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PA PUC
SECRETARY'S BUREAU

September 16, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**RE: PPL Electric Utilities Corporation -- Utility Services Agreement for Mutual Assistance with Kentucky Utilities Company also doing business in Virginia as Old Dominion Power Company
Docket No. G-2011-**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") pursuant to Chapter 21 of the Public Utility Code, 66 Pa.C.S. Chapter 21, is a Utility Services Agreement for Mutual Assistance ("Utility Services Agreement") between PPL Electric and Kentucky Utilities Company, a public utility organized under Kentucky and Virginia law and doing business in Virginia as Old Dominion Power Company ("KU/ODP"). Both PPL Electric and KU/ODP are subsidiaries of PPL Corporation.

The Utility Services Agreement will allow PPL Electric and KU/ODP to provide emergency assistance to one another when service has been disrupted due to the elements, equipment malfunctions, accidents, sabotage or other occurrences for which emergency assistance is deemed to be necessary or advisable. Under the terms of the Utility Services Agreement, emergency assistance will be provided only: (1) upon request, (2) when the requesting company believes that the service will benefit the requesting company and its customers, and (3) when the responding company believes that it can provide the service without material detriment to the responding company and its customers.

The Utility Services Agreement further provides that the company requesting service under the Agreement will pay all costs and expenses incurred by the responding party as a result of furnishing emergency assistance. Such costs and expenses include, but are not limited to: (1) employee wages and salaries, (2) employee travel and living expenses, (3) replacement cost of materials and supplies, (4) repair or replacement cost of damaged or lost equipment, (5) charges,

Rosemary Chiavetta
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at rates used internally by the responding company, for the use of transportation equipment and other equipment, and (6) administrative and general costs which are properly allocable to the emergency assistance. These provisions are set forth in more detail in Section 2 of the Utility Services Agreement.

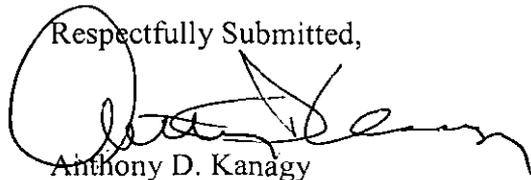
PPL Electric believes that the Utility Services Agreement is in the interests of its customers because it will allow KU/ODP to provide emergency assistance in the event that weather or other emergency conditions require such service. The Utility Services Agreement could be especially beneficial due to the geographic separation of PPL Electric and KU/ODP because extreme weather conditions are not likely to affect both companies at the same time. Moreover, PPL Electric will pay only the actual costs incurred by KU/ODP to provide the emergency assistance. In this regard, the Utility Services Agreement incorporates the principles governing costs and expenses from Edison Electric Institute's "Suggested Governing Principles Covering Emergency Assistance Arrangements Between Edison Electric Institute Member Companies."

PPL Electric notes that KU/ODP is seeking approval of this Utility Services Agreement in Virginia. The enclosed Utility Services Agreement will not be executed by the parties to the agreement prior to approval by the Pennsylvania Public Utility Commission and the Virginia State Corporation Commission.

PPL Electric further notes that it has similar utility service agreements with other non-affiliated utilities and is filing this agreement with the Commission because of the affiliate relationship.

Please direct any questions with regard to the filing to the undersigned.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Anthony D. Kanagy", is written over a circular stamp or seal that is partially obscured by the signature.

Anthony D. Kanagy

ADK/skr
Enclosures
cc: Paul T. Diskin

UTILITY SERVICES AGREEMENT FOR MUTUAL ASSISTANCE

UTILITY SERVICES AGREEMENT

This Utility Services Agreement (this "Agreement") is entered into as of the ____ day of _____, 2011, by and between Kentucky Utilities Company ("KU/ODP"), a public utility organized under Virginia and Kentucky law and doing business in Virginia as Old Dominion Power Company, and PPL Electric Utilities Corporation ("PPL Electric"), a public utility organized under Pennsylvania law.

WHEREAS, KU/ODP is an indirect subsidiary of PPL Corporation;

WHEREAS, PPL Electric is a direct, wholly owned subsidiary of PPL Corporation;

WHEREAS, KU/ODP and PPL Electric are utility companies that provide electric service within their respective service territories;

WHEREAS, KU/ODP and PPL Electric may receive from and provide assistance to each other in the form of personnel, equipment, and services to aid in restoring and/or maintaining electric utility service when such service has been disrupted by the elements, equipment malfunctions, accidents, sabotage, or any other occurrence for which emergency assistance is deemed to be necessary or advisable ("Emergency Assistance"); and

WHEREAS, KU/ODP and PPL Electric believe that it is in the public interest and the interests of each company to provide for such an arrangement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **GOODS AND SERVICES.** From time to time during the term of this Agreement, KU/ODP and PPL Electric may supply Emergency Assistance to one another. Such Emergency Assistance will be provided only (a) upon request, (b) when the requesting party ("Requesting Company") believes in good faith that the transaction will benefit the Requesting Company and its native-load customers, and (c) the responding party ("Responding Company") believes in good faith that the Emergency Assistance can be provided without material detriment to the Responding Company and its native-load customers.

2. **COMPENSATION AND ALLOCATION.**

A. The Emergency Assistance period shall commence when personnel and/or equipment expenses are initially incurred by the Responding Company in response to the Requesting Company's needs. The Emergency Assistance period shall terminate when such employees and/or equipment have returned to the Responding Company.

