

Paul E. Russell
Associate General Counsel

PPL
Two North Ninth Street
Allentown, PA 18101-1179
Tel. 610.774.4254 Fax 610.774.6726
perussell@pplweb.com



**ORIGINAL DOCUMENT
RECEIVED FOLDER**

FEDERAL EXPRESS

December 21, 2001

James J. McNulty, Esquire
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17105-3265

DEC 21 2001
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

R.00016850

**Re: PPL Electric Utilities Corporation
2002 State Tax Adjustment Surcharge
Docket No.**

Dear Mr. McNulty:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are an original and eight (8) copies of Supplement No. 22 to PPL Electric's Tariff-Electric Pa. P.U.C. No. 201. This supplement reflects a recomputation of PPL Electric's State Tax Adjustment Surcharge ("STAS") to reflect changes in the Pennsylvania Capital Stock Tax, Public Utility Realty Tax Act ("PURTA") and Revenue Neutral Reconciliation ("RNR") rates. This filing is being made pursuant to the Commission's regulations at 52 Pa. Code § 69.51, et seq., and PPL Electric's tariff.

Recomputation of PPL Electric's STAS, as of December 21, 2001, to reflect these changes indicates an increase from the present rate of negative 0.73% to a proposed rate of 1.08%, for application during the period January 1, 2002 through December 31, 2002.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on December 21, 2001, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

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

M

James J. McNulty, Secretary

- 2 -

December 21, 2001

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul E. Russell". The signature is written in a cursive style with a large initial "P" and "R".

Paul E. Russell

Enclosures

cc: Irwin A. Popowsky, Esquire
Bernard A. Ryan, Esquire
Charles F. Hoffman, Esquire
Mr. Robert A. Rosenthal
Mr. Robert F. Wilson

R-00016850



ORIGINAL

PPL Electric Utilities Corporation

GENERAL TARIFF RECEIVED

**RULES AND RATE SCHEDULES
FOR ELECTRIC SERVICE**

DEC 21 2001

In the territory listed on pages 4, 4A, and 4B
and in the adjacent territory served.

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ISSUED: December 21, 2001

EFFECTIVE: January 1, 2002

DOCKETED
DEC 27 2001

Issued by
MICHAEL E. BRAY, PRESIDENT
Two North Ninth Street
Allentown, PA 18101-1179

NOTICE

THIS TARIFF MAKES (CHANGES) IN EXISTING RATES. SEE PAGE TWO.
(INCREASES)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

State Tax Adjustment Surcharge
Page No. 16

The State Tax Adjustment Surcharge is increased
from -0.73% to 1.08%.

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STATE TAX ADJUSTMENT SURCHARGE

STATE TAX ADJUSTMENT SURCHARGE

(C)(I)

In addition to the charges and credits provided for in this tariff, except for charges or credits under Rate Schedules PR-1(R) and PR-2(R) for incremental or decremental kilowatt-hour usage and under the Generation Rate Adjustment Rider, a surcharge of 1.08% will be charged for all service rendered on and after January 1, 2002.

The State Tax Adjustment Surcharge will be recomputed using the elements prescribed by the Commission in its regulations at 52 Pa. Code §69.51, et seq. and at 52 Pa. Code §54.91, et seq.:

- on December 21, 2002, and each year thereafter until the surcharge is rolled into base rates, and
- whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in its state tax liability arising under 66 Pa. C. S. §§2806 (g), 2809(c) or 2810 (c).

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations at 52 Pa. Code §54.91, et seq. If the recomputed surcharge is less than the one in effect, the utility will, or if the recomputed surcharge is more than the one in effect the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations at 52 Pa. Code §54.91, et seq.

TAX INDEMNIFICATION

If the Company becomes liable, under Section 2806(g) or 2809(c) of the Public Utility Code, 66 Pa. C.S. §§ 2806(g) and 2809(c), for any Pennsylvania state taxes not paid by an electric generation supplier, the non-tax-compliant electric generation supplier shall indemnify the Company for the full amount of additional state tax liability imposed upon it by the Pennsylvania Department of Revenue due to the failure of the electric generation supplier to pay, or remit to the Commonwealth, the tax imposed on the electric generation supplier's gross receipts under Section 1101 of the Tax Report Code of 1971 or Chapter 28 of Title 66.

PPL ELECTRIC UTILITIES CORPORATION

Computation of State Tax Adjustment Surcharge
As of January 1, 2002, Based on Application Year 2002 Operations

	<u>Amount</u>	<u>Schedule</u>
1. Capital Stock Tax	\$ (7,795,930)	A
2. Corporate Net Income Tax	-	B 1/
3. Utility Realty Tax	(4,054,105)	C
4. Gross Receipts Tax	-	D
5. Total of Lines 1, 2, 3, and 4	(11,850,035)	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	37,805,932	D
7. Total of Lines 5 and 6	<u>\$ 25,955,897</u>	
8. Line 7 divided by complement of Gross Receipts Tax Rate (.941)	\$ 27,583,312	
9. STAS reconciliation for period January 1, 2001 through December 31, 2001	(447,214)	
10. Total of Lines 8 and 9	<u>\$27,136,098</u>	
11. Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the Pennsylvania Public Utility Commission projected for the application period January 1, 2002 through December 31, 2002	<u>\$ 2,520,395,455</u>	E
12. Surcharge rate to be applied for the period January 1, 2002 through December 31, 2002 (Line 10 divided by Line 11)	<u>1.08%</u>	

1/ Not applicable to this filing.

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax Adjustment

(Electric Department)

1. Value of capital stock (Per official settlement dated March 26, 2001 attached, Schedule A, Page 3) (Value per settlement of \$1,571,651,695 plus 1998 statutory exemption of \$125,000)	\$1,571,776,695
2. Statutory exemption	125,000
	<hr/>
3. Value of capital stock less statutory exemption	1,571,651,695
4. Apportionment percentage	0.909612
	<hr/>
5. Taxable value of capital stock	1,429,593,242
6. Tax rate - 2002 (6.49 mills)	0.00649
	<hr/>
7. Pa. capital stock tax based on new tax rate - 2002	9,278,060
8. Pa. capital stock tax (Based on 1998 settled value and 1998 tax rates)	17,140,823
	<hr/>
9. Tax decrease - 2002	(7,862,763)
10. PUC jurisdictional allocation factor	0.99150
	<hr/>
11. Allocated tax decrease - 2002	<u>(\$7,795,930)</u>

REPORT
RECEIVED 10/14/99

Bureau of Corporation Taxes
DEPT. 280703
HARRISBURG, PA 17128-0703

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE



REV-57 CT AFF (9-96)

OFFICIAL NOTICE OF SETTLEMENT

PP & L INC
2 N 9TH ST
ALLENTOWN PA 18101

PA ACCOUNT ID: 0280-166
TAXABLE YEAR: 01/01/98 TO 12/31/98
DLN: 01-7-66352

PPL ELECTRIC UTILITIES CO
TAX SECTION TW 10
2 N 9TH ST
ALLENTOWN PA 18101

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----		
TAX	AS REPORTED	AS SETTLED
	16,064,738	17,140,823
----- SECTION B - LOANS TAX -----		
TAX	AS REPORTED	AS SETTLED
	6,748	6,748
----- SECTION C - CORPORATE NET INCOME TAX -----		
TAX	AS REPORTED	AS SETTLED
	60,047,140	60,047,140

DEPARTMENT OF REVENUE CAROLYN MOYER	MAILING DATE	AUDITED AND APPROVED BY DEPARTMENT OF AUDITOR GENERAL BRYAN MYERS
03/15/01	03/26/01	03/23/01

IF YOU DISAGREE WITH THIS SETTLEMENT, IT WILL BE NECESSARY TO FILE A PETITION FOR RESETTLEMENT WITH THE BOARD OF APPEALS, DEPT. 281021, HARRISBURG, PA 17128-1021 WITHIN 90 DAYS OF THE SETTLEMENT MAILING DATE. PLEASE FORWARD A COPY OF THIS DOCUMENT WITH YOUR PETITION. NOTE: PETITIONS MUST BE SIGNED BY A CORPORATE OFFICER.

LOANS AND CNI SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:

- * DEPARTMENT OF REVENUE COMPUTATION DIFFERS FROM SUBMITTED FIGURE
- D4 INCLUDE DIVIDENDS RECEIVED AND EXCLUDE INCOME/LOSS OF SUBSIDIARIES.
- F1 USE CONSOLIDATED NET WORTH.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.
- S8 USE AVERAGE TOTAL ASSETS PER BALANCE SHEET.

OFFICIAL NOTICE OF SETTLEMENT
 RE: 0280-166 PPL ELECTRIC UTILITIES CO 01/01/98 TO 12/31/98 DLN 01-7-66352

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/94 TO 12/31/94		248,336,852	PY
01/01/95 TO 12/31/95		324,596,820	PY
01/01/96 TO 12/31/96		353,296,416	PY
01/01/97 TO 12/31/97		345,010,976	PY
01/01/98 TO 12/31/98	554,453,594-	560,378,205-	D4
TOTAL BOOK INCOME		710,862,859	
AVERAGE NET INCOME	143,357,494	142,172,572	*
EQUITY YEAR ENDING	1,901,034,851	2,196,000,000	F1
EQUITY YEAR BEGINNING	3,077,716,037	3,077,716,037	PY
NET WORTH	1,901,034,851	2,196,000,000	*
CAPITAL STOCK VALUE	1,467,276,196	1,571,651,695	*
APPORTIONMENT PROPORTION	.913151	.909612	*
CAPITAL STOCK/FRANCHISE TAX	16,064,738	17,140,823	*

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA	0		
PROPERTY FACTOR - TOTAL	0		
PAYROLL FACTOR - PA	0		
PAYROLL FACTOR - TOTAL	0		
SALES FACTOR - PA	0		
SALES FACTOR - TOTAL	0		
SINGLE FACTOR - NUMERATOR	8,238,691,478	7,885,457,508	
SINGLE FACTOR - DENOMINATOR	9,022,268,455	8,669,034,485	S8

----- SECTION B - LOANS TAX -----

INDEBTEDNESS	1,708,000	
LOANS TAX	6,748	6,748

----- SECTION C - CORPORATE NET INCOME TAX -----

NET INCOME	579,624,775	
DIVIDENDS	21,698,855	
US INTEREST	0	
OTHER	0	
TOTAL DEDUCTIONS	21,698,855	21,698,855
INCOME TAXES	60,063,376	
TAX PREFERENCE ITEMS	288,948-	
EIP ADJUSTMENTS	0	
OTHER	0	
TOTAL ADDITIONS	59,774,428	59,774,428
ADJUSTED INCOME	617,700,348	617,700,348
TOTAL NONBUSINESS INCOME	0	
INCOME TO BE APPORTIONED		617,700,348
APPORTIONMENT PROPORTION	.973081	.973081
PA APPORTIONED INCOME		601,072,472
PA NONBUSINESS INCOME	0	
INCOME PRIOR TO NL DEDUCTION	601,072,472	601,072,472
NET LOSS DEDUCTION	0	0
PA TAXABLE INCOME		601,072,472
CORPORATE NET INCOME TAX	60,047,140	60,047,140

