potential liability it may have.

Depending on the outcome of investigations at sites where investigations have not begun or been completed or developments at sites for which PPL Electric currently lacks information, the costs of remediation and other liabilities could be substantial. PPL Electric and its subsidiaries also could incur other non-remediation costs at sites included in current 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.

From time to time, PPL Electric undertakes remedial action in response to spills or other releases at various on-site and off-site locations, negotiates with the EPA and state and local agencies regarding actions necessary for compliance with applicable requirements, negotiates with property owners and other third parties alleging impacts from PPL Electric's operations, and undertakes similar actions necessary to resolve environmental matters which arise in the course of normal operations. Based on analyses to date, resolution of these general environmental matters is not expected to have a material adverse impact on PPL Electric's operations.

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.

Other

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 maximum \$4 million deductible per occurrence and provides maximum aggregate coverage of \$200 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, 2011

ACCT.			
<u>NO.</u>			
	UTILITY OPERATING INCOME		
400	OPERATING REVENUES	\$	2,249,405,487
	OPERATING EXPENSES		
401	OPERATION EXPENSES		1,593,559,245
402	MAINTENANCE EXPENSES		114,587,307
403/406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS		136,400,857
407.3	REGULATORY DEBITS		3,435,759
407.4	REGULATORY CREDITS		(30,519,034)
408.1	TAXES OTHER THAN INCOME TAXES		
	STATE GROSS RECEIPTS		117,407,108
	STATE CAPITAL STOCK		2,461,543
	STATE UTILITY AND LOCAL REAL ESTATE		5,616,508
	OTHER		7,447,929
409.1	INCOME TAXES		
	FEDERAL		(66,495,158)
	STATE		(11,479,112)
410.1	PROVISION FOR DEFERRED INCOME TAXES		
	FEDERAL		236,589,511
	STATE		42,911,425
411.1	PROVISION FOR DEFERRED INCOME TAXES-CREDIT		
	FEDERAL		(91,133,386)
	STATE		(37,592,324)
411.4	INVESTMENT TAX CREDIT ADJUSTMENT		(1,673,158)
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		2,021,251,564
	NET UTILITY OPERATING INCOME		228,153,923
	OTHER INCOME AND DEDUCTIONS		
	OTHER INCOME		
415/416	MERCHANDISING, JOBBING AND CONTRACT WORK		(58,490)
417.1	EXPENSES OF NONUTILITY OPERATIONS		
418	NONOPERATING RENTAL INCOME		(42,853)
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES		811,853
419	INTEREST AND DIVIDEND INCOME		1,700,598
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		5,055,447
421	MISCELLANEOUS NONOPERATING INCOME		500,365
421.1	GAIN ON DISPOSITION OF PROPERTY		207,047
434	EXTRAORDINARY INCOME		
	TOTAL OTHER INCOME	\$	8,173,967

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF INCOME
TWELVE MONTHS ENDED MARCH 31, 2011

ACCT. NO.		
	OTHER INCOME AND DEDUCTIONS (CONTINUED)	
	OTHER INCOME DEDUCTIONS	
421.2	LOSS ON DISPOSITION OF PROPERTY	\$ 640,688
426.1-426.5	MISCELLANEOUS INCOME DEDUCTIONS	3,032,310
435	EXTRAORDINARY DEDUCTIONS	
	TOTAL OTHER INCOME DEDUCTIONS	3,672,998
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	
408.2	TAXES OTHER THAN INCOME TAXES	400
409.2	INCOME TAXES	
	FEDERAL	3,465,589
	STATE AND D.C.	(1,212,470)
409.3	EXTRAORDINARY ITEMS	
410.2/411.2	PROVISION FOR DEFERRED INCOME TAXES-NET	
	FEDERAL	(3,494,145)
	STATE	(670,821)
411.5	INVESTMENT TAX CREDIT	
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	(1,911,447)
	NET OTHER INCOME AND DEDUCTIONS	6,412,416
	INCOME BEFORE INTEREST CHARGES	234,566,339
	INTEREST CHARGES	
427	INTEREST ON LONG-TERM DEBT	88,786,762
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	2,283,427
428.1	AMORTIZATION OF LOSS ON REACQUIRED DEBT	5,548,393
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	8,132
431	OTHER INTEREST CHARGES	(8,649,907)
432	ALLOW. FOR BORROWED FUNDS USED DURING CONSTRUCTION-CREDIT	(2,584,206)
	NET INTEREST CHARGES	85,388,311
	NET INCOME	\$ 149,178,028