B. The Requesting Company shall reimburse the Responding Company for all costs and expenses incurred by the Responding Company as a result of furnishing

Emergency Assistance. The Responding Company shall furnish documentation of expenses to the Requesting Company. Such costs and expenses shall include, but not be limited to, the following:

- (i) Employees' wages and salaries for paid time spent in the Requesting Company's service area and paid time during travel to and from such service area, plus the Responding Company's standard payable additives to cover all employee benefits and allowances for vacation, sick leave and holiday pay and social retirement benefits, all payroll taxes, workers' compensation, employer's liability insurance and other contingencies and benefits imposed by applicable law or regulation.
- (ii) Employee travel and living expenses (meals, lodging and reasonable incidentals).
- (iii) Replacement cost of materials and supplies expended or furnished.
- (iv) Repair or replacement cost of equipment damaged or lost.
- (v) Charges, at rates internally used by the Responding Company, for the use of transportation equipment and other equipment requested.
- (vi) Administrative and general costs, which are properly allocable to the Emergency Assistance, to the extent such cost are not chargeable to the foregoing subsections.

3. TERMINATION AND MODIFICATION. Either party to this Agreement may terminate this Agreement by providing 60 days written notice of such termination to the other party.

This Agreement is subject to termination or modification at any time to the extent its performance may conflict with any rule, regulation or order of the Federal Energy Regulatory Commission adopted before or after the making of this Agreement. This Agreement shall be subject to the approval of any state commission or other state regulatory body whose approval is, by the laws of said state, a legal prerequisite to the execution and delivery or the performance of this Agreement.

The authorization for this Agreement shall expire at the conclusion of five years beginning on the date this Agreement is given final approval by the Virginia State Corporation Commission and the Pennsylvania Public Utility Commission, whichever occurs later, unless the respective Commissions extend their authorizations.

4. BILLING AND PAYMENT. Payment for services provided by either party to this Agreement shall be by making remittance of the amount billed or by making appropriate accounting entries on the books of KU/ODP and PPL Electric. Billing will be made after the work is completed and all actual costs have been accumulated with remittance due within 30 days of billing. Any amount remaining unpaid after 30 days following receipt of the bill shall bear interest thereon from the date of the bill at annual rate of A1/P1 30-day Commercial Paper.

5. INDEMNIFICATION. The Requesting Company shall indemnify, hold harmless and defend the Responding Company from and against any and all liability for loss, damage, cost or expense which the Responding Company may incur by reason of bodily injury, including death, to any person or persons or by reason of damage to or destruction of any property, including the loss of use thereof, which result from furnishing Emergency Assistance and whether or not due in whole or in part to any act, omission or negligence of the Responding Company except to the extent that such death or injury to person, or damage to property, is caused by the willful or wanton misconduct and/or gross negligence of the Responding Company. Where payments are made by the Responding Company under a workers' compensation or disability benefits law or any similar law for bodily injury or death resulting from furnishing Emergency Assistance, the Requesting Company shall reimburse the Responding Company for such payments, except to the extent that such bodily injury or death is caused by the willful or wanton misconduct and/or gross negligence of the Responding Company.

6. NOTICE OF INDEMNIFICATION. In the event any claim or demand is made or suit or action is filed against the Responding Company alleging liability for which the Requesting Company shall indemnify and hold harmless the Responding Company under Section 5 above, the Responding Company shall promptly notify the Requesting Company thereof, and the Requesting Company, at its sole cost and expense, shall settle, compromise or defend the same in such manner as it in its sole discretion deems necessary or prudent. The Responding Company shall cooperate with the Requesting Company's reasonable efforts to investigate, defend and settle the claim or lawsuit.

7. NOTICE. Where written notice is required by this Agreement, all notices, consents, certificates, or other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

- A. To KU/ODP:
One Quality Street
Lexington, Kentucky 40507
Attn: John R. McCall, Secretary

- B. To PPL Electric:
2 North 9th Street
Allentown, Pennsylvania 18101
Attn: Gallus F. Wukitsch III

8. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to its conflict of laws provisions.

9. MODIFICATION. No amendment, change, or modification of this Agreement shall be valid, unless made in writing and signed by the parties hereto.

10. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof and thereto, any and all prior agreements, understandings, or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect.

11. WAIVER. No waiver by either party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

12. ASSIGNMENT. This Agreement shall inure to the benefit and shall be binding upon the parties and their respective successors and assigns. No assignment of this Agreement or either party's rights, interests, or obligations hereunder may be made without the other party's consent, which shall not be unreasonably withheld, delayed, or conditioned.

13. SEVERABILITY. If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of this ____ day of _____, 2011.

Kentucky Utilities Company

By: _____
Name: Paul Gregory Thomas
Title: Vice President, Energy Delivery – Distribution Operations

PPL Electric Utilities Corporation

By: _____
Name: Carl L. Segneri Jr.
Title: Vice President – Distribution Operations

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

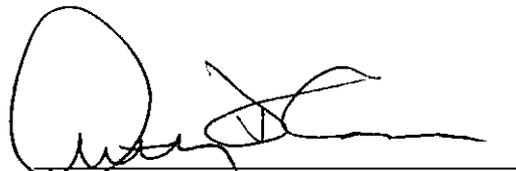
VIA FIRST CLASS MAIL

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Date: September 16, 2011



Anthony D. Kanagy

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