

DOCKET NO.: R-00039075
RESPONDENT OR APPLICANT: PPL ELECTRIC UTILITIES CORP
PARTY OR COMPLAINANT: PUC

ENTRY TYPE	DATE	BUREAU	PERSONNEL
1 N	12/19/03	SEC	HENRYJAMIE
PPL ELECTRIC UTILITIES CORP FILED SUPP: NO 36 TO PA PUC NO 201 EFF: 1/1/04			
2 N	01/21/04	SEC	FRISCIA
SEC LTR TO PPL ELEC; REVISED TRF CHGS ACCEPTED BY COMMISSION RE: STAS			

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/00	:	
2. BUREAU: FUS	:	
3. SECTION(S):	:	4. PUBLIC MEETING DATE:
5. APPROVED BY:	:	00/00/00
DIRECTOR:	:	
SUPERVISOR:	:	
6. PERSON IN CHARGE:	:	7. DATE FILED: 12/19/03
8. DOCKET NO: R-00039075	:	9. EFFECTIVE DATE: 01/01/04

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: PPL ELECTRIC UTILITIES CORP

COMP/APP COUNTY:

UTILITY CODE: 110500

ALLEGATION OR SUBJECT

PPL ELECTRIC UTILITIES CORPORATION HAS FILED SUPPLEMENT NO 36 TO ELECTRIC PA PUC NO 201, TO BECOME EFFECTIVE JANUARY 1, 2004, WHICH PROPOSES TO REFLECT A RECOMPUTATION OF PPL ELECTRIC'S STATE TAX ADJUSTMENT SURCHARGE ("STAS") TO REFLECT A CHANGE IN THE PENNSYLVANIA CAPITAL STOCK TAX, PUBLIC UTILITY REALTY TAX ACT ("PURTA") AND REVENUE NEUTRAL RECONCILIATION ("RNR") RATES.

DOCUMENT
FOLDER

DOCKETED
DEC 23 2003

Michael E. Russell
Associate General Counsel

ORIGINAL

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



FEDERAL EXPRESS

December 19, 2003

RECEIVED

DEC 19 2003

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCUMENT
FOLDER

DOCKETED
DEC 23 2003

PPL Electric Utilities Corporation
2004 State Tax Adjustment Surcharge
Docket No. R-00039075

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. 36 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 19, 2003, to reflect these changes indicates a decrease from the present rate of 1.26% to a proposed rate of 1.10%, for application during the period January 1, 2004 through December 31, 2004.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on December 19, 2003, 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.

117

James J. McNulty, Secretary

- 2 -

December 19, 2003

If you have any questions regarding the enclosed filing, please call me or Joseph M. Kleha, PPL Electric'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, flowing style with a large initial "P" and "R".

Paul E. Russell

Enclosures

cc: Irwin A. Popowsky, Esquire
William R. Lloyd, Esquire
Charles F. Hoffman, Esquire
Mr. Robert A. Rosenthal
Mr. Robert F. Wilson



ORIGINAL

Supplement No. 36
Electric Pa. P.U.C. No. 201

R-0003 9075

RECEIVED

DEC 19 2003

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



PPL Electric Utilities Corporation

GENERAL TARIFF

**DOCUMENT
FOLDER**

**RULES AND RATE SCHEDULES
FOR ELECTRIC SERVICE**

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

ISSUED: December 19, 2003

EFFECTIVE: January 1, 2004

DOCKETED
DEC 23 2003

Issued by
JOHN F. SIPICS, PRESIDENT
Two North Ninth Street
Allentown, PA 18101-1179

NOTICE

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

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

State Tax Adjustment Surcharge
Page No. 16

The State Tax Adjustment Surcharge is
decreased from 1.26% to 1.10%

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	3B	Fifteenth
	3C	<i>Fourteenth</i>
	3D	Eighth
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	4A	Second
	4B	Second
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2 - Requirements for Service -----	6	Second
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INTERRUPTIBLE SERVICE BY AGREEMENT (R) -----	19B	Second
	19C	Second

STATE TAX ADJUSTMENT SURCHARGE

STATE TAX ADJUSTMENT SURCHARGE

(C)(D)

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 1.10% will be charged for all service rendered on and after January 1, 2004.