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA	10,602,055,023
PROPERTY FACTOR - TOTAL	10,602,639,920
PAYROLL FACTOR - PA	391,557,905
PAYROLL FACTOR - TOTAL	391,843,930
SALES FACTOR - PA	3,518,522,190
SALES FACTOR - TOTAL	3,717,185,809
SINGLE FACTOR - PA	0
SINGLE FACTOR - TOTAL	0

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR	
12-31-94	0	12-31-94 0 PY
12-31-95	0	12-31-95 0 PY
12-31-96	0	12-31-96 0 PY
12-31-97	0	12-31-97 0 PY
		12-31-98 0

PPL ELECTRIC UTILITIES CORPORATION

Pennsylvania Public Utility Realty Tax Adjustment
(Electric Department)

1. Total plant taxable value at December 31, 1998 (per report due April 15, 1999 - attached, Schedule C, Page 6)	\$451,241,209
2. Less: Taxable value of generating plant at December 31, 1998 (per report due April 15, 1999 - attached, Schedule C, Page 8)	<u>(266,713,084)</u>
3. Taxable value of T&D plant at December 31, 1998	<u>184,528,125</u>
4. Pa. Public Utility Realty Tax (Based on applied rate of 42 mills)	\$7,750,181
5. Taxable value of T&D plant at December 31, 2000 (per Notice of Determination dated August 1, 2001 - attached, Schedule C, Page 3)	<u>119,508,829</u>
6. Pa. Public Utility Realty Tax (Based on applied rate of 30.6364 mills per Notice of Determination dated August 1, 2001 - attached, Schedule C, Page 3)	<u>3,661,321</u>
7. Decrease in Pa. Public Utility Realty Tax	(4,088,860)
8. PUC jurisdictional allocation factor	<u>0.99150</u>
9. Allocated tax decrease - 2002	<u>(\$4,054,105)</u>

PPL ELECTRIC UTILITIES CORPORATION

Revenue Neutral Reconciliation (RNR) Tax Adjustment

Applicable to Gross Receipts Tax

1. Projected taxable revenues for Pa. gross receipts tax for period January 1, 2002 to December 31, 2002 (Schedule E, Page 3)	\$2,520,395,455
2. RNR tax rate adjustment as published by the Department of Revenue in the <u>Pennsylvania Bulletin</u> on November 30, 2001	<u>0.015</u>
3. Projected increase in applicable 2002 gross receipts tax liability based on RNR tax rate adjustment	<u><u>\$37,805,932</u></u>

PPL ELECTRIC UTILITIES CORPORATIONGross Receipts Tax Adjustment

Most recently completed calendar year is the year 2000:

1. Taxable revenues per return filed May 11, 2001 (Schedule D, Page 7)	\$2,055,587,278
2. Less change in accounts receivable	<u>(24,045,641)</u>
3. Remainder - Tax Base of PUC Base Rate Revenues	2,079,632,919
4. Less - Revenues included above from service under rates subject to jurisdiction of Federal Energy Regulatory Commission	<u>26,287,900</u>
5. Taxable revenue from service under rates subject to jurisdiction of Pennsylvania Public Utility Commission	<u><u>\$2,053,345,019</u></u>

Mailing Date:
August 1, 2001

PENNSYLVANIA POWER & LIGHT CO
TAX SECTION TW 10
2 N 9TH STREET
ALLENTOWN, PA 18101

**Re: 2000 Pennsylvania Public Utility Realty Tax
Notice of Determination
Amended per Act 4 of 1999 & Act 23 of 2000**

Dear Taxpayer:

Pursuant to the changes made to the Public Utility Realty Tax, as amended in Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable value of PURTA realty, the millage rate and transition credit applicable to tax year 2000. Notice is also given for any PURTA/PTA Tax increase (or decrease), and transitional credit increase (or decrease) for tax years 1999 and 1998 based on information filed by LTAs as of 4/1/2001 and utilities as of 5/1/2001.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Payments or credits previously submitted toward your 1999 PURTA account should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to:

**PURTA UNIT
Bureau of Corporation Taxes
Dept. 280704
Harrisburg, PA 17128-0704**

Thank you for your attention to this matter.

Sincerely,
Thomas S. Rominiecki
Director

2000, 1999 & 1998 NOTICES:

2000 Liability:	\$3,661,321.00
2000 Transition Credit:	\$0.00
1999 Liability Adjustment:	(\$1,484,717.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$3,823,916.00
1998 Transition Credit Adjustment:	\$0.00

PLEASE SEE
REVERSE SIDE
FOR DETAIL

Account Id: 3500090

Mailing Date:
August 1, 2001

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500090

Detail

Tax Year 2000

1) 2000 Realty Tax Equivalent (RTE):	\$ 34,960,073
2) 2000 Total State Taxable Value (STV) for all utilities:	\$ 1,517,600,944
3) 2000 PURTA Millage Rate (including 7.6 mills for Public Transportation Act):	30.6364 mills
4) 2000 STV for Utility:	\$119,508,829
5) 2000 Liability (Line 3 x Line 4):	\$3,661,321
6) 2000 Transition Credit:	\$0

Tax Year 1999

1) 1999 Adjusted Realty Tax Equivalent (RTE):	\$ 48,644,825
2) 1999 Adjusted Total State Taxable Value (STV) for all utilities:	\$ 2,514,334,230
3) 1999 Adjusted Millage Rate (including 7.6 mills for Public Transportation Act):	26.9470 mills
4) 1999 Adjusted STV for Utility:	\$271,593,282
5) 1999 Adjusted Liability (Line 3 x Line 4):	\$7,318,624
6) 1999 Adjusted Transition Credit:	\$0
7) 1999 Adjustment to previously posted Liability of 8/1/2000:	(\$1,484,717)
8) 1999 Adjustment to previously posted Transition Credit of 8/1/2000:	\$0

Tax Year 1998

1) 1998 Adjusted Realty Tax Equivalent (RTE):	\$ 133,200,000
2) 1998 Adjusted Total State Taxable Value (STV) for all utilities:	\$ 2,518,974,751
3) 1998 Adjusted Millage Rate (including 7.6 mills for Public Transportation Act):	60.4787 mills
4) 1998 Adjusted STV for Utility:	\$280,127,922
5) 1998 Adjusted Liability (Line 3 x Line 4):	\$16,941,760
6) 1998 Adjusted Transition Credit:	\$0
7) 1998 Adjustment to previously posted Liability of 8/1/2000:	\$3,823,916
8) 1998 Adjustment to previously posted Transition Credit of 8/1/2000:	\$0

If you do not agree with this Notice, you may file a Petition for Recalculation with the Board of Finance and Revenue which must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within thirty (30) days of the mailing date. Address the petition to: Board of Finance and Revenue, Harrisburg, PA 17128-1021.

Imposition, Base and Rate

This tax is imposed under the Tax Reform Code, Sec. 1102-A. The public utilities realty tax (commonly called PURTA) is imposed on public utilities. A public utility, which is not limited to corporations, is defined as follows. "Any person, partnership, association, corporation or other entity furnishing public utility service under the jurisdiction of the Pennsylvania Public Utility Commission or the corresponding regulatory agency of any other state or of the United States; and any electric cooperative corporation, municipality or municipality authority furnishing public utility service, but shall not mean any public utility furnishing public utility sewage services, or municipality or municipality authority furnishing public utility services". The tax is imposed at a rate of 42 mills on the utility realty (lands, buildings, structures and enclosures however designated) located within this Commonwealth and owned by a public utility either directly or by or through a subsidiary, which are used or are in the course of development or construction for use, in the furnishing, including producing, storing, distributing or transporting, of public utility service. The state taxable value is the cost of utility realty, less reserves for depreciation and depletion, as shown on the books of account of a public utility; provided that for any public utility which was not required to record annual depreciation on its utility prior to enactment of Section 503 of the Public Utility Law (P.L. 1053) May 28, 1937, the depreciation deduction prescribed in this definition shall be the book reserve or fifty percent of the book cost, whichever is greater. The following are exempt: (1) machinery and equipment, (not determined under any county assessment law; all structures and enclosures, however designated, are taxable), (2) easements or similar interests, (3) railroad rights-of-way and super-structures thereon, (4) pole, transmission tower, pipe, rail or other lines, whether or not attached to land or to any structure or enclosure; (5) such realty as is subject to local real estate taxation under any law in effect on April 23, 1968.

All utilities must complete Table A of the tax report summarizing by county end of year book values of all public utility realty property used, or in the course of development for use, in furnishing public utility service. Electric utilities must include electric generation realty in Table A. Electric utilities must also complete Table B Insert Sheet itemizing by county electric generation assets only.

Reports and Due Dates

This report is due on or before April 15 following the end of the calendar year for which it is filed. The time for filing the annual report may be extended. A penalty for late filing will be imposed based on the amount of tax: 10% of the first \$1,000, 5% of the next \$4,000, and 1% on excess of \$5,000. Penalty for late filing, where appropriate, will be assessed at the time of settlement. Mail this form with remittance payable to the PA Department of Revenue, Dept. 280-07, Harrisburg, PA, 17128-0407.

Included in Annual Report Package

RCT-127	Public Utility Realty Tax Report	Extension to File Coupon
	Estimated Payment Coupon	Custom Refund/Transfer Request Coupon

Annual Payments

Page 1 of the RCT-127 provides an area to record the self-assessed tax from the tax report, any prepayments and any balance due or overpayment of tax.

Payment must be postmarked no later than the due date. NO extension of time for payment is permitted. All late payments and untimely transfers will be subject to interest charges. Make remittance payable to the PA Department of Revenue and mail the report to the address shown on the tax report by using the envelope (E-140) provided in this package. Effective January 1, 1994, any tax payment of \$20,000 or more must be submitted by Electronic Funds Transfer. To participate in the EFT Program, the Department of Revenue FIRST must receive your completed Authorization Agreement. For EFT questions only, call 1 (800) 892-9816.

Overpayment Instructions

After completing the annual payment section on Page 1 of form RCT-127, if an overpayment exists (the remittance column is less than zero), you must instruct the Department of Revenue as to how you want this overpayment to be transferred and/or refunded. You provide these instructions to the Department of Revenue by selecting only one of the options available in the "Overpayment Instructions" area of Page 1. (YOU MUST SELECT ONE OF THESE OPTIONS if you have an overall overpayment of tax for the year being reported). Requests for refunds and/or transfers of overpayments in a year not covered by the annual report being filed should be made on the Custom Refund/Transfer Request Coupon provided in this package.

