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August 13, 2007

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James J. McNulty, Esquire
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

AUG 13 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: PPL Electric Utilities Corporation
Docket No. R-00973954

Dear Mr. McNulty:

Section C.1.a. of the Settlement Agreement in PPL Electric Utilities Corporation's ("PPL Electric") electric restructuring proceeding requires that PPL Electric transfer up to 20% of its residential service customers to a provider of last resort other than PPL Electric annually, beginning January 1, 2002. The purpose of this letter is to inform the Public Utility Commission ("PUC") of PPL Electric's ongoing plans to implement this provision of the Settlement Agreement. Specifically, PPL Electric has developed the following schedule for implementing Competitive Default Service ("CDS") in its service territory for calendar year 2008. This schedule may be subject to minor modifications as it is implemented.

- | | |
|--------------------|--|
| August 15, 2007 | Send advance notification to all Electric Generation Suppliers ("EGSs") licensed in Pennsylvania and provide other public notice |
| August 16, 2007 | Begin to provide Request for Proposals ("RFP") to interested parties and answer questions regarding the RFP |
| October 4, 2007 | Due date for all CDS bids (in electronic format) |
| October 9, 2007 | Notify the qualified winning bidder |
| October 9-15, 2007 | Negotiate CDS Agreement with winning bidder |
| October 15, 2007 | Execute final CDS Agreement for 2007 |
| December 5, 2007 | CDS provider begins to send enrollments to PPL Electric |
| January 2008 | Selected customers are transferred to CDS as of their January meter reading date |

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It is PPL Electric's desire to implement a successful CDS program pursuant to the terms of its Settlement Agreement. Therefore, during 2008, PPL Electric will retain "customer care functions" for CDS customers. These functions include billing and collections, customer dispute and inquiry, and universal service. The decision to retain these functions is based on PPL Electric's desire to provide the best possible chance for success of the CDS program. Based on its knowledge of the market, PPL Electric believes that EGSs are not interested in or able to provide these customer care functions on an economic basis in 2008. In PPL Electric's view, requiring the CDS provider to offer these customer care functions would significantly reduce the likelihood of implementing a successful CDS program in 2008. PPL Electric will continue to evaluate this issue and may include customer care functions in future CDS proposals.

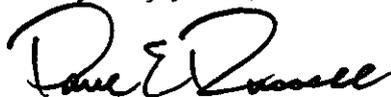
A copy of this letter has been served upon the Office of Consumer Advocate, the Office of Small Business Advocate and the Commission's Office of Trial Staff.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on August 13, 2007, 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.

If you have any questions regarding PPL Electric's CDS program, please call me.

Very truly yours,



Paul E. Russell

cc: The Honorable Wendell F. Holland, Chairman
The Honorable James H. Cawley, Vice Chairman
The Honorable Kim Pizzingrilli
The Honorable Terrance J. Fitzpatrick
The Honorable Tyrone J. Christy
Irwin A. Popowsky, Esquire
William R. Lloyd, Esquire
J. Edward Simms, Esquire
David M. Kleppinger, Esquire

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FEDERAL EXPRESS

October 5, 2007

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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OCT 05 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: PPL Electric Utilities Corporation
Docket No. R-00973954

Dear Mr. McNulty:

By letter dated August 13, 2006, PPL Electric Utilities Corporation ("PPL Electric") informed the Pennsylvania Public Utility Commission (the "Commission") of its plans to implement Competitive Default Service ("CDS") in its service territory for calendar year 2008, including a detailed schedule for issuing a Request for Proposal ("RFP") and negotiation of a CDS Agreement. Pursuant to that schedule, on August 15, 2007, PPL Electric issued notice of an RFP requesting bids for CDS.

The purpose of this letter is to inform the Commission that, although several entities expressed interest in providing CDS and requested copies of the RFP, no bids were submitted. As a result, PPL Electric will not offer CDS for calendar year 2008. In accordance with the requirements of its electric restructuring plan settlement, PPL Electric will conduct an RFP for calendar year 2009, and will keep the Commission informed as to the status of its future efforts to implement CDS.

If you have any questions regarding this letter, please call.

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Very truly yours,

Paul E. Russell

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James J. McNulty, Esquire

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October 5, 2007

cc: The Hon. Wendell F. Holland, Chairman
The Hon. James H. Cawley, Vice Chairman
The Hon. Kim Pizzingrilli, Commissioner
The Hon. Tyrone J. Christy, Commissioner
Irwin A. Popowsky, Esquire
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