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, 2003, 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, 2004, Based on Application Year 2004 Operations

	<u>Amount</u>	<u>Schedule</u>
1. Capital Stock Tax	\$ (7,652,475)	A
2. Corporate Net Income Tax	-	B <u>1/</u>
3. Utility Realty Tax	(4,482,893)	C
4. Gross Receipts Tax	<u>-</u>	D
5. Total of Lines 1, 2, 3, and 4	(12,135,368)	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	<u>39,824,580</u>	D
7. Total of Lines 5 and 6	<u>\$ 27,689,212</u>	
8. Line 7 divided by complement of Gross Receipts Tax Rate (.941)	\$ 29,425,305	
9. STAS reconciliation for period January 1, 2003 through December 31, 2003	<u>(308,606)</u>	
10. Total of Lines 8 and 9	<u>\$29,116,699</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, 2004 through December 31, 2004	<u>\$ 2,654,971,992</u>	E
12. Surcharge rate to be applied for the period January 1, 2004 through December 31, 2004 (Line 10 divided by Line 11)	<u>1.10%</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 11, 2002 attached, Schedule A, Page 3) (Value per settlement of \$1,374,445,900 plus 1998 statutory exemption of \$125,000)	\$1,374,570,900
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statutory exemption	1,374,445,900
4. Apportionment percentage	<u>0.931240</u>
5. Taxable value of capital stock	1,279,939,000
6. Tax rate - 2004 (5.99 mills)	<u>0.00599</u>
7. Pa. capital stock tax based on new tax rate - 2004	7,666,835
8. Pa. capital stock tax (Based on 2000 settled value and 1998 tax rates)	<u>15,346,469</u>
9. Tax decrease - 2004	(7,679,634)
10. PUC jurisdictional allocation factor	<u>0.996463491</u>
11. Allocated tax decrease - 2004	<u><u>(\$7,652,475)</u></u>



OFFICIAL NOTICE OF SETTLEMENT

PA ACCOUNT ID: 0280-166
TAXABLE YEAR: 01/01/00 TO 12/31/00
DLN: 02-7-86281

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
11,847,035 11,506,652

----- SECTION B - LOANS TAX -----
TAX AS REPORTED AS SETTLED
2,858 2,858

----- SECTION C - CORPORATE NET INCOME TAX -----
TAX AS REPORTED AS SETTLED
22,940,666 22,940,666

DEPARTMENT OF REVENUE
GLENWOOD HOSKIN

MAILING DATE

03/01/02

03/11/02

AUDITED AND APPROVED BY
DEPARTMENT OF AUDITOR GENERAL
FRANKLIN C KRAMER

03/08/02

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
- C7 FACTORS MUST REFLECT SEPARATE COMPANY FIGURES, NOT CONSOLIDATED.
- F1 USE CONSOLIDATED NET WORTH.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.

OFFICIAL NOTICE OF SETTLEMENT
 RE: 0280-166 PPL ELECTRIC UTILITIES CO 01/01/00 TO 12/31/00 DLN 02-7-86281

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

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
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		560,378,205-	PY
01/01/99 TO 12/31/99		477,299,182	PY
01/01/00 TO 12/31/00	277,363,986	892,592,355	
TOTAL BOOK INCOME		178,518,471	
AVERAGE NET INCOME	178,518,471	178,518,471	
EQUITY YEAR ENDING	1,210,989,251	1,160,000,000	F1
EQUITY YEAR BEGINNING	1,346,647,669	1,296,000,000	F1
NET WORTH	1,210,989,251	1,160,000,000	*
CAPITAL STOCK VALUE	1,393,566,869	1,374,445,900	*
APPORTIONMENT PROPORTION	.945632	.931240	*
CAPITAL STOCK/FRANCHISE TAX	11,847,035	11,506,652	*

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

PROPERTY FACTOR - PA	7,155,194,439	7,155,019,482	C7
PROPERTY FACTOR - TOTAL	7,192,251,356	7,192,055,905	C7
PAYROLL FACTOR - PA	342,232,161	335,955,333	C7
PAYROLL FACTOR - TOTAL	343,281,914	337,005,086	C7
SALES FACTOR - PA	2,985,063,357	2,296,901,800	C7
SALES FACTOR - TOTAL	3,532,181,586	2,864,020,029	C7
SINGLE FACTOR - NUMERATOR			
SINGLE FACTOR - DENOMINATOR			

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

INDEBTEDNESS	730,653	
LOANS TAX	2,858	2,858

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

NET INCOME	234,954,089	
DIVIDENDS	2,109,385	
US INTEREST		
OTHER		
TOTAL DEDUCTIONS	2,109,385	2,109,385
INCOME TAXES	20,938,624	
TAX PREFERENCE ITEMS	159,545-	
EIP ADJUSTMENTS		
OTHER		
TOTAL ADDITIONS	20,779,079	20,779,079
ADJUSTED INCOME	253,623,783	253,623,783
TOTAL NONBUSINESS INCOME		
INCOME TO BE APPORTIONED		253,623,783
APPORTIONMENT PROPORTION	.905421	.905421
PA APPORTIONED INCOME		229,636,299
PA NONBUSINESS INCOME		
INCOME PRIOR TO NL DEDUCTION	229,636,299	229,636,299
NET LOSS DEDUCTION		0
PA TAXABLE INCOME		229,636,299
CORPORATE NET INCOME TAX	22,940,666	22,940,666