Taxpayers have three options for handling overpayments of tax in the current tax year. Check the block on Page 1, "Overpayment Instructions", which directs the Department to handle the overpayment for the current tax year as desired. TAXPAYERS MUST SELECT ONE OF THE OPTIONS LISTED BELOW

- Any overpayment in the current tax year is transferred automatically to offset other underpaid taxes in the current tax year and the remaining portion of the credits applied to the next tax year for Estimated Tax purposes.
- The amount of the overpayment to be transferred to the next tax year for Estimated Tax purposes must be entered. Any overpayment in the current tax year is transferred automatically to offset other underpaid taxes in the current year. Secondly, the amount of the overpayment to be applied to the next year will be transferred automatically. Finally, the remaining portion of the overpayment will be refunded.
- Any overpayment in the current tax year is transferred to offset automatically other underpaid taxes in the current tax year and the remaining portion of the overpayment will be refunded.

Estimated Payment Coupon

All accounts are expected to remit estimated prepayments toward a final liability which a corporation estimates due for the taxable year. The prepayment for Public Utility Realty Tax is due by April 15 of the reported year. Tax remaining due at the close of the taxable year must be paid by April 15th of the following year, without regard to extension of time to file the return. Should a corporation realize that the estimated tax is underpaid, additional payments should be submitted to minimize the underpayment penalty. The underpayment is measured against 90% of the tax reported due for the taxable year. However, if the final settled tax increases the self-reported tax by 10% or more, the underpayment will be measured against the settled tax. The period of underpayment is from the due date of the installment to either the date(s) the underpayment is paid, or the Safe Harbor is satisfied.

A corporation may avoid the imposition of interest if it timely pays the estimated tax at an amount equal to 90% of the tax of the immediate prior year (Safe Harbor). This amount must be adjusted to reflect the estimated tax year's tax rate and law and must reflect the settled liability if it exceeds the self reported liability by 10% or more. Where the prior year is a short period, the Safe Harbor is annualized.

Mail the Estimated Payment Coupon separately from all other forms in the enclosed return envelope (E-203).

Extension Request Coupon

When an extension of time to file the annual report is desired, the Annual Extension Request Coupon must be filed by the original date in lieu of the annual report. There is no extension for payment of taxes. For this reason, the Annual Extension request must also be used to make payment of taxes owed for the taxable year for which the extension is requested. Taxpayers making a payment with an extension request through Electronic Funds Transfer (EFT) are not required to submit the extension coupon. Note that a Federal Form 7004 must accompany your annual report should the extension be selected.

Mail the Extension Coupon separately from all other forms in the enclosed return envelope (E-203).

Custom Refund/Transfer Request

Refunds: Requests for refund of overpayments from prior years or refunds of estimated tax payments in advance of filing the annual tax report must be submitted on the Custom Refund/Transfer Request.

Transfers: Use this coupon to transfer overpayments to or from tax years prior to that covered by the current annual report.

NOTE: DO NOT DUPLICATE REQUESTS FOR REFUND AND TRANSFER ON RCT-127 and REV-427. Use the front page of RCT-127 for Refund and Transfers in the current tax year. Use REV-427 for Refund and Transfers in prior tax years.

Mail the Custom Refund/Transfer Request separately from all other forms in the enclosed return envelope (E-203).

Commonwealth of Pennsylvania
1998 Public Utility Realty Tax Report

PP&L, Inc.
Account ID: 3500-090

Table A

County Summary of Public Utility Realty
To Be Completed by All Utilities

Line Reference	Item 1 Column A, Line 1C	Item 2 Column A, Line 1D	Item 3 Column B, Line 1C	Item 4 Column B, Line 1D	Item 5 Line 2
County Property Location	Book Cost Land	Book Depletion Reserve	Book Cost Other Utility Realty	Book Depreciation Reserve	Net Book Value Items (1-2) + (3-4)
Armstrong	500,715		12,455,835	8,182,852	4,773,698
Berks	246,756		9,802,244	5,267,271	4,781,728
Bucks	174,504		1,482,913	493,561	1,163,856
Carbon	284,821		664,623	268,646	680,798
Chester	26,446		127,681	51,610	102,517
Clinton	95,504		2,039,545	732,824	1,402,225
Columbia	175,112		972,044	392,909	754,247
Cumberland	2,199,489		5,913,256	1,979,061	6,133,684
Dauphin	1,901,973		10,512,137	3,578,566	8,835,544
Indiana	252,464		17,193,117	11,367,440	6,078,141
Juniata	50,829		1,798,459	726,953	1,122,335
Lackawanna	893,215		28,065,322	8,648,627	20,309,910
Lancaster	2,416,071		35,999,291	17,403,028	21,012,334
Lebanon	6,628		113,801	46,000	74,429
Lehigh	3,156,184		62,620,080	18,818,224	46,958,040
Luzerne	3,836,621		1,056,047,452	864,580,023	195,304,050
Lycoming	470,776		9,336,056	3,022,631	6,784,201
Monroe	798,630		10,452,823	3,509,964	7,741,489
Montgomery	290,494		4,356,919	1,437,501	3,209,912
Montour	597,019		54,151,180	35,003,008	19,745,191
Northampton	1,377,294		97,978,133	63,433,517	35,921,910
Northumberland	173,245		3,911,980	1,252,865	2,832,360
Perry	119,665		5,319,028	1,549,473	3,889,220
Pike	1,082,848		13,906,379	6,359,080	8,630,147
Schuylkill	545,959		7,382,892	2,516,517	5,412,334
Snyder	206,065		42,572,283	28,166,688	14,611,660
Susquehanna	5,833		188,121	76,040	117,914
Union	91,963		389,495	157,437	324,021
Wayne	942,337		2,234,928	707,689	2,469,576
York	560,404		59,833,569	40,330,237	20,063,736
Total	23,479,866	0	1,557,821,585	1,130,060,242	451,241,209

Insert

Commonwealth of Pennsylvania
1998 Public Utility Realty Tax Report

Taxpayer Name: PP&L, Inc.
3500-090

Account ID (PURTA Box Number): 3500-090

Table B

County Summary of Electric Generating Assets Only
To Be Completed by Electric Utilities Only

County Property Location	Column 1 Book Cost Land	Column 2 Book Depletion Reserve	Column 3 Book Cost Other Utility Realty	Column 4 Book Depreciation Reserve	Column 5 Net Book Value Items (1-2) + (3-4)
Armstrong	500,715	-	12,455,933	8,182,919	4,773,729
Berks	-	-	7,765,169	4,549,485	3,215,684
Bucks	-	-	-	-	-
Carbon	-	-	-	-	-
Chester	-	-	-	-	-
Clinton	-	-	168,659	151,321	17,338
Columbia	-	-	-	-	-
Cumberland	-	-	51,652	46,342	5,310
Dauphin	-	-	28,601	25,661	2,940
Indiana	251,765	-	17,105,676	11,343,525	6,013,916
Juniata	-	-	-	-	-
Lackawanna	-	-	-	-	-
Lancaster	565,669	-	21,502,185	12,547,843	9,520,011
Lebanon	-	-	-	-	-
Lehigh	-	-	603	541	62
Luzerne	1,786,207	-	996,859,064	846,733,448	151,911,823
Lycoming	-	-	-	-	-
Monroe	-	-	-	-	-
Montgomery	-	-	-	-	-
Montour	553,131	-	51,881,252	34,310,027	18,124,356
Northampton	559,390	-	94,524,876	62,081,606	33,002,660
Northumberland	-	-	-	-	-
Perry	-	-	-	-	-
Pike	959,880	-	12,989,340	5,988,405	7,960,815
Schuylkill	49,917	-	84,431	75,752	58,596
Snyder	64,670	-	40,296,016	27,419,411	12,941,275
Susquehanna	-	-	-	-	-
Union	-	-	-	-	-
Wayne	-	-	-	-	-
Wyoming	-	-	-	-	-
York	39,003	-	59,301,582	40,176,015	19,164,570
Total	5,330,347	-	1,315,015,038	1,053,632,301	266,713,084

PA Department of Revenue
Dept. 280407
Harrisburg, Pennsylvania
17128-0407

OFFICIAL SETTLEMENT
PENNSYLVANIA PUBLIC UTILITY REALTY TAX
FOR OFFICIAL USE ONLY

BUREAU USE ONLY

T/C 04

MAILING INSTRUCTIONS

If Settlement Notice
Should Be Mailed To
Address Other Than
That On Front, Fill In
New Address In Block
To Left.

Received

Mailed

DLN

NAME

STREET

CITY
STATE
ZIP CODE

ACCOUNT ID

TAX PERIOD ENDING

12/31/98

DO NOT WRITE BELOW THIS LINE

SETTLEMENT - PUBLIC UTILITY REALTY TAX

WHITE

OTHER

Tax on Utility Realty of Public Utilities as of December 31, 1998

State Taxable Value \$ _____

Tax at the Rate of 42 Mills (.042)

TYPE OF TAX

20

SELF ASSESSED TAX

TAX DEBIT OR CREDIT

TOTAL TAX

DEPARTMENT OF REVENUE

Harrisburg, PA _____ 19 _____

SETTLED AND DELIVERED TO AUDITOR GENERAL:

(FOR THE SECRETARY OF REVENUE)

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA _____ 19 _____

AUDITED AND APPROVED:

(FOR THE AUDITOR GENERAL)

RCT-112 (11-00)

11200011040



PA Department of Revenue
Dept. 280407
Harrisburg, Pennsylvania 17128-0407

Commonwealth of Pennsylvania
GROSS RECEIPTS TAX
ELECTRIC, HYDRO-ELECTRIC
AND WATER POWER COMPANIES
2000 REPORT

DC 12 4911 BOX NO 0280-166
PPL ELECTRIC UTILITIES
CORPORATION
TAX SECTION TW 10
2 N 9TH ST
ALLENTOWN PA 18101

CITY STATE ZIP CODE

(DEPARTMENT USE ONLY)
DLN

ACCOUNT ID
(CORPORATE BOX NUMBER)

(DEPARTMENT USE ONLY)
Date Received

FEDERAL ID (EIN NUMBER)

MAKE ADDRESS CHANGES IN SPACE
ADDRESS

CITY STATE ZIP CODE

First Report Amended Report Last Report (out-of-existence as of _____)

ANNUAL PAYMENTS

TAX PERIOD ENDING
12/31/00

DUE DATE
03/15/01

Fill in corresponding self-assessed tax, prepayments, remittance amount and Grand Totals.

✓	T/C 01-15 TAX TYPE	REVENUE CODE		1. SELF-ASSESSED TAX	2. PREPAYMENTS*	3. REMITTANCE COLUMN 1 LESS COLUMN 2 POSITIVE (NEGATIVE)
		TYPE CODE	BUDGET CODE			
✓	GROSS RECEIPTS - Electric, Hydro-Electric Water Power	10	123102	102,779,364	104,397,403	(1,618,039)

*Note: Prepayments of tax for year ending 12/31/01 required. See Estimated Payment Coupon instruction on next page.