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, 2011**

Retained earnings, March 31, 2010	\$	425,451,305
Activity during the twelve months ended March 31, 2011		
Net income		149,178,028
Dividends declared - preferred		(15,720,106)
Dividends declared - common		(72,300,000)
Preferred stock redemption		(3,451,137)
Retained earnings, March 31, 2011	<u>\$</u>	<u>483,158,090</u>

PPL ELECTRIC UTILITIES CORPORATION
UTILITY PLANT ACCOUNTS

Acct. No.		<u>MARCH 31, 2011</u>
	Utility plant in service	
101	Electric plant in service	
	Intangible plant	\$ 56,434,819
	Transmission plant	1,170,695,864
	Distribution plant	3,802,556,955
	General plant	<u>502,298,395</u>
	Electric plant in service	5,531,986,033
101.1	Property under capital leases	
	Total utility plant in service	<u>5,531,986,033</u>
105	Electric plant held for future use	36,634,280
106	CC not classified	240,058,701
107	Construction work in progress	<u>196,306,410</u>
	Total utility plant	6,004,985,424
108	Accumulated provision for depreciation of utility plant	(2,171,491,031)
111	Accumulated provision for amortization of utility plant	(27,371,482)
	Net utility plant	<u><u>\$ 3,806,122,911</u></u>

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF SECURITIES OF OTHER ENTITIES OWNED
AS OF MARCH 31, 2011

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, 2011
Securities of Subsidiaries						
CEP Commerce, LLC	Member's Interests	\$ 10,072	7/1/2000	\$ 10,072	\$ 3,969,385	Not Available
				<u>10,072</u>	<u>3,969,385</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	19,257	\$ 19,257
Time Warner Cable	Common	1,620 shares	Not Available	Not Available	115,571	\$ 115,571
Quad/Graphics Inc.	Common	349 shares	Not Available	Not Available	14,693	\$ 14,693
	Total Stocks				<u>149,521</u>	
	Total Securities of Other Entities Owned				<u>\$ 5,001,499</u>	

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF THE FUNDED DEBT
AS OF MARCH 31, 2011

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	
						10,290,000				
Senior Secured Bonds (Pollution Control Series)										
Series 2008 due 2023	4.00%	Apr. 1 & Oct. 1	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				
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	
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						11,482				
Unamortized Discount on Long-Term Debt						(1,954,630)				
Total Funded Debt						\$ 1,472,096,852				

(1) In December 2008, PPL Electric completed an in-substance defeasance of the 1945 First Mortgage Bonds by depositing sufficient funds with the trustee to solely satisfy the principal and remaining interest obligations on the bonds when due. Also in December 2008, PPL Electric discharged the lien under the 1945 First Mortgage Bond Indenture, dated as of October 1, 1945, which covered substantially all electric distribution and certain transmission plant owned by PPL Electric and was the agreement under which the First Mortgage Bonds had been issued.

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF OUTSTANDING CAPITAL STOCK
AS OF MARCH 31, 2011

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	170,000,000		170,000,000 shares	<u>66,368,056 shares</u>	None	None	None	\$ 1,726,606,319 (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.

PPL ELECTRIC UTILITIES CORPORATION
HOLDERS OF EACH CLASS OF CAPITAL STOCK AS OF MARCH 31, 2011

<u>COMMON</u>	<u>6.25% SERIES PREFERRED (a)</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 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
\$500,000,000 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 March 31, 2011, 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.....	87,480		87,480	
Earnings Reinvested.....	483,158,090		483,158,090	
Total Common Equity.....	1,726,606,319	-	1,726,606,319	49%
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	\$ 500,000,000 (a) (400,000,000) (a)	1,250,000,000	
Unamortized Premium/Discount- Net.....	(1,943,148)		(1,943,148)	
Total Long-Term Debt.....	1,472,096,852	100,000,000	1,572,096,852	44%
Total Capitalization.....	\$ 3,448,703,171	\$ 100,000,000	\$ 3,548,703,171	100%

(a) The planned issuance of \$500 million of Senior Secured Bonds. The net proceeds from the issuance will be used primarily to fund the early redemption of its \$400 million aggregate principal amount of Senior Secured Bonds 7.125% Series due 2013.