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

PROPERTY FACTOR - PA	7,155,194,439
PROPERTY FACTOR - TOTAL	7,192,251,356
PAYROLL FACTOR - PA	342,232,161
PAYROLL FACTOR - TOTAL	343,281,914
SALES FACTOR - PA	2,985,063,357
SALES FACTOR - TOTAL	3,532,181,586
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	
12-31-94	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	12-31-98 0 PY
12-31-99	0	12-31-99 0 PY
		12-31-00 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, 2002 (per Notice of Determination dated August 1, 2003 - attached, Schedule C, Page 3)	<u>105,089,890</u>	
6. Pa. Public Utility Realty Tax (Based on applied rate of 30.9390 mills per Notice of Determination dated August 1, 2003- attached, Schedule C, Page 3)		<u>3,251,378</u>
7. Decrease in Pa. Public Utility Realty Tax		(4,498,803)
8. PUC jurisdictional allocation factor		<u>0.996463491</u>
9. Allocated tax decrease - 2004		<u>(\$4,482,893)</u>

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

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE



Mailing Date:
August 1, 2003

PENNSYLVANIA POWER & LIGHT CO
TAX SECTION GENTW11
2 N 9TH STREET
ALLENTOWN, PA 18101

**Re: 2002 Pennsylvania Public Utility Realty Tax
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2002. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

2003 PURTA property information for next tax year's filings will soon be filed with the Department of Revenue by local taxing jurisdictions. This information comes directly from your local County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes you deem necessary to the local County Assessor's report must be addressed and/or appealed at the local level. You must make sure that each county properly reports to the Department of Revenue relevant and accurate information. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Bureau of Corporation Taxes
Department of Revenue

2002,2001,2000,1999 & 1998 NOTICES:

2002 Liability:	\$3,251,378.00
2001 Liability Adjustment:	(\$35,595.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	\$60,712.00
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	(\$14,906.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$300,288.00
1998 Transition Credit Adjustment:	\$0.00

**PLEASE SEE
REVERSE SIDE
FOR DETAIL**

Account Id: 3500090



Mailing Date:
 August 1, 2003

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500090

Detail

<u>Tax Year 2002 *</u>	<u>2002</u>
1) Realty Tax Equivalent (RTE):	\$ 32,527,609
2) Total State Taxable Value (STV) for all utilities:	\$ 1,393,700,844
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	30.9390 mills
4) STV for Utility:	\$105,089,890
5) Liability (Line 3 x Line 4):	\$3,251,378

<u>Tax Year 1998 - 2001</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 40,145,551	\$ 31,667,138	\$ 32,783,466
2) Adjusted Total STV for all utilities:	\$ 2,184,494,108	\$ 2,093,188,013	\$ 1,392,156,950	\$ 1,377,115,970
3) Adjusted Millage Rate (including 7.6 mills for PTA):	68.5752 mills	26.7791 mills	30.3468 mills	31.4059 mills
4) Adjusted STV for Utility:	\$212,468,408	\$227,294,425	\$102,965,537	\$97,824,002
5) Adjusted Liability (Line 3 x Line 4):	\$14,570,067	\$6,086,750	\$3,124,676	\$3,072,249
6) Adjusted Transition Credit:	\$0	\$0	\$0	\$0
7) Adjustment to Liability of 8/1/2002:	\$300,288	(\$14,906)	\$60,712	(\$35,595)
8) Adjustment to Transition Credit of 8/1/2002:	\$0	\$0	\$0	\$0

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. 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 of Determination for 2002 PURTA, you may file a Petition for Recalculation pursuant to Section 1109-A 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 of this notice.

Petitions should be addressed to:

Board of Finance and Revenue
 1101 South Front Street, Suite 400
 Harrisburg, Pa 17104-2539



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.

T/C 01-15	REVENUE USE ONLY		1. SELF-ASSESSED TAX	2. PREPAYMENTS	3. REMITTANCE COLUMN 1 LESS COLUMN 2 POSITIVE (NEGATIVE)	
	TAX TYPE	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 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 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 ALLENTOWN	State PA	Zip Code 18101	Date 4/14/99

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. 280407, 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 credit is 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

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
	OLN
	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

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA _____ 19 _____

Harrisburg, PA _____ 19 _____

SETTLED AND DELIVERED TO AUDITOR GENERAL:

AUDITED AND APPROVED:

PPL ELECTRIC UTILITIES CORPORATIONRevenue Neutral Reconciliation (RNR) Tax Adjustment
Applicable to Gross Receipts Tax

1. Projected taxable revenues for Pa. gross receipts tax for period January 1, 2004 to December 31, 2004 (Schedule E, Page 3)	\$2,654,971,992
2. RNR tax rate established in House Bill 1848, P.N. 4197 Act No. 89 of 2002 (signed June 29, 2002)	<u>0.015</u>
3. Projected increase in applicable 2004 gross receipts tax liability based on RNR tax rate adjustment	<u>\$39,824,580</u>
4. Projected increase - January 1, 2001 through December 31, 2001 (Line 3 divided by 12 times 12)	<u>\$39,824,580</u>