GRAND TOTALS 102,779,364 104,397,403 (1,618,039)

PLEASE CHECK THIS BLOCK ONLY IF THE TOTAL PAYMENT SHOWN ABOVE HAS BEEN (OR WILL BE) PAID BY ELECTRONIC FUNDS TRANSFER (EFT).

OVERPAYMENT INSTRUCTIONS (CHECK ONLY ONE BOX)

- A. Automatically transfer overpayments to other current tax period underpaid taxes and the remaining portion of the overpayment(s) to the next tax period.
- B. Automatically transfer \$ _____ of the current tax period overpayment(s) to the next tax period after paying any other current tax period underpaid taxes and refund the remaining portion of the current tax period overpayment(s).
- C. Refund the overpayment(s) of the current tax period after paying any other current tax period underpaid taxes.

I hereby affirm under penalties prescribed by law that this report (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true correct and complete report. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

Signature of Officer of Company <i>[Signature]</i>	Title VP & Controller	Date 05/14/2001	Telephone Number (610) 774-5353
PRINT Individual Preparer or Firm's Name	Signature of Preparer		
PRINT Individual or Firm's Street Address	Title	Telephone Number ()	
City State Zip Code	Date	Preparer's EIN, SSN or PTIN	

11200011040

11200012041

Instructions for RCT-112 Package**Imposition, Base and Rate**

This tax is imposed under the Act of March 4, 1971, P.L. 6 (No. 2), as amended. The utilities gross receipts tax is imposed on electric light companies, water power companies, and hydro-electric companies that do business in Pennsylvania (this includes electric distribution companies and electric generation suppliers). The utilities gross receipts is levied at the rate of 44 mills on each dollar of gross receipts. Gross receipts include gross receipts from the sale of energy in Pennsylvania. Sales of electric energy produced in Pennsylvania and sold outside Pennsylvania in any state that has taken action that results in higher costs for electric energy produced in that state and sold in Pennsylvania, unless that action has been rescinded, are subject to the tax. Out-of-state sales of electric energy in such states are apportioned to Pennsylvania by multiplying gross receipts from such states by a fraction, the numerator of which is the producer's operating and maintenance expenses in Pennsylvania and depreciation attributable to property in Pennsylvania and the denominator of which is the producer's total operating and maintenance expenses and depreciation. These are the only out-of-state sales that are taxable; all others are exempt. Additionally, the following sales of energy are exempt: (1) Sales for resale; (2) The portions of the gross receipts derived from the sale of electricity by an electric light company that are attributable to replacement energy costs, clean-up and decontamination costs, and investment write-off costs of a nuclear generating facility damaged as a result of an accident or natural disaster causing major damage; (3) Gross receipts derived from business done inside the limits of a municipality that owns or operates a public utility or furnishes the public utility service.

Retail sales of electric generation, transmission, distribution or supply of electric energy, dispatching services, customer services, competitive transition charges, intangible transition charges and universal service and energy conservation charges, and such other retail sales in this Commonwealth the receipts of which, if bundled, would have been deemed to be sales of electric energy prior to the effective date of the chapter shall be deemed sales of electric energy for purposes of section 1101 of the Tax Reform Code of 1971. The phrases "doing business in this Commonwealth" and "engaged in electric light and power business, waterpower business and hydro-electric business in the Commonwealth" as such terms are used in section 1101(b) of the Tax Reform Code of 1971 and in this chapter, shall be construed to include the direct and indirect engaging in, transacting or conducting of activity in this Commonwealth for the purpose of establishing or maintaining a market for the sales of electric energy and include obtaining a license or certification for the commission to supply electric energy. Retail sales of generation shall be deemed to occur at the meter of the retail customer.

Reports and Due Dates

This report is due on or before March 15 for the twelve months ended December 31 of the immediately preceding year. The time for filing the annual report may be extended up to a maximum of 60 days upon request. A penalty for late filing will be imposed based on the amount of settled tax: 10% of the first \$1,000, 5% of the next \$4,000, and 1% on excess of \$5,000. Penalty for late filing, where appropriate, will be assessed at the time of settlement. Mail this form with remittance payable to the Pennsylvania Department of Revenue to the following address: Pennsylvania Department of Revenue, Dept. 280407, Harrisburg, PA 17128-0407.

Included in Annual Report Package

RCT-112	Gross Receipts Tax Return- Electric Business	Estimated Payment Coupon
	Extension to File Coupon	Custom Refund/Transfer Request Coupon

Annual Payments

Page 1 of the RCT-112 provides an area to record the self-assessed tax from the tax report, any prepayments and any balance due or overpayment of tax. Payment must be postmarked no later than the due date. NO extension of time for payment is permitted. All late payments and untimely transfers will be subject to interest charges. Make remittance payable to the PA Department of Revenue and mail the report to the address shown on the tax report by using the envelope (E-140) provided in this package.

Tax payments of \$20,000 or more must be submitted by Electronic Funds Transfer. To participate in the EFT Program, the Department of Revenue FIRST must receive your completed Authorization Agreement. For EFT questions only, call 1 (800) 892-9816.

Overpayment Instructions

After completing the annual payment section on page 1 of form RCT-112, if an overpayment exists (the remittance column is less than zero), you must instruct the Department of Revenue as to how you want this overpayment to be transferred and/or refunded. You provide these instructions to the Department of Revenue by selecting only one of the options available in the "Overpayment Instructions" area of page 1. (YOU MUST SELECT ONE OF THESE OPTIONS if you have an overall overpayment of tax for the year being reported). Requests for refunds and/or transfers of overpayments in a year not covered by the annual report being filed should be made on the Custom Refund/Transfer Request Coupon provided in this package.

Taxpayers have three options for handling overpayments of tax in the current tax period. Check the block on Page 1, "Overpayment Instructions", which directs the Department to handle the overpayment for the current tax period as desired. TAXPAYERS MUST SELECT ONE OF THE OPTIONS LISTED BELOW:

- Any overpayment in the current tax period is transferred automatically to offset other underpaid taxes in the current tax period and the remaining portion of the credit is applied to the next tax period for Estimated Tax purposes.
- The amount of the overpayment to be transferred to the next tax period for Estimated Tax purposes must be entered. Any overpayment in the current tax period is transferred automatically to offset other underpaid taxes in the current year. Secondly, the amount of the overpayment to be applied to the next year will be transferred automatically. Finally, the remaining portion of the overpayment will be refunded.
- Any overpayment in the current tax period is transferred to offset automatically other underpaid taxes in the current tax period and the remaining portion of the overpayment will be refunded.

Estimated Payment Coupon

All accounts are expected to remit estimated prepayments toward a final liability which a corporation estimates due for the taxable year. The prepayment for Gross Receipts Tax is due on March 15 of the reporting year. Tax remaining due at the close of the taxable year must be paid by March 15th of the following year, without regard to extension of time to file the return. Should a corporation realize that the estimated tax is underpaid, additional payments should be submitted to minimize the underpayment penalty. The underpayment is measured against 90% of the tax reported due for the taxable year. However, if the final settled tax increases the self-reported tax by 10% or more, the underpayment will be measured against the settled tax. The period of underpayment is from the due date of the installment to either the date(s) the underpayment is paid, or the Safe Harbor is satisfied.

A corporation may avoid the imposition of interest if it timely pays the estimated tax at an amount equal to the liability in the second prior taxable year (Safe Harbor). This amount must be adjusted to reflect the estimated tax year's tax rate and law and must reflect the settled liability if it exceeds the self reported liability by 10% or more. Where the second prior year is a short period, the Safe Harbor is annualized. Second year corporations may use the immediate prior year (annualized if necessary) as the base year for the Safe Harbor.

Mail the Estimated Payment Coupon separately from all other forms in the enclosed return envelope (E-203).

Extension Request Coupon (Maximum 60 days permitted upon request.)

When an extension of time to file the annual report is desired, the Annual Extension Request Coupon must be filed by the original date in lieu of the annual report. There is no extension for payment of taxes. For this reason, the Annual Extension request must be used to make payment of taxes owed for the taxable year for which the extension is requested. Taxpayers making a payment with an extension request through Electronic Funds Transfer (EFT) are not required to submit the extension coupon.

Mail the Extension Coupon separately from all other forms in the enclosed return envelope (E-203).

Custom Refund/Transfer Request

Refunds: Requests for refund of overpayments from prior years or refunds of estimated tax payments in advance of filing the annual tax report must be submitted on the Custom Refund/Transfer Request.

Transfers: Use this coupon to transfer overpayments to or from tax periods prior to that covered by the current annual report.

NOTE: DO NOT DUPLICATE REQUESTS FOR REFUND AND TRANSFER ON RCT-112 and this coupon. Use the front page of RCT-112 for Refund and Transfers in the current tax period. Use this coupon for Refund and Transfers in prior tax periods.

Mail the Custom Refund/Transfer Request separately from all other forms in the enclosed return envelope (E-203).

If you have any questions, please contact the Specialty Tax Unit at (717) 783-6031.

11200012041

TAXPAYER NAME

ACCOUNT ID (BOX #)

Identify yourself as (check appropriate block):

ELECTRIC DISTRIBUTOR ELECTRIC SUPPLIER BOTH

INSTRUCTIONS FOR COLUMNS A - D BELOW

IF YOU ARE AN ELECTRIC DISTRIBUTOR:

- * COLUMNS A & B: Enter name(s) and DUNS number(s) of all suppliers.
- * COLUMN C: Report all gross receipts collected from combined billings and remitted to each supplier.
- * COLUMN D: Indicate kilowatt hours of service distributed but billed direct by each supplier.

IF YOU ARE AN ELECTRIC SUPPLIER:

- * COLUMNS A & B: Enter name(s) and DUNS number(s) of each electric distribution company that provided service on your behalf.
- * COLUMN C: Report all gross receipts collected by each distribution company from combined billings.
- * COLUMN D: Report all direct billed gross receipts.