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

PPL ELECTRIC UTILITIES CORPORATION
BOOK VALUE OF COMMON STOCK
MARCH 31, 2011

<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		480,243,305
216.1	Unappropriated undistributed subsidiary earnings		2,914,785
217	Reacquired capital stock		-
219	Other comprehensive income		<u>87,480</u>
	Total Common Equity	\$	<u><u>1,726,606,319</u></u>
	Shares of common stock issued at March 31, 2011		66,368,056
	Shares repurchased and held in treasury		<u>0</u>
	Shares of common stock outstanding at March 31, 2011		<u><u>66,368,056</u></u>
	Book Value of Common Stock		
	Total common equity ÷ shares of common stock outstanding at March 31, 2011	\$	<u><u>26.02</u></u>

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.

Answer:

\$250 million: First Mortgage Bonds. Still anticipate the need to issue debt later in 2011. Securities Certificate No. S-2011-2219042; Order dated February 14, 2011.

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-Apr-11</u>
Total LT Debt as of April 30, 2011	\$ 1,472,107
Forecasted Redemption	\$ (400,000)
Requested Issuance	<u>\$ 450,000</u>
Total Debt	\$ 1,522,107
Total Capitalization	\$ 3,513,377
Debt / Total Capitalization %	43.3%

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

Sources and Uses of Funds

(000's)	2011	2012	2013
Construction	\$ 453,780	\$ 629,405	\$ 869,169
Act 129 Spending	\$ 79,154	\$ 70,539	\$ 75,940
Pension Funding	\$ 140,333	\$ 55,950	\$ 120,154
Security Maturities, Redemptions and Sinking Funds	\$ 400,000	\$ -	\$ 400,000
Total Requirements	\$ 1,073,267	\$ 755,895	\$ 1,465,263
Sources			
Total Internal	\$ 373,267	\$ 755,895	\$ 815,263
Sale of Investments	\$ -	\$ -	\$ -
Outside Financing			
Long-term debt	\$ 700,000	\$ -	\$ 650,000
Short-term debt change	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -
Total Outside	\$ 700,000	\$ -	\$ 650,000
Total Fund Sources	\$ 1,073,267	\$ 755,895	\$ 1,465,263

Capital Expenditures

Ratio of Capital Expenditures to Depreciation and Amortization

\$ (000's)	2011	2012	2013
Capital Expenditure	\$ 453,780	\$ 629,405	\$ 869,169
Depreciation	\$ 145,401	\$ 152,494	\$ 165,373
Amortization	\$ 87,372	\$ 78,708	\$ 80,719
Total Depreciation & Amortization	\$ 232,773	\$ 231,202	\$ 246,091
Capital / Depreciation & Amortization	195%	272%	353%

Capitalization Ratios

\$ (000's)	2011	2012	2013
Total LT Debt	\$ 1,772,304	\$ 1,772,543	\$ 2,022,772
Total ST Debt	\$ -	\$ -	\$ -
Total Debt	\$ 1,772,304	\$ 1,772,543	\$ 2,022,772
Total Capitalization	\$ 3,777,180	\$ 4,063,007	\$ 4,685,616
Debt / Total Capitalization %	46.9%	43.6%	43.2%

Dividend payout ratio

\$ (000's)	2011	2012	2013
Earnings Available for Common	\$ 150,477	\$ 135,587	\$ 191,380
Total Dividend Paid to Parent	\$ 90,000	\$ 80,000	\$ 110,000
<i>% of Earnings Available for Common</i>	59.8%	59.0%	57.5%

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)	\$ 109,159	\$ 109,556	\$ 129,932
Less interest component of AFUDC (est)	\$ (2,500)	\$ (3,900)	\$ (3,700)
Total Earnings	\$ 359,697	\$ 323,577	\$ 436,547
Fixed charges, as defined:			
Interest on long term debt	97,757	94,819	117,822
Interest on short term debt	\$ -	\$ -	-
Other Interest	1,500	1,500	1,500
Amortization of debt discount, expense and premium - net	9,902	13,237	10,610
Total Interest	\$ 109,159	\$ 109,556	\$ 129,932
Earnings / Interest	3.30	2.95	3.36

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)		
	Moodys	S&P	Fitch	Moodys	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)			Ratings (as of May 2, 2011)		
	Moodys	S&P	Fitch	Moodys	S&P	Fitch
Issuer Rating	Baa2	A-	BBB/F2	Baa2	BBB	BBB/F2
First Mortgage Bonds	A3	A-	A-	A3	BBB+	A-
Tax Exempt Bonds	A3/Baa2	A/A-		A3/Baa2	BBB+	
Senior Secured Bonds	A3	A-	A-	A3	BBB+	A-
Commercial Paper	P-2	A-2	F-2	P-2	A-2	F-2
Preferred Stock						
Preference Stock	Ba1	BBB	BBB-	Ba1	BB+	BBB-
Outlook	Stable	Stable	Stable	Stable	Stable	Stable