PPL ELECTRIC UTILITIES CORPORATION

Gross Receipts Tax Adjustment

Most recently completed calendar year is the year 2002:

1. Taxable revenues per return filed March 13, 2003 (Schedule D, Page 6)	\$2,507,537,105
2. Less change in accounts receivable	<u>(25,808,328)</u>
3. Remainder - Tax Base of PUC Base Rate Revenues	2,533,345,433
4. Less - Revenues included above from service under rates subject to jurisdiction of Federal Energy Regulatory Commission	<u>26,224,586</u>
5. Taxable revenue from service under rates subject to jurisdiction of Pennsylvania Public Utility Commission	<u><u>\$2,507,120,847</u></u>

RCT-112 (9-02)

11200011040



**Commonwealth of Pennsylvania
GROSS RECEIPTS TAX
ELECTRIC, HYDRO-ELECTRIC
AND WATER POWER COMPANIES
2002 REPORT**

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

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) 0 2 8 0 - 1 6 6
(DEPARTMENT USE ONLY) Date Received
FEDERAL ID (EIN NUMBER) 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 ENDING **12/31/02**

DUE DATE **03/15/03**

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

T/C 01-15 TAX TYPE	TYPE CODE		A. Tax Liability from Tax Report	B. Estimated Payments & Credits on Deposit	C. Restricted Credit	Remittance A minus B minus C
	TYPE CODE	BUDGET CODE				
<input checked="" type="checkbox"/> GROSS RECEIPTS- <small>Electric, Hydro-Electric Water Power</small>	10	123102	147,944,689	121,284,136		26,660,553

*Note: Prepayments of tax for year ending 12/31/03 required. See Estimated Payment Coupon instructions.

GRAND TOTALS		147,944,689	121,284,136		26,660,553
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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 3/13/2003	Telephone Number (610) 774-5646
PRINT Individual Preparer or Firm's Name		Signature of Preparer	
PRINT Individual or Firm's Street Address		Title	Telephone Number ()
City	State	Zip Code	E-mail Address

11200011040

11200014043

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 \$ 2,737,944,057
 Gross Receipts within Pennsylvania from all sources (Taxable and Non-taxable) \$ 2,737,701,309

GROSS RECEIPTS FROM:	TAXABLE GROSS RECEIPTS	NON-TAXABLE GROSS RECEIPTS
1. Sales of electric energy (not including sales for resale)	\$ 2,476,314,248	\$
2. Resales - Sale of Current (Also complete Schedule 2 on Page 3)		
a. To other Utilities	\$	\$ 800,179
b. Municipalities/Government Entities	\$ 26,224,586	\$
c. Wholesale (None of the above)	\$	\$ 161,062,381
d. Independent Service Organizations (ISO) - grids	\$	\$
3. Charges for services rendered	\$	\$ 103,532
4. Consumer's forfeited discounts and penalties	\$ 4,998,271	\$
5. Sales to Federal Government	\$	\$ 11,326
6. Capacity charges	\$	\$
7. Standby charges	\$	\$
8. Demand charges	\$	\$
9. All other sources. List separately. (attach separate sheet if additional space is needed)		
a. (See attached schedule)	\$	\$ 68,186,786
b.	\$	\$
c.	\$	\$
d.	\$	\$
e.	\$	\$
f.	\$	\$
g.	\$	\$
Total Gross Receipts Within The State	\$2,507,537,105	\$230,164,204

COMPUTATION BY TAXPAYER

1. GROSS RECEIPTS TAXABLE for the period covered by this report \$ 2,507,537,105
 2. Tax at the rate of 59 mills (.059 - 44 mills tax and 15 mills RNR)
 Line 1 x Line 2. Enter this amount on Page 1. \$ 147,944,689

11200014043

PPL Electric Utilities Corporation
2002 Gross Receipts Tax Return

<u>Receipts from all other sources:</u>	<u>Total</u>
Rent - General	\$605,875
Other Electric Revenue Rent-Supply Agreement	121,308
Rent-Attachments and Joint Use	18,247,041
Other Electric Revenue-Supply Agreement	78,000
Other Electric Revenue - General	21,080,498
Other Electric Revenue-Supply Agreement	646,644
Revenue-Merchandising, Jobbing, Contract Work	9,916,513
Revenue-Merchandising	50,648
Interest & Dividend Income Associated Companies	8,995,443
Interest & Dividend Income-Temp Cash Investments	(520,953)
Interest & Dividend Income-Tax Exempt Income	1,961,622
Interest & Dividend Income-Miscellaneous	6,597,382
Miscellaneous Nonoperating Income	229,416
Miscellaneous Nonoperating Income	177,349
Total	<u><u>\$68,186,786</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Computation of Revenues from Service Under
Rates Subject to Jurisdiction of
Pennsylvania Public Utility Commission