COLUMN A	COLUMN B	COLUMN C	COLUMN D
DISTRIBUTOR / SUPPLIER NAME	DISTRIBUTOR/SUPPLIER DUNS #	GROSS RECEIPTS (COMBINED BILLINGS)	KILOWATT HOURS DELIVERED (distributor) DIRECT BILLED GROSS RECEIPTS (supplier)
ACN Energy, Inc.	797859832	796,167	24,341,932
Advanced Energy	014356463	76,386	2,316,964
Allegheny Energy Serv.	006979660	7,154,047	397,250,929
American Coops Svcs.	024277530	79	2,112
Connectiv Energy	006918882	865,237	57,186,455
DTE Edison America	017141503	37,598	1,023,928
DTE Energy Mktg.	040850653	4,546,790	220,253,494
Exelon Energy	964422547	27,404,170	1,198,168,110
First Energy Svcs.	192472751	20,192,953	855,728,369
FPL Energy Svcs.	794786665 NMK	284,969	10,749,218
GPU Advanced Res	223499243	2,599,967	94,849,006
Green Mountain Energy	176871481	1,443,830	36,595,316
New Energy Ventures	879723468	1,964,222	83,644,633
Niagara Mohawk	943322537	3,378,901	115,975,979
Penn Power Energy	016605599	112,624	3,722,526

CONTINUE ON REVERSE SIDE IF NEEDED

COLUMN A	COLUMN B	COLUMN C	COLUMN D
DISTRIBUTOR / SUPPLIER NAME	DISTRIBUTOR/SUPPLIER DUNS #	GROSS RECEIPTS (COMBINED BILLINGS)	KILOWATT HOURS DELIVERED (distributor) DIRECT BILLED GROSS RECEIPTS (supplier)
PG Energy Power Plus	079167763	8,740,977	278,586,925
Power Choice	942026311	1,712,472	85,785,862
PPL EnergyPlus	047414524	117,788,010	5,333,286,752
PSEG Energy Tech	859666612 PA	344,443	13,644,874
Rhoades Energy	009877838	24,565	633,899
Select Energy	178630257	1,555,353	59,167,066
Statoil Energy	177043684	205,201	13,956,800
Strategic Energy	800770810	1,500,140	61,394,844
UGI Energy Services	883504581	768,814	27,235,167
Utility.com	044275829	860,620	23,722,372
		204,358,535	8,975,531,160

Comments:

TAX COMPUTATION

Identify method of Accounting for Gross Receipts: Cash Accrual

(Answer all questions with appropriate figures, the use of the word "None" or such statement of facts as is responsive to the question.)

Gross Receipts from all sources \$ 3,117,490,024
 Gross Receipts within the state from all sources (Sum of Taxable and Non-taxable) \$ 2,611,688,696

GROSS RECEIPTS FROM	TAXABLE GROSS RECEIPTS	NON-TAXABLE GROSS RECEIPTS
sales of electric energy (not including sales for resale)	\$ 2,023,766,275	\$
sale of current for lighting, heating or power to other utilities or municipalities for the purpose of resale	\$ 26,287,900	\$ 305,284,747
charges for services rendered	\$	\$ 220,108
consumer's forfeited discounts and penalties	\$ 5,533,103	\$
sales to Federal Government	\$	\$
capacity charges	\$	\$ 126,427,566
standby charges	\$	\$ 11,862,531
demand charges	\$	\$
all other sources. List separately. (attach separate sheet if additional space is needed)		
a. SEE ATTACHED SCHEDULE	\$	\$ 112,306,466
b.	\$	\$
c.	\$	\$
d.	\$	\$
e.	\$	\$
f.	\$	\$
g.	\$	\$
h.	\$	\$
Total Gross Receipts Within The State	\$ 2,055,587,278	\$ 556,101,418

COMPUTATION BY TAXPAYER

GROSS RECEIPTS TAXABLE for the period covered by this report \$ 2,055,587,278
 Tax at the rate of 44 mills \$ 90,445,840
 Revenue-Neutral Reconciliation-add .6% (.006) \$ 12,333,524
 Self Assessed Tax (Enter this amount on page 1 self-assessed tax) \$ 102,779,364

PA Department of Revenue
 Dept. 280407
 Harrisburg, Pennsylvania
 17128-0407

11200016045

SETTLEMENT PAGE
 PENNSYLVANIA GROSS RECEIPTS TAX
 ELECTRIC, HYDRO-ELECTRIC
 AND WATER POWER COMPANIES

BUREAU USE ONLY

RCT
 PAC
 T/C

MAILING INSTRUCTIONS If Settlement Notice Should Be Mailed To Address Other Than That On Front, Fill In New Address In Block To Left.	Received
	Mailed
	DLN
	ACCOUNT ID
TAX PERIOD ENDING	
12-31-00	

← NAME

← STREET

← CITY
 STATE
 ZIP CODE

**SETTLEMENT - GROSS RECEIPTS TAX
 (Official)**

WHITE

OTHER

Tax on GROSS RECEIPTS for the 12 months ended **December 31, 2000**

GROSS RECEIPTS TAXABLE _____ \$ _____

Tax at the rate of 50 (.050) mills _____

Penalty (for failure to file report within time limit prescribed by law) _____

TYPE OF TAX

10

SELF ASSESSED TAX

TAX DEBIT OR CREDIT

TOTAL TAX

PENALTY DEBIT 21

DEPARTMENT OF REVENUE

Harrisburg, PA _____

SETTLED AND DELIVERED TO AUDITOR GENERAL:

(FOR THE SECRETARY OF REVENUE)

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA _____

AUDITED AND APPROVED:

(FOR THE AUDITOR GENERAL)

11200016045

PPL Electric Utilities Corporation
2000 Gross Receipts Tax Return

<u>Receipts from all other sources:</u>	<u>Total</u>
Rent - General	\$485,217
Other Electric Revenue Rent-Supply Agreement	121,308
Rent-Attachments and Joint Use	15,744,909
Other Electric Revenue-Supply Agreement	78,000
Other Electric Revenue - General	46,351,627
Other Electric Revenue-Supply Agreement	739,390
Other Electric Revenue - Affiliate Transactions	(56,499)
Recreational facilities - Hydro Projects	248,961
Rental of Equipment	140,783
Other Electric Revenue - Options	11,114,018
Revenue-Merchandising, Jobbing, Contract Work	21,339,238
Revenue-Merchandising	96,648
Non-Operating Rental Income	40,938
Interest & Dividend Income Associated Companies	9,315,787
Interest & Dividend Income-Marketable Securities	191
Interest & Dividend Income-Temp Cash Investments	736,175
Interest & Dividend Income-Tax Exempt Income	535,390
Interest & Dividend Income-Miscellaneous	3,910,535
Miscellaneous Nonoperating Income	1,363,650
Miscellaneous Nonoperating Income	200
Total	<u><u>\$112,306,466</u></u>

Bureau of Corporation Taxes
DEPT. 280705
HARRISBURG, PA 17128-0705

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

SCHEDULE D
PAGE 10



REV-50 CT AFP (5-95)

APR 09 2001

PPL ELECTRIC UTILITIES
TAX SECTION TW 10
2 N 9TH ST
ALLENTOWN PA 18101

Annual Extension....***APPROVED***
Length of Extension. 60 DAYS

Box Number.....0280 166
EIN 23-0959590
Annual Due Date.....04-15-01
Date of Request.....03-14-01
Tax Year Ending.....12-00

Dear Taxpayer,

This notice acknowledges and approves your application for the extension of time to file as indicated above. If a 180-day extension has been approved, a copy of Federal Form 7004 must be filed with your annual tax return. Failure to include the Federal Form 7004 can result in the imposition of penalties for late filing.

Please include a copy of this notice with your annual report when filed. If your tax report is prepared by a practitioner, please provide your practitioner with this notice.

Thank you for your cooperation.

Sincerely,

Bureau of Corporation Taxes
Extension Unit

PPL ELECTRIC UTILITIES CORPORATIONComputation of Revenues from Service Under
Rates Subject to Jurisdiction of
Pennsylvania Public Utility CommissionCalendar Year 2000

1. Revenues from sales of electricity	\$2,910,050,589
2. Add - Delayed Payment Charges	<u>5,533,103</u>
3. Sub-total	2,915,583,692
4. Less - Revenues from service under rates subject to jurisdiction of Federal Energy Regulatory Commission	<u>838,835,618</u>
5. Revenues from service under rates subject to jurisdiction of Pennsylvania Public Utility Commission	<u><u>\$2,076,748,074</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Computation of Revenues from Service Under
Rates Subject to Jurisdiction of
Pennsylvania Public Utility Commission
For Twelve Months Ended December 31, 2000

<u>Month</u>	(A) Base Rate Revenue	(B) Delayed Payment Charge	(C) (A)+(B) PUC Jurisdictional Sales
January 2000	\$188,489,233	\$482,924	\$188,972,157
February	170,885,169	591,674	171,476,843
March	179,665,659	516,057	180,181,716
April	148,287,837	317,135	148,604,972
May	160,306,114	473,422	160,779,536
June	164,841,549	383,437	165,224,986
July	163,618,504	398,178	164,016,682
August	171,095,722	554,570	171,650,292
September	171,272,797	429,325	171,702,122
October	169,621,433	451,882	170,073,315
November	166,655,863	471,649	167,127,512
December	216,475,091	462,850	216,937,941
Total	<u>\$2,071,214,971</u>	<u>\$5,533,103</u>	<u>\$2,076,748,074</u>

PPL ELECTRIC UTILITIES CORPORATION

Projected Revenues from Service Under
Rates Subject to Jurisdiction of
Pennsylvania Public Utility Commission
For the Application Period January 1, 2002 to December 31, 2002

<u>Month</u>	(A) Base Rate <u>Revenue</u>	(B) Delayed Payment <u>Charge</u>	(C) (A)+(B) PUC Jurisdictional <u>Sales</u>
January 2002	\$231,959,767	\$554,000	\$232,513,767
February	235,041,961	561,000	235,602,961
March	222,558,186	531,000	223,089,186
April	207,642,061	495,000	208,137,061
May	182,137,123	435,000	182,572,123
June	196,534,358	469,000	197,003,358
July	206,737,837	493,000	207,230,837
August	210,983,493	503,000	211,486,493
September	200,940,660	479,000	201,419,660
October	196,594,617	469,000	197,063,617
November	203,604,206	486,000	204,090,206
December	219,661,186	525,000	220,186,186
Total Projected Revenue	<u>\$2,514,395,455</u>	<u>\$6,000,000</u>	<u>\$2,520,395,455</u>

PPL ELECTRIC UTILITIES CORPORATION
 Pennsylvania Tax Adjustment Surcharge
 Reconciliation - Revenue Per Schedule D (Gross Receipts Tax)
 and Schedule E (Revenue from Service Under Pa. P.U.C. Jurisdiction)
With Books and FERC Form 1 - 2000