5.) Projected refinancing savings or costs, if applicable

The projected net decrease to interest expense on an annual basis will be about \$4.5MM per year before-tax or \$2.7 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.	LG&E and KU Energy LLC
Aztec Insurance Limited	LG&E and KU Foundation Inc.
B-G Mechanical Contractors, Inc.	LG&E and KU Hydro I LLC
B-G Mechanical Service, Inc.	LG&E and KU Services Company
BDW Corp.	LG&E Energy Inc.
Brunner Island Services, LLC	LG&E Energy Marketing Inc.
Burns Mechanical, Inc.	LG&E Home Services Inc.
Cell Site Connection Services Limited	LG&E International Inc.
Central Networks Trustees Limited	LG&E Power Argentina III LLC
CEP Commerce, LLC	Louisville Gas and Electric Company
CEP Lending, Inc.	Lower Mount Bethel Energy, LLC
CEP Reserves, Inc.	McCarl's Inc.
Colstrip Comm Serv, LLC	McClure Company
DHA, LLC	Meter Operator Services Limited
DCUSA Limited	Meter Reading Services Limited
EA Technology Limited	Midwest Electric Power, Inc.
Ebusiness South West Limited	Millennium Builders, Inc.
Electralink Limited	Montour Services, LLC
Electric Energy, Inc.	MRA Service Company Limited
Electricity Pensions Limited	Ninth Street & Hamilton Corporation
Electricity Pensions Trustee Limited	Northmere Limited
Elmsford Sheet Metal Works, Inc.	Ohio Valley Electric Corporation
Energy Networks Association Limited	Pennsylvania Mines, LLC
FCD LLC	Penobscot Hydro Co., Inc.
Fred Williams, Inc.	PMDC Chile II, LLC
Gemserv Limited	PMDC Chile, LLC
General Control Systems, Inc.	PMDC Europe B.V.
General Mechanical Systems, Inc.	PMDC International Holdings, Inc.
H. T. Lyons Co.	PMDC International N.V.
H. T. Lyons, Inc.	PPL Bell Bend Holdings, LLC
Hyder Limited	PPL Bell Bend, LLC
Hyder Profit Sharing Trustee Limited	PPL Broadband, LLC
Hyder Share Scheme Trustee (2) Limited	PPL Brunner Island, LLC
Hyder Share Scheme Trustee Limited	PPL Capital Funding, Inc.
Indiana-Kentucky Electric Corporation	PPL Capital Trust (Business Trust)
Infralec 1992 Pension Trustee Limited	PPL Capital Trust II (Business Trust)
Kelston Properties Limited	PPL Cayman, LLC
Kelston Properties 2 Limited	PPL Chile Energia Ltda.
Kentucky Utilities Company	PPL Chile Inversiones Energeticas S.A.
Lady Jane Collieries, Inc.	PPL Colstrip I, LLC
Lexington Utilities Company	PPL Colstrip II, LLC
LG&E and KU Capital LLC	PPL Electric Utilities Corporation