Calendar Year 2002

1. Revenues from sales of electricity	\$2,707,793,589
2. Add - Delayed Payment Charges	<u>4,998,271</u>
3. Sub-total	2,712,791,860
4. Less - Revenues from service under rates subject to jurisdiction of Federal Energy Regulatory Commission	<u>186,613,635</u>
5. Revenues from service under rates subject to jurisdiction of Pennsylvania Public Utility Commission	<u><u>\$2,526,178,225</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, 2002

<u>Month</u>	(A) <u>Base Rate Revenue</u>	(B) <u>Delayed Payment Charge</u>	(C) (A)+(B) <u>PUC Jurisdictional Sales</u>
January 2002	\$238,317,724	\$608,923	\$238,926,647
February	212,886,833	583,226	213,470,059
March	205,866,305	572,446	206,438,751
April	203,683,438	459,618	204,143,056
May	195,110,221	498,920	195,609,141
June	198,104,041	(1,263,001)	196,841,040
July	215,038,132	428,744	215,466,876
August	226,241,362	616,469	226,857,831
September	213,110,444	499,782	213,610,226
October	196,680,132	598,332	197,278,464
November	188,876,316	840,648	189,716,964
December	227,265,006	554,164	227,819,170
Total	<u>\$2,521,179,954</u>	<u>\$4,998,271</u>	<u>\$2,526,178,225</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, 2004 to December 31, 2004

<u>Month</u>	(A) Base Rate Revenue	(B) Delayed Payment Charge	(C) (A)+(B) PUC Jurisdictional Sales
January 2004	\$249,982,772	\$566,000	\$250,548,772
February	243,440,908	551,000	243,991,908
March	235,910,722	534,000	236,444,722
April	217,614,610	493,000	218,107,610
May	196,836,664	446,000	197,282,664
June	199,855,041	453,000	200,308,041
July	218,546,801	495,000	219,041,801
August	221,810,289	502,000	222,312,289
September	209,742,052	475,000	210,217,052
October	201,239,571	456,000	201,695,571
November	216,954,535	491,000	217,445,535
December	<u>237,038,027</u>	<u>538,000</u>	<u>237,576,027</u>
Total Projected Revenue	<u>\$2,648,971,992</u>	<u>\$6,000,000</u>	<u>\$2,654,971,992</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 - 2002

Schedule F

<u>Line No.</u>	<u>Reference</u> <u>FERC Form 1</u>	<u>Revenue per</u> <u>Books-2002</u>
Schedule D		
1	Sale of Electricity Page 300: Line 14	\$2,690,657,004
2	Unbilled revenue included in above Company Records	(17,136,585)
3	Sale of Electricity (net of unbilled revenue)	<u>2,707,793,589</u>
Other Operating Revenue:		
4	Delayed Payment Charge Page 300: Line 16	4,998,271
5	Other Page 300: Lines 17-21	42,164,720
6	Unbilled Revenues As Above	(17,136,585)
7	Total Page 300: Line 27	<u>2,737,819,995</u>
Less:		
8	Interdepartmental Sales Page 300: Line 9	0
9	Bad Debts Company Records	18,539,612
10	Change in Accounts Receivable Company Records	25,808,328
11	Other Revenue As Above	42,164,720
Non-Taxable FERC Revenue		
12	Citizens Electric Page 310.1/311.1: Line 12	525,161
13	Other Companies Page 310.2/311.2: Line 2	159,863,888
14	Non-Taxable PUC Revenue (Borderline-Total) Page 310/311: Lines 2-5	517,766
15	Unbilled Revenue As Above	(17,136,585)
16	Total (Lines 8 through 15)	<u>230,282,890</u>
17	Gross Receipts Tax Base (Line 7 - Line 16)	2,507,537,105
18	Less: "FERC Other" Taxable Revenue Page 310/311: Lines 8-14 plus Page 310.1/311.1: Lines 1-11	26,224,586
19	Tax Base - Revenue Subject to PUC Jurisdiction (Line 17 - Line 18)	<u>\$2,481,312,519</u>
Schedule E		
20	Sale Of Electricity (Line 3)	\$2,707,793,589
21	Delayed Payment Charge (line 4)	4,998,271
Less: FERC Revenue:		
22	Citizens Electric (Line 12)	(525,161)
23	Other Companies (Line 13)	(159,863,888)
24	FERC other (Line 18)	(26,224,586)
25	Revenue-PUC Jurisdictional Sales (Schedule E, Line 5)	<u>2,526,178,225</u>
Reconcile to Schedule D: Elimination of Non-taxable Items		
26	Bad Debts (Line 9)	(18,539,612)
27	PUC Revenue (Line 14)	(517,766)
28	Interdepartmental Sales (line 8)	0
29	Tax Base (Schedule D, Line 5)	<u>\$2,507,120,847</u>