Schedule F

<u>Line No.</u>	<u>Reference FERC Form 1</u>	<u>Revenue per Books-2000</u>
Schedule D		
1	Sale of Electricity Page 300: Line 14	\$2,933,536,050
2	Unbilled revenue included in above Company Records	23,485,461
3	Sale of Electricity (net of unbilled revenue)	2,910,050,589
Other Operating Revenue:		
4	Delayed Payment Charge Page 300: Line 16	5,533,103
5	Other Page 300: Line 17-21	241,177,698
6	Unbilled Revenues	23,485,461
7	Total Page 300: Line 27	3,180,246,851
Less:		
8	Interdepartmental Sales Page 300: Line 9	0
9	Bad Debts Company Records	22,850,725
10	Change in Accounts Receivable Company Records	24,045,641
11	Other Revenue As Above	241,177,698
Non-Taxable FERC Revenue		
12	Citizens Electric Page 310.1/311.1: Line 12	5,807,357
13	Baltimore Gas & Elec. Page 310.2/311.2: Line 3&4	33,286,525
14	Jersey Central Power Page 310.2/311.2: Line 5&6	14,452,017
15	Other Companies Page 310.8/311.8: Line 3	738,249,991
16	Pa-NJ-Md Interconnection Page 310.8/311.8: Line 4	20,751,828
17	Non-Taxable PUC Revenue (Borderline-Total) Page 310/311: Line 2-5	552,330
18	Unbilled Revenue As Above	23,485,461
19	Total (Lines 8 through 21)	1,124,659,573
20	Gross Receipts Tax Base (Line 7 - Line 19)	2,055,587,278
21	Less: "FERC Other" Taxable Revenue Company Records	26,287,900
22	Tax Base - Revenue Subject to PUC Jurisdiction	\$2,029,299,378
Schedule E		
23	Sale Of Electricity (Line 3)	\$2,910,050,589
24	Delayed Payment Charge (line 4)	5,533,103
Less: FERC Revenue:		
25	Citizens Electric (Line 12)	(5,807,357)
26	Baltimore Gas & Elec. (Line 13)	(33,286,525)
27	Jersey Central Power (Line 14)	(14,452,017)
28	Other Companies (Line 15)	(738,249,991)
29	Pa-NJ-Md Interconnection (Line 16)	(20,751,828)
30	FERC other (Line 21)	(26,287,900)
31	Revenue-PUC Jurisdictional Sales (Schedule E, Line 5)	2,076,748,074
Reconcile to Schedule D:		
Elimination of Non-taxable Items		
32	Bad Debts (Line 9)	(22,850,725)
33	PUC Revenue (Line 17)	(552,330)
34	Interdepartmental Sales (line 8)	0
35	Tax Base (Schedule D, Line 5)	\$2,053,345,019

PPL ELECTRIC UTILITIES CORPORATION

Reconciliation of State Tax Adjustment Surcharge
for the Period January 1, 2001 through December 31, 2001

	<u>Amount</u>	<u>Schedule Number</u>
1. Capital Stock Tax	(\$11,505,433)	A
2. Corporate Net Income Tax	-	B 1/
3. Utility Realty Tax	(2,460,210)	C
4. Gross Receipts Tax	<u>-</u>	D
5. Total of Lines 1, 2, 3, and 4	(13,965,643)	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	<u>(2,444,217)</u>	D
7. Total of Lines 5 and 6	<u><u>(\$16,409,860)</u></u>	
8. Revised Tax Liability for the period January 1,2001 through December 31, 2001 (Line 7 divided by complement of Gross Receipts Tax Rate (.957))	(\$17,147,189)	
9. STAS Revenue Collections	<u>(16,699,975)</u>	E
10. (Over)/Under Collection (Line 8 minus Line 9)	<u><u>(\$447,214)</u></u>	

1/ Not applicable to this filing.

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax Adjustment
(Electric Department)

1. Value of capital stock (Per official settlement dated September 30, 1999 attached, Schedule A, Page 3) (Value per settlement of \$2,855,237,793 plus 1997 statutory exemption of \$125,000)	\$2,855,362,793
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statutory exemption	2,855,237,793
4. Apportionment percentage	<u>0.920426</u>
5. Taxable value of capital stock	2,628,035,101
6. Tax rate - 2001 (7.49 mills)	<u>0.00749</u>
7. Pa. capital stock tax based on new tax rate - 2001	19,683,983
8. Pa. capital stock tax (Based on 1997 settled value and 1998 tax rates)	<u>31,510,141</u>
9. Tax decrease - 2001	(11,826,158)
10. PUC jurisdictional allocation factor	<u>0.97288</u>
11. Allocated tax decrease - 2001	<u><u>(\$11,505,433)</u></u>

Bureau of Corporation Taxes
DEPT. 280703
HARRISBURG, PA 17128-0703

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

REPORT RECEIVED 09/29/98

SCHEDULE A
PAGE 2



OFFICIAL NOTICE OF SETTLEMENT

REV-57 CT APP (9-96)

PA ACCOUNT ID: 0280-166
TAXABLE YEAR: 01/01/97 TO 12/31/97
DLN: 98-7-43317

PP & L INC
TAX SECTION TW 10
2 N 9TH ST
ALLENTOWN PA 18101

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----
TAX AS REPORTED AS SETTLED
33,507,448 33,507,448

----- SECTION B - LOANS TAX -----
TAX AS REPORTED AS SETTLED
17,213 17,213

----- SECTION C - CORPORATE NET INCOME TAX -----
TAX AS REPORTED AS SETTLED
52,931,791 52,931,791

DEPARTMENT OF REVENUE
SANDY SCOTT

MAILING DATE

AUDITED AND APPROVED BY
DEPARTMENT OF AUDITOR GENERAL
BRYAN MYERS

09/21/99

09/30/99

09/29/99

IF YOU DISAGREE WITH THIS SETTLEMENT, IT WILL BE NECESSARY TO FILE A PETITION FOR RESETTLEMENT WITH THE BOARD OF APPEALS, DEPT. 281021, HARRISBURG, PA 17128-1021 WITHIN 90 DAYS OF THE SETTLEMENT MAILING DATE. PLEASE FORWARD A COPY OF THIS DOCUMENT WITH YOUR PETITION.

LOANS AND CNI SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:

- D4 INCLUDE DIVIDENDS RECEIVED AND EXCLUDE INCOME/LOSS OF SUBSIDIARIES.
- F1 USE CONSOLIDATED NET WORTH.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/93 TO 12/31/93		344,917,249	PY
01/01/94 TO 12/31/94		248,336,852	PY
01/01/95 TO 12/31/95		324,596,820	PY
01/01/96 TO 12/31/96		353,296,416	PY
01/01/97 TO 12/31/97	345,010,976		D4
TOTAL BOOK INCOME		1,616,158,313	
AVERAGE NET INCOME	323,231,663	323,231,663	
EQUITY YEAR ENDING	3,077,716,037		F1
EQUITY YEAR BEGINNING	3,083,111,406	3,083,111,406	PY
NET WORTH	3,077,716,037	3,077,716,037	
CAPITAL STOCK VALUE	2,855,237,793	2,855,237,793	
APPORTIONMENT PROPORTION	.920426	.920426	
CAPITAL STOCK/FRANCHISE TAX	33,507,448	33,507,448	

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA	
PROPERTY FACTOR - TOTAL	
PAYROLL FACTOR - PA	
PAYROLL FACTOR - TOTAL	
SALES FACTOR - PA	
SALES FACTOR - TOTAL	
SINGLE FACTOR - NUMERATOR	8,560,965,614
SINGLE FACTOR - DENOMINATOR	9,301,086,405

----- SECTION B - LOANS TAX -----

INDEBTEDNESS	4,337,621	
LOANS TAX	17,213	17,213

----- SECTION C - CORPORATE NET INCOME TAX -----

NET INCOME	503,620,712	
DIVIDENDS	26,181,583	
US INTEREST		
OTHER		
TOTAL DEDUCTIONS	26,181,583	26,181,583
INCOME TAXES	52,945,870	
TAX PREFERENCE ITEMS	432,307-	
EIP ADJUSTMENTS		
OTHER		
TOTAL ADDITIONS	52,513,563	52,513,563
ADJUSTED INCOME	529,952,692	529,952,692
TOTAL NONBUSINESS INCOME		
INCOME TO BE APPORTIONED		529,952,692
APPORTIONMENT PROPORTION	.999802	.999802
PA APPORTIONED INCOME		529,847,761
PA NONBUSINESS INCOME		
INCOME PRIOR TO NL DEDUCTION	529,847,761	529,847,761
NET LOSS DEDUCTION	0	0
PA TAXABLE INCOME		529,847,761
CORPORATE NET INCOME TAX	52,931,791	52,931,791

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA	10,456,612,488
PROPERTY FACTOR - TOTAL	10,457,197,136
PAYROLL FACTOR - PA	384,331,466
PAYROLL FACTOR - TOTAL	384,614,889
SALES FACTOR - PA	1
SALES FACTOR - TOTAL	1
SINGLE FACTOR - PA	
SINGLE FACTOR - TOTAL	

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR		
12-31-89	0		
12-31-90	0		
12-31-91	0		
12-31-92	0		
12-31-93	0		
12-31-94	0	12-31-94	0 PY
12-31-95	0	12-31-95	0 PY
12-31-96	0	12-31-96	0 PY
		12-31-97	0

PPL ELECTRIC UTILITIES CORPORATION

Pennsylvania Public Utility Realty Tax Adjustment
(Electric Department)

1. Total plant taxable value at December 31, 1998 (per report due April 15, 1999 - attached, Schedule C, Page 7)	\$451,241,209	
2. Less: Taxable value of generating plant at December 31, 1998 (per report due April 15, 1999 - attached, Schedule C, Page 9)	<u>(266,713,084)</u>	
3. Taxable value of T&D plant at December 31, 1998	<u>184,528,125</u>	
4. Pa. Public Utility Realty Tax (Based on applied rate of 42 mills)		\$7,750,181
5. Total plant taxable value at December 31, 1999 (per Notice of Determination dated August 1, 2000 - attached, Schedule C, Page 3)	\$285,032,445	
6. Less: Taxable value of generating plant at December 31, 1999 (Schedule C, Page 4)	<u>(115,975,549)</u>	
7. Taxable value of T&D plant at December 31, 1999	<u>169,056,896</u>	
8. Pa. Public Utility Realty Tax (Based on applied rate of 30.8854 mills per Notice of Determination dated August 1, 2000- attached, Schedule C, Page 3)		<u>5,221,390</u>
9. Decrease in Pa. Public Utility Realty Tax		(2,528,791)
10. PUC jurisdictional allocation factor		<u>0.97288</u>
11. Allocated tax decrease - 2001		<u>(\$2,460,210)</u>

BUREAU OF CORPORATION TAXES
PURTA UNIT
DEPT. 280704
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

SCHEDULE
PAGE 2



Mailing Date:
August 1, 2000

PENNSYLVANIA POWER & LIGHT CO
TAX SECTION TW 10
2 N 9TH STREET
ALLENTOWN PA 18101

**Re: 1999 Pennsylvania Public Utility Realty Tax
Notice of Determination
Amended per Act 4 of 1999 & Act 23 of 2000**

Dear Taxpayer:

Pursuant to the changes made to the Public Utility Realty Tax, as amended in Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable value of PURTA realty, the millage rate and transition credit applicable to tax year 1999. Notice is also given of the adjusted state taxable value, millage rate adjustment factor and transition credit for tax year 1998 based on information filed by utilities as of 5/1/2000.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Payments or credits previously submitted toward your 1999 PURTA account should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to:

**PURTA UNIT
Bureau of Corporation Taxes
Dept. 280704
Harrisburg, PA 17128-0704**

Thank you for your attention to this matter.