PPL Energy Funding Corporation	PPL WEM Holdings plc
PPL Energy Services Group, LLC	PPL WW Holdings Limited
PPL Energy Services Holdings, LLC	PPLG El Salvador Holdings, S.A. de C.V.
PPL Energy Services Mid-Atlantic, LLC	PPLSolutions, LLC
PPL Energy Services Northeast, Inc.	Realty Company of Pennsylvania
PPL Energy Supply, LLC	REC Collect Limited
PPL EnergyPlus, LLC	SIUK Finance
PPL Generation Services, LLC	SIUK Investments
PPL Generation, LLC	SIUK Limited
PPL Global, LLC	South Wales Electricity Share Scheme Trustees Limited
PPL Great Works, LLC	South Western Helicopters Limited
PPL Holtwood, LLC	Surf Telecoms Limited
PPL Infrastructure Services, LLC	The Ombudsman Service Limited
PPL Interstate Energy Company	Titan Mechanical Contractors, Inc.
PPL Investment Corporation	Trystate Mechanical, Inc.
PPL Island Financing LLP	Westech International, Inc.
PPL Land Holdings, LLC	Western Kentucky Energy Corp.
PPL Maine, LLC	Western Power Distribution (South Wales) plc
PPL Martins Creek, LLC	Western Power Distribution (South West) plc
PPL Montana Holdings, LLC	Western Power Distribution Holdings Limited
PPL Montana, LLC	Western Power Distribution Investments Limited
PPL Montour, LLC	Western Power Distribution LLP
PPL New Jersey Biogas, LLC	Western Power Generation Limited
PPL New Jersey Solar, LLC	Western Power Pension Trustee Limited
PPL Nuclear Development, LLC	WPD 1975 Limited
PPL Power Insurance Ltd.	WPD Finance Limited
PPL Properties, Inc.	WPD Guernsey Limited
PPL Receivables Corporation	WPD Investments Limited
PPL Renewable Energy, LLC	WPD Limited
PPL SavageALERT, Inc.	WPD Limited (Guernsey)
PPL Services Corporation	WPD Midlands Networks Contracting Limited
PPL Spectrum, Inc.	WPD Midlands Networks Services Limited
PPL Strategic Development, LLC	WPD Property Developments Limited
PPL Susquehanna, LLC	WPD Property Investments Limited
PPL Treasure State, LLC	WPD Property Limited
PPL UK Holdings, LLC	WPD Share Scheme Trustees Limited
PPL UK Investments Limited	WW Share Scheme Trustees Limited
PPL UK Resources 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	\$ 115,352	\$ 150,477	\$ 135,587	\$ 191,380
Ordinary Dividends Paid to Parent	\$ 98,000	\$ 74,000	\$ 71,000	\$ 90,000	\$ 80,000	\$ 110,000
% of Earnings Available for Common	62.0%	59.9%	61.6%	59.8%	59.0%	57.5%
Special Dividend Paid to Parent	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -
% of Earnings Available for Common	0.0%	161.8%	0.0%	0.0%	0.0%	0.0%
Total Dividend Paid to Parent	\$ 98,000	\$ 274,000	\$ 71,000	\$ 90,000	\$ 80,000	\$ 110,000
% of Earnings Available for Common	62.0%	221.7%	61.6%	59.8%	59.0%	57.5%

* 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:

Not applicable.

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:

Not applicable

3. The minimum bank balance requirements.

Not applicable

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.

Answer:

\$400 MM, 7.125% First Mortgage Bonds due 2013 were used to prefund an August 2009 \$400 MM First Mortgage Bond Maturity. Securities Certificate No. 2008-2065794.

2008-2065794

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:

Effect Interest Expense savings beginning no later than August 1, 2011. Based on current US Treasury rates we would expect the refunding price to be about \$114.6.

	Annual Interest Savings*
	(millions of \$)
Old annual interest expense	\$28.5
New annual interest expense	<u>(\$18.1)</u>

Interest savings, pre-tax	\$10.4
Amortization of premium paid, pre-tax	(\$5.8)
Pre-tax earnings benefits / (charges)	\$4.5
Net income impact (post-tax)	\$2.7

* Including premium amortization over a 10-year period.

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.

Not applicable.

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.

(S's MM)		Working Capital &			Total
		Utility Plant	Other Additions	Other Deductions	
Distribution Rate Base	Q1 Financial Report	\$ 2,775	\$ 81	\$ (628)	\$ 2,228
Transmission Rate Base	Regulatory Q1 backup	\$ 781	\$ 48	\$ (77)	\$ 752
Rate Base		\$ 3,556	\$ 129	\$ (705)	\$ 2,980
Adjustments to Capital-Base					\$ -
CWIP/Future Use/Not Classified	CWIP 107	\$ 196			\$ 196
	FERC 3-Q				\$ -
Other Property/Misc		\$ 74			\$ 74
Deferred Tax				\$ (283)	\$ (283)
Working Capital Adjustment			\$ 482		\$ 482
				\$ -	\$ -
			\$ -	\$ -	\$ -
Subtotal		\$ 3,826	\$ 611	\$ (988)	\$ 3,449
Equity & Capital Adjustments					\$ -
Capitalization					\$ 3,449

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	\$ 401,000	\$ 453,780	\$ 629,405	\$ 869,169
Depreciation	\$ 131,000	\$ 128,000	\$ 136,000	\$ 145,401	\$ 152,494	\$ 165,373
Capital / Depreciation	205%	225%	295%	312%	413%	526%