PPL ELECTRIC UTILITIES CORPORATION

Reconciliation of State Tax Adjustment Surcharge
for the Period January 1, 2003 through December 31, 2003

	<u>Amount</u>	<u>Schedule Number</u>
1. Capital Stock Tax	(\$6,348,497)	A
2. Corporate Net Income Tax	-	B 1/
3. Utility Realty Tax	(4,605,198)	C
4. Gross Receipts Tax	<u>-</u>	D
5. Total of Lines 1, 2, 3, and 4	(10,953,695)	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	<u>38,040,081</u>	D
7. Total of Lines 5 and 6	<u><u>\$27,086,386</u></u>	
8. Revised Tax Liability for the period January 1,2003 through December 31, 2003 (Line 7 divided by complement of Gross Receipts Tax Rate (.941))	\$28,784,682	
9. STAS undercollection for the period January 1,2002 through December 31, 2002	<u>2,664,148</u>	2/
10. Total of Lines 8 and 9	31,448,830	
11. STAS Revenue Collections	<u>31,757,436</u>	E
12. (Over)/Under Collection (Line 8 minus Line 9)	<u><u>(\$308,606)</u></u>	

1/ Not applicable to this filing.

2/ Amount includes actual results through December 31, 2002.

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax Adjustment
(Electric Department)

1. Value of capital stock (Per official settlement dated March 11, 2002 attached, Schedule A, Page 3) (Value per settlement of \$1,374,445,900 plus 1998 statutory exemption of \$125,000)	\$1,374,570,900
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statutory exemption	1,374,445,900
4. Apportionment percentage	<u>0.931240</u>
5. Taxable value of capital stock	1,279,939,000
6. Tax rate - 2003 (6.99 mills)	<u>0.00699</u>
7. Pa. capital stock tax based on new tax rate - 2002	8,946,774
8. Pa. capital stock tax (Based on 2000 settled value and 1998 tax rates)	<u>15,346,469</u>
9. Tax decrease - 2003	(6,399,695)
10. PUC jurisdictional allocation factor	<u>0.99200</u>
11. Allocated tax decrease - 2003	<u><u>(\$6,348,497)</u></u>



OFFICIAL NOTICE OF SETTLEMENT

PA ACCOUNT ID: 0280-166
TAXABLE YEAR: 01/01/00 TO 12/31/00
DLN: 02-7-86281

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
11,847,035 11,506,652

----- SECTION B - LOANS TAX -----
TAX AS REPORTED AS SETTLED
2,858 2,858

----- SECTION C - CORPORATE NET INCOME TAX -----
TAX AS REPORTED AS SETTLED
22,940,666 22,940,666

DEPARTMENT OF REVENUE MAILING DATE AUDITED AND APPROVED BY
GLENWOOD HOSKIN DEPARTMENT OF AUDITOR GENERAL
FRANKLIN C KRAMER
03/01/02 03/11/02 03/08/02

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
- C7 FACTORS MUST REFLECT SEPARATE COMPANY FIGURES, NOT CONSOLIDATED.
- F1 USE CONSOLIDATED NET WORTH.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.

OFFICIAL NOTICE OF SETTLEMENT
 RE: 0280-166 PPL ELECTRIC UTILITIES CO 01/01/00 TO 12/31/00 DLN 02-7-86281

SECTION A - CAPITAL STOCK/FRANCHISE TAX

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
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		560,378,205-	PY
01/01/99 TO 12/31/99		477,299,182	PY

01/01/00 TO 12/31/00	277,363,986	
TOTAL BOOK INCOME		892,592,355
AVERAGE NET INCOME	178,518,471	178,518,471

EQUITY YEAR ENDING	1,210,989,251	1,160,000,000	F1
EQUITY YEAR BEGINNING	1,346,647,669	1,296,000,000	F1
NET WORTH	1,210,989,251	1,160,000,000	*
CAPITAL STOCK VALUE	1,393,566,869	1,374,445,900	*
APPORTIONMENT PROPORTION	.945632	.931240	*
CAPITAL STOCK/FRANCHISE TAX	11,847,035	11,506,652	*

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

PROPERTY FACTOR - PA	7,155,194,439	7,155,019,482	C7
PROPERTY FACTOR - TOTAL	7,192,251,356	7,192,055,905	C7
PAYROLL FACTOR - PA	342,232,161	335,955,333	C7
PAYROLL FACTOR - TOTAL	343,281,914	337,005,086	C7
SALES FACTOR - PA	2,985,063,357	2,296,901,800	C7
SALES FACTOR - TOTAL	3,532,181,586	2,864,020,029	C7
SINGLE FACTOR - NUMERATOR			
SINGLE FACTOR - DENOMINATOR			