Sincerely,

Thomas S. Rominiecki
Director

1999 & 1998 NOTICES

Account Id 3500-090

1999

1999 PURTA/PTA Tax Determination: \$8,803,341
1999 Transitional Credit: \$0

1998

Increase or (Decrease) to 1998 PURTA/PTA Tax Determination: (\$3,757,924)
1998 Transitional Credit: \$0

PLEASE SEE REVERSE SIDE FOR DETAIL



Mailing Date:
 August 1, 2000

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500-090

Computation

Tax Year 1999 Detail

1)	1999 Realty Tax Equivalent (RTE):	\$61,041,787	
2)	1999 Total State Taxable Value (STV) for all utilities:	\$2,621,466,274	
3)	1999 PURTA Millage Rate (including 7.6 mills for Public Transportation Act):	30.8854 mills	
	* [1999 RTE (Line 1) / 1999 STV (Line 2)] + 7.6 mills		
4)	1999 STV for Utility:	\$285,032,445	
5)	1999 Liability (Line 3 x Line 4):	\$8,803,341	TC 04
6)	1999 Transition Credit:	\$0	TC 13

Tax Year 1998 Detail

1)	1998 Realty Tax Equivalent (RTE):	\$133,200,000	
2)	1998 Total State Taxable Value (STV) for all utilities as determined 11/1/99:	\$2,402,948,870	
3)	1998 Millage Rate as determined 11/1/99:	63.0319 mills	
	* [1998 RTE (Line 1) / 1998 STV (Line 2)] + 7.6 mills		
4)	1998 State Taxable Value (STV) for Utility as determined 11/1/99:	\$267,733,771	
5)	1998 Compensating Adjustment for Utility:	(\$51,371,080)	
6)	1998 Clean Up Adjustment for Utility:	(\$70,080)	
7)	1998 Adjusted STV for Utility (Line 4 + Line 5 + Line 6)	\$216,292,611	
8)	Change to 1998 Liability per Compensating & Clean-up Adjustments ((Line 5 +Line 6) x Line 3):	(\$3,242,434)	
9)	1998 Compensating Adjustment for all Utilities:	\$16,692,154	
10)	1998 Clean Up Adjustment for all Utilities:	\$91,264,647	
11)	1998 Adjusted Total State Taxable Value (STV) for all utilities (Line 2 + Line 9 + Line 10):	\$2,510,905,671	
12)	1998 Adjusted Millage Rate	60.6486 mills	
	* [1998 RTE (Line 1) / 1998 Adjusted STV (Line 11)] + 7.6 mills		
13)	Millage Rate Adjustment Factor (Line 12 - Line 3):	-2.3833 mills	
14)	Change made to 1998 Liability per Millage Rate Adjustment Factor (Line 7 x Line 13):	(\$515,490)	
15)	Total Adjustment to 1998 Liability for Utility (Line 8 + Line 14):	(\$3,757,924)	TC 05
16)	1998 Transition Credit:	\$0	TC 13

The Transition Credit is reflected on the attached account review. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

If you do not agree with this Notice, you may file a Petition for Recalculation with the Board of Finance and Revenue which must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within thirty (30) days of the mailing date. Address the petition to: Board of Finance and Revenue, Harrisburg, PA 17128-1021.

PPL ELECTRIC UTILITIES CORPORATION

Pennsylvania Public Utility Realty Tax Adjustment
Taxable Value of Generating Plant at December 31, 1999

<u>Generating Station</u>	<u>County</u>	<u>Taxable Value</u>
Brunner Island	York	\$ 5,961,005
Conemaugh	Indiana	1,079,277
Holtwood	Lancaster	12,470,760
Keystone	Indiana	947,974
Lake Wallenpaupack	Pike/Wayne	2,594,302
Martins Creek	Northampton	6,500,000
Mountour	Montour	12,448,089
Susquehanna	Luzerne	73,142,739
Various Combustion Turbines	Various	<u>831,403</u>
Total		<u>\$ 115,975,549</u>

ACT-127 (9-98)



PA Department of Revenue
Dept. 280407
Harrisburg, Pennsylvania 17128-0407

Commonwealth of Pennsylvania
**PUBLIC UTILITY REALTY
TAX REPORT**

1998

DLN

Date Received

NAME/ ADDRESS PP&L, INC. TWO NORTH NINTH STREET ALLENTOWN, PA 18101	ACCOUNT ID (PURTA BOX NUMBER) 3 5 0 0 - 0 9 0	
	FEDERAL ID (EIN) 2 3 - 0 9 5 9 5 9 0	
	MAKE ADDRESS CHANGES IN SPACE BELOW	
	ADDRESS	
CITY	STATE	ZIP CODE

First Report Amended Report Last Report (out of existence as of)

ANNUAL PAYMENTS TAX PERIOD **12/31/98** DUE DATE **04/15/99**

Fill in corresponding self-assessed tax, remittance amount and Grand Totals.

TAX TYPE	T/C 01-15	REVENUE USE ONLY		1. SELF-ASSESSED TAX	2. PREPAYMENTS	3. REMITTANCE COLUMN 1 LESS COLUMN 2 POSITIVE (NEGATIVE)
		TYPE CODE	BUDGET CODE			
✓ PUBLIC UTILITY REALTY TAX		20	124101	18,952,131	37,878,709	(18,926,578)
GRAND TOTALS				18,952,131		(18,926,578)

PLEASE CHECK THIS BLOCK ONLY IF THE TOTAL PAYMENT SHOWN ABOVE HAS BEEN (OR WILL BE) PAID BY ELECTRONIC FUNDS TRANSFER (EFT)

OVERPAYMENT INSTRUCTIONS (CHECK ONLY ONE BOX)

- A. Automatically transfer overpayments to other current tax period underpaid taxes and the remaining portion of the overpayment(s) to the next tax period.
- B. Automatically transfer \$ _____ of the current tax period overpayment(s) to the next tax period after paying any other current tax period underpaid taxes and refund the remaining portion of the current tax period overpayment(s).
- C. Refund the overpayment(s) of the current tax period after paying any other current tax period underpaid taxes.

I hereby affirm under penalties prescribed by law that this report (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a correct and complete report. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

Signature of Officer of Company <i>[Signature]</i>	Title VP & CONTROLLER	Date 4/14/99	Telephone Number (610) 774-5646
PRINT Individual Preparer or Firm's Name S. D. MCDANIEL	Signature of Preparer		
PRINT Individual or Firm's Street Address TWO NORTH NINTH STREET	Title ACCOUNTING ANALYST	Telephone Number (610) 774-5032	
City	State	Zip Code	Date
			Preparer's EIN or SSN

Imposition, Base and Rate

This tax is imposed under the Tax Reform Code, Sec. 1102-A. The public utilities realty tax (commonly called PURTA) is imposed on public utilities. A public utility, which is not limited to corporations, is defined as follows: "Any person, partnership, association, corporation or other entity furnishing public utility service under the jurisdiction of the Pennsylvania Public Utility Commission or the corresponding regulatory agency of any other state or of the United States and any electric cooperative corporation, municipality or municipality authority furnishing public utility service, but shall not mean any public utility furnishing public utility sewage services; or municipality or municipality authority furnishing public utility services". The tax is imposed at a rate of 42 mills on the realty (lands, buildings, structures and enclosures however designated) located within this Commonwealth and owned by a public utility either directly or through a subsidiary, which are used or are in the course of development or construction for use, in the furnishing, including producing, storing, distributing, transporting, of public utility service. The state taxable value is the cost of utility realty, less reserves for depreciation and depletion, as shown on the book account of a public utility; provided that for any public utility which was not required to record annual depreciation on its utility prior to enactment of Section of the Public Utility Law (P.L. 1053) May 28, 1937, the depreciation deduction prescribed in this definition shall be the book reserve or fifty percent of the book cost, whichever is greater. The following are exempt: (1) machinery and equipment, (not determined under any county assessment law; all structures and enclosures, however designated, are taxable), (2) easements or similar interests, (3) railroad rights-of-way and super-structures thereon, (4) pole, transmission tower, pipe, rail or other lines, whether or not attached to land or to any structure or enclosure; (5) such realty as is subject to local real estate taxation under any in effect on April 23, 1968.

All utilities must complete Table A of the tax report summarizing by county end of year book values of all public utility realty property used, or in the course of development for use, in furnishing public utility service. Electric utilities must include electric generation realty in Table A. Electric utilities must also complete Table B Insert Sheet itemizing by county electric generation assets only.

Reports and Due Dates

This report is due on or before April 15 following the end of the calendar year for which it is filed. The time for filing the annual report may be extended without penalty for late filing will be imposed based on the amount of tax: 10% of the first \$1,000, 5% of the next \$4,000, and 1% on excess of \$5,000. Penalty for late filing, where appropriate, will be assessed at the time of settlement. Mail this form with remittance payable to the PA Department of Revenue, Dept. 28041 Harrisburg, PA, 17128-0407.

Included in Annual Report Package

RCT-127	Public Utility Realty Tax Report	Extension to File Coupon
	Estimated Payment Coupon	Custom Refund/Transfer Request Coupon

Annual Payments

Page 1 of the RCT-127 provides an area to record the self-assessed tax from the tax report, any prepayments and any balance due or overpayment of tax.

Payment must be postmarked no later than the due date. NO extension of time for payment is permitted. All late payments and untimely transfers will be subject to interest charges. Make remittance payable to the PA Department of Revenue and mail the report to the address shown on the tax report by using the envelope (E-140) provided in this package. Effective January 1, 1994, any tax payment of \$20,000 or more must be submitted by Electronic Funds Transfer. To participate in the EFT Program, the Department of Revenue FIRST must receive your completed Authorization Agreement. For EFT questions only, call (800) 892-9816.

Overpayment Instructions

After completing the annual payment section on Page 1 of form RCT-127, if an overpayment exists (the remittance column is less than zero), you must instruct the Department of Revenue as to how you want this overpayment to be transferred and/or refunded. You provide these instructions to the Department of Revenue by selecting only one of the options available in the "Overpayment Instructions" area of Page 1. (YOU MUST SELECT ONE OF THESE OPTIONS if you have an overall overpayment of tax for the year being reported). Requests for refunds and/or transfers of overpayments in a year not covered by the annual report being filed should be made on the Custom Refund/Transfer Request Coupon provided in this package.