SECTION B - LOANS TAX

INDEBTEDNESS	730,653	
LOANS TAX	2,858	2,858

SECTION C - CORPORATE NET INCOME TAX

NET INCOME	234,954,089	
DIVIDENDS	2,109,385	
US INTEREST		
OTHER		
TOTAL DEDUCTIONS	2,109,385	2,109,385
INCOME TAXES	20,938,624	
TAX PREFERENCE ITEMS	159,545-	
EIP ADJUSTMENTS		
OTHER		
TOTAL ADDITIONS	20,779,079	20,779,079
ADJUSTED INCOME	253,623,783	253,623,783
TOTAL NONBUSINESS INCOME		
INCOME TO BE APPORTIONED		253,623,783
APPORTIONMENT PROPORTION	.905421	.905421
PA APPORTIONED INCOME		229,636,299
PA NONBUSINESS INCOME		
INCOME PRIOR TO NL DEDUCTION	229,636,299	229,636,299
NET LOSS DEDUCTION		0
PA TAXABLE INCOME		229,636,299
CORPORATE NET INCOME TAX	22,940,666	22,940,666

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

PROPERTY FACTOR - PA	7,155,194,439
PROPERTY FACTOR - TOTAL	7,192,251,356
PAYROLL FACTOR - PA	342,232,161
PAYROLL FACTOR - TOTAL	343,281,914
SALES FACTOR - PA	2,985,063,357
SALES FACTOR - TOTAL	3,532,181,586
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	
12-31-94	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	12-31-98 0 PY
12-31-99	0	12-31-99 0 PY
		12-31-00 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, 2001 (per Notice of Determination dated August 1, 2002 - attached, Schedule C, Page 3)	<u>93,783,869</u>	
6. Pa. Public Utility Realty Tax (Based on applied rate of 33.1384 mills per Notice of Determination dated August 1, 2002- attached, Schedule C, Page 3)		<u>3,107,844</u>
7. Decrease in Pa. Public Utility Realty Tax		(4,642,337)
8. PUC jurisdictional allocation factor		<u>0.99200</u>
9. Allocated tax decrease - 2003		<u>(\$4,605,198)</u>

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

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE



Mailing Date:
August 1, 2002

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

**Re: 2001 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 2001. Notice is also given for any PURTA/PTA Tax increase (or decrease), and transitional credit increase (or decrease) for tax years 2000, 1999 and 1998 based on information filed by LTAs and utilities.

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 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

2001,2000, 1999 & 1998 NOTICES:

2001 Liability:	\$3,107,844.00
2001 Transition Credit:	\$0.00
2000 Liability Adjustment:	(\$597,357.00)
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	(\$1,216,968.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	(\$2,671,981.00)
1998 Transition Credit Adjustment:	\$0.00

PLEASE SEE
REVERSE SIDE
FOR DETAIL

Account Id: 3500090



Mailing Date:
August 1, 2002

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500090

Detail

Tax Year 2001 *

	<u>2001</u>
1) Realty Tax Equivalent (RTE):	\$ 36,570,436
2) Total State Taxable Value (STV) for all utilities:	\$ 1,431,980,602
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	33.1384 mills
4) STV for Utility:	\$93,783,869
5) Liability (Line 3 x Line 4):	\$3,107,844
6) Transition Credit:	\$0

Tax Year 1998 - 2000

	<u>1998</u>	<u>1999</u>	<u>2000</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 40,568,285	\$ 31,760,644
2) Adjusted Total STV for all utilities:	\$ 2,219,613,870	\$ 2,116,133,497	\$ 1,378,277,386
3) Adjusted Millage Rate (including 7.6 mills for PTA):	67.6104 mills	26.7709 mills	30.6437 mills
4) Adjusted STV for Utility:	\$211,058,812	\$227,920,812	\$99,986,671
5) Adjusted Liability (Line 3 x Line 4):	\$14,269,779	\$6,101,656	\$3,063,964
6) Adjusted Transition Credit:	\$0	\$0	\$0
7) Adjustment to Liability of 8/1/2001:	(\$2,671,981)	(\$1,216,968)	(\$597,357)
8) Adjustment to Transition Credit of 8/1/2001:	\$0	\$0	\$0

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. 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 of Determination for 2001 PURTA, 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 of this notice.

Petitions should be addressed to:

Board of Finance and Revenue
1101 South Front Street, Suite 400
Harrisburg, Pa 17104-2539



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 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 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 ALLENTOWN	State PA	Zip Code 18101	Date 4/14/99	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 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. 280407, 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 credit is 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 Sale 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 (Sale 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 Sale 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

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

OLN

NAME

ACCOUNT ID

STREET

TAX PERIOD ENDING

CITY
STATE
ZIP CODE

12/31/98

DO NOT WRITE BELOW THIS LINE

SETTLEMENT - PUBLIC UTILITY REALTY TAX

WHITE

OTHER

TYPE OF TAX

20

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

SELF ASSESSED TAX

State Taxable Value \$ _____

TAX DEBIT OR CREDIT

Tax at the Rate of 42 Mills (.042)