Taxpayers have three options for handling overpayments of tax in the current tax year. Check the block on Page 1, "Overpayment Instructions", which directs the Department to handle the overpayment for the current tax year as desired. TAXPAYERS MUST SELECT ONE OF THE OPTIONS LISTED BELOW

- A. Any overpayment in the current tax year is transferred automatically to offset other underpaid taxes in the current tax year and the remaining portion of the credit is applied to the next tax year for Estimated Tax purposes.
- B. The amount of the overpayment to be transferred to the next tax year for Estimated Tax purposes must be entered. Any overpayment in the current tax year is transferred automatically to offset other underpaid taxes in the current year. Secondly, the amount of the overpayment to be applied to the next year will be transferred automatically. Finally, the remaining portion of the overpayment will be refunded.
- C. Any overpayment in the current tax year is transferred to offset automatically other underpaid taxes in the current tax year and the remaining portion of the overpayment will be refunded.

Estimated Payment Coupon

All accounts are expected to remit estimated prepayments toward a final liability which a corporation estimates due for the taxable year. The prepayment for Public Utility Realty Tax is due by April 15 of the reported year. Tax remaining due at the close of the taxable year must be paid by April 15th of the following year, without regard to extension of time to file the return. Should a corporation realize that the estimated tax is underpaid, additional payments should be submitted to minimize the underpayment penalty. The underpayment is measured against 90% of the tax reported due for the taxable year. However, if the final settled tax increases the self-reported tax by 10% or more, the underpayment will be measured against the settled tax. The period of underpayment is from the due date of the installment to either the date(s) the underpayment is paid, or the Safe Harbor is satisfied.

A corporation may avoid the imposition of interest if it timely pays the estimated tax at an amount equal to 90% of the tax of the immediate prior year (Safe Harbor). This amount must be adjusted to reflect the estimated tax year's tax rate and law and must reflect the settled liability if it exceeds the self reported liability by 10% or more. Where the prior year is a short period, the Safe Harbor is annualized.

Mail the Estimated Payment Coupon separately from all other forms in the enclosed return envelope (E-203).

Extension Request Coupon

When an extension of time to file the annual report is desired, the Annual Extension Request Coupon must be filed by the original date in lieu of the annual report. There is no extension for payment of taxes. For this reason, the Annual Extension request must also be used to make payment of taxes owed for the taxable year for which the extension is requested. Taxpayers making a payment with an extension request through Electronic Funds Transfer (EFT) are not required to submit the extension coupon. Note that a Federal Form 7004 must accompany your annual report should the extension be selected.

Mail the Extension Coupon separately from all other forms in the enclosed return envelope (E-203).

Custom Refund/Transfer Request

Refunds: Requests for refund of overpayments from prior years or refunds of estimated tax payments in advance of filing the annual tax report must be submitted on the Custom Refund/Transfer Request.

Transfers: Use this coupon to transfer overpayments to or from tax years prior to that covered by the current annual report.

NOTE: DO NOT DUPLICATE REQUESTS FOR REFUND AND TRANSFER ON RCT-127 and REV-427. Use the front page of RCT-127 for Refund and Transfers in the current tax year. Use REV-427 for Refund and Transfers in prior tax years.

Commonwealth of Pennsylvania
1998 Public Utility Realty Tax Report

PP&L, Inc.
Account ID: 3500-090

Table A

County Summary of Public Utility Realty Realty
To Be Completed by All Utilities

Line Reference County Property Location	Item 1	Item 2	Item 3	Item 4	Item 5
	Column A, Line 1C Book Cost Land	Column A, Line 1D Book Depletion Reserve	Column B, Line 1C Book Cost Other Utility Realty	Column B, Line 1D Book Depreciation Reserve	Line 2 Net Book Value Items (1-2) + (3-4)
Armstrong	500,715		12,455,835	8,182,852	4,773,698
Berks	246,756		9,802,244	5,267,271	4,781,728
Bucks	174,504		1,482,913	493,561	1,163,856
Carbon	284,821		664,623	268,646	680,798
Chester	26,446		127,681	51,610	102,517
Clinton	95,504		2,039,545	732,824	1,402,225
Columbia	175,112		972,044	392,909	754,247
Cumberland	2,199,489		5,913,256	1,979,061	6,133,684
Dauphin	1,901,973		10,512,137	3,578,566	8,835,544
Indiana	252,464		17,193,117	11,367,440	6,078,141
Juniata	50,829		1,798,459	726,953	1,122,335
Lackawanna	893,215		28,065,322	8,648,627	20,309,910
Lancaster	2,416,071		35,999,291	17,403,028	21,012,334
Lebanon	6,628		113,801	46,000	74,429
Lehigh	3,156,184		62,620,080	18,818,224	46,958,040
Luzerne	3,836,621		1,056,047,452	864,580,023	195,304,050
Lycoming	470,776		9,336,056	3,022,631	6,784,201
Monroe	798,630		10,452,823	3,509,964	7,741,489
Montgomery	290,494		4,356,919	1,437,501	3,209,912
Montour	597,019		54,151,180	35,003,008	19,745,191
Northampton	1,377,294		97,978,133	63,433,517	35,921,910
Northumberland	173,245		3,911,980	1,252,865	2,832,360
Perry	119,665		5,319,028	1,549,473	3,889,220
Pike	1,082,848		13,906,379	6,359,080	8,630,147
Schuylkill	545,959		7,382,892	2,516,517	5,412,334
Snyder	206,065		42,572,283	28,166,688	14,611,660
Susquehanna	5,833		188,121	76,040	117,914
Union	91,963		389,495	157,437	324,021
Wayne	942,337		2,234,928	707,689	2,469,576
York	560,404		59,833,569	40,330,237	20,063,736
Total	23,479,866	0	1,557,821,585	1,130,060,242	451,241,209

Insert

Commonwealth of Pennsylvania
1998 Public Utility Realty Tax Report

Taxpayer Name: PP&L, Inc.
3500-090

Account ID (PURTA Box Number): 3500-090

Table B

County Summary of Electric Generating Assets Only
To Be Completed by Electric Utilities Only

County Property Location	Column 1 Book Cost Land	Column 2 Book Depletion Reserve	Column 3 Book Cost Other Utility Realty	Column 4 Book Depreciation Reserve	Column 5 Net Book Value Items (1-2) + (3-4)
Armstrong	500,715	-	12,455,933	8,182,919	4,773,729
Berks	-	-	7,765,169	4,549,485	3,215,684
Bucks	-	-	-	-	-
Carbon	-	-	-	-	-
Chester	-	-	-	-	-
Clinton	-	-	168,659	151,321	17,338
Columbia	-	-	-	-	-
Cumberland	-	-	51,652	46,342	5,310
Dauphin	-	-	28,601	25,661	2,940
Indiana	251,765	-	17,105,676	11,343,525	6,013,916
Juniata	-	-	-	-	-
Lackawanna	-	-	-	-	-
Lancaster	565,669	-	21,502,185	12,547,843	9,520,011
Lebanon	-	-	-	-	-
Lehigh	-	-	603	541	62
Luzerne	1,786,207	-	996,859,064	846,733,448	151,911,823
Lycoming	-	-	-	-	-
Monroe	-	-	-	-	-
Montgomery	-	-	-	-	-
Montour	553,131	-	51,881,252	34,310,027	18,124,356
Northampton	559,390	-	94,524,876	62,081,606	33,002,660
Northumberland	-	-	-	-	-
Perry	-	-	-	-	-
Pike	959,880	-	12,989,340	5,988,405	7,960,815
Schuylkill	49,917	-	84,431	75,752	58,596
Snyder	64,670	-	40,296,016	27,419,411	12,941,275
Susquehanna	-	-	-	-	-
Union	-	-	-	-	-
Wayne	-	-	-	-	-
Wyoming	-	-	-	-	-
York	39,003	-	59,301,582	40,176,015	19,164,570
Total	5,330,347	-	1,315,015,038	1,053,632,301	266,713,084

PA Department of Revenue
Dept. 280407
Harrisburg, Pennsylvania
17128-0407

OFFICIAL SETTLEMENT
PENNSYLVANIA PUBLIC UTILITY REALTY TAX
FOR OFFICIAL USE ONLY

BUREAU USE ONLY T/C 04

MAILING INSTRUCTIONS If Settlement Notice Should Be Mailed To Address Other Than That On Front, Fill In New Address In Block To Left.	Received
	Mailed
	DLN
	ACCOUNT ID
TAX PERIOD ENDING	12/31/98

← NAME

← STREET

← CITY
STATE
ZIP CODE

DO NOT WRITE BELOW THIS LINE

SETTLEMENT - PUBLIC UTILITY REALTY TAX

WHITE

OTHER

Tax on Utility Realty of Public Utilities as of December 31, 1998

State Taxable Value\$ _____

Tax at the Rate of 42 Mills (.042)

TYPE OF TAX

20

SELF ASSESSED TAX

TAX DEBIT OR CREDIT

TOTAL TAX

DEPARTMENT OF REVENUE

Harrisburg, PA _____ 19 _____

SETTLED AND DELIVERED TO AUDITOR GENERAL:

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA _____ 19 _____

AUDITED AND APPROVED:

PPL ELECTRIC UTILITIES CORPORATION

Revenue Neutral Reconciliation (RNR) Tax Adjustment
Applicable to Gross Receipts Tax

1. Actual taxable revenues for Pa. gross receipts tax for period January 1, 2001 to December 31, 2001	\$2,444,217,289
2. RNR tax rate adjustment as published by the Department of Revenue in the <u>Pennsylvania Bulletin</u> on September 29, 2000	<u>(0.001)</u>
3. Actual decrease in applicable 2001 gross receipts tax liability based on RNR tax rate adjustment	<u><u>(\$2,444,217)</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Computation of Revenues from Service Under
Rates Subject to Jurisdiction of
Pennsylvania Public Utility Commission
For Twelve Months Ended December 31, 2001

<u>Month</u>	(A) Base Rate Revenue	(B) Delayed Payment Charge	(C) (A)+(B) PUC Jurisdictional Sales
January 2001	\$230,804,940	\$490,246	\$231,295,186
February	230,016,556	784,751	230,801,307
March	205,018,525	638,658	205,657,183
April	190,489,089	588,752	191,077,841
May	177,096,546	707,292	177,803,838
June	185,120,909	602,120	185,723,029
July	210,017,492	598,896	210,616,388
August	212,787,380	733,217	213,520,597
September	207,503,675	406,355	207,910,030
October	186,671,265	560,523	187,231,788
November	190,575,770	565,332	191,141,102
December (Estimated)	210,895,000	544,000	211,439,000
Total	<u>\$2,436,997,147</u>	<u>\$7,220,142</u>	<u>\$2,444,217,289</u>

PPL ELECTRIC UTILITIES CORPORATIONDetail of Tax Surcharge Revenue Collections

<u>Month</u>	<u>STAS Revenues</u>
January 2001	(\$620,685)
February	(1,620,386)
March	(1,597,500)
April	(1,392,453)
May	(1,286,787)
June	(1,345,664)
July	(1,529,349)
August	(1,534,494)
September	(1,479,519)
October	(1,362,356)
November	(1,387,277)
December (Estimated)	<u>(1,543,505)</u>
Total	<u><u>(\$16,699,975)</u></u>