TOTAL TAX

DEPARTMENT OF REVENUE

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA _____ 19 _____

Harrisburg, PA _____ 19 _____

SETTLED AND DELIVERED TO AUDITOR GENERAL:

AUDITED AND APPROVED:

(FOR THE SECRETARY OF REVENUE)

(FOR THE AUDITOR GENERAL)

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, 2003 to December 31, 2003	\$2,536,005,404
2. RNR tax rate established in House Bill 1848, P.N. 4197 Act No. 89 of 2002 (signed June 29, 2002)	<u>0.015</u>
3. Actual increase in applicable 2003 gross receipts tax liability based on RNR tax rate adjustment	<u>\$38,040,081</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, 2003

<u>Month</u>	(A) Base Rate Revenue	(B) Delayed Payment Charge	(C) (A)+(B) PUC Jurisdictional Sales
January 2003	\$234,670,429	\$763,526	\$235,433,955
February	239,914,795	650,077	240,564,872
March	227,473,840	801,582	228,275,422
April	207,742,624	464,884	208,207,508
May	186,852,612	645,596	187,498,208
June	183,025,732	525,076	183,550,808
July	208,996,057	627,859	209,623,916
August	216,797,555	630,978	217,428,533
September	213,604,581	617,088	214,221,669
October	194,126,279	673,974	194,800,253
November	192,021,702	531,188	192,552,890
December (Estimated)	223,306,721	540,649	223,847,370
Total	<u>\$2,528,532,927</u>	<u>\$7,472,477</u>	<u>\$2,536,005,404</u>

PPL ELECTRIC UTILITIES CORPORATIONDetail of Tax Surcharge Revenue Collections

<u>Month</u>	<u>STAS Revenues</u>
January 2003	\$2,896,141
February	3,015,057
March	2,860,322
April	2,614,612
May	2,348,153
June	2,298,911
July	2,637,415
August	2,728,623
September	2,684,814
October	2,440,046
November	2,412,865
December (Estimated)	<u>2,820,477</u>
Total	<u>\$31,757,436</u>



PPL ELECTRIC UTILITIES CORPORATION

Reconciliation of State Tax Adjustment Surcharge
for the Period January 1, 2002 through December 31, 2002

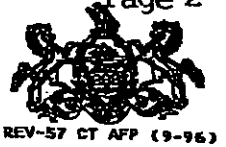
	<u>Amount</u>	<u>Schedule Number</u>
1. Capital Stock Tax	(\$6,028,033)	A
2. Corporate Net Income Tax	-	B 1/
3. Utility Realty Tax	(4,054,105)	C
4. Gross Receipts Tax	<u>-</u>	D
5. Total of Lines 1, 2, 3, and 4	(10,082,138)	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	<u>37,578,129</u>	D
7. Total of Lines 5 and 6	<u><u>\$27,495,991</u></u>	
8. Revised Tax Liability for the period January 1, 2002 through December 31, 2002 (Line 7 divided by complement of Gross Receipts Tax Rate (.941))	\$29,219,969	
9. STAS overcollection for the period January 1, 2001 through December 31, 2001	<u>(447,214)</u>	
10. Total of Lines 8 and 9	28,772,755	
11. STAS Revenue Collections	<u>26,108,607</u>	E
12. (Over)/Under Collection (Line 8 minus Line 9)	<u><u>\$2,664,148</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 March 11, 2002 attached, Schedule A, Page 3) (Value per settlement of \$1,374,445,900 plus 1998 statutory exemption of \$125,000)	\$1,374,570,900
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statutory exemption	1,374,445,900
4. Apportionment percentage	<u>0.931240</u>
5. Taxable value of capital stock	1,279,939,000
6. Tax rate - 2002 (7.24 mills)	<u>0.00724</u>
7. Pa. capital stock tax based on new tax rate - 2002	9,266,758
8. Pa. capital stock tax (Based on 2000 settled value and 1998 tax rates)	<u>15,346,469</u>
9. Tax decrease - 2002	(6,079,711)
10. PUC jurisdictional allocation factor	<u>0.99150</u>
11. Allocated tax decrease - 2002	<u><u>(\$6,028,033)</u></u>



OFFICIAL NOTICE OF SETTLEMENT

PA ACCOUNT ID: 0280-166
TAXABLE YEAR: 01/01/00 TO 12/31/00
DLN: 02-7-86281

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
11,847,035 11,506,652

----- SECTION B - LOANS TAX -----
TAX AS REPORTED AS SETTLED
2,858 2,858

----- SECTION C - CORPORATE NET INCOME TAX -----
TAX AS REPORTED AS SETTLED
22,940,666 22,940,666

DEPARTMENT OF REVENUE
GLENWOOD HOSKIN

MAILING DATE

03/01/02

03/11/02

AUDITED AND APPROVED BY
DEPARTMENT OF AUDITOR GENERAL
FRANKLIN C KRAMER

03/08/02

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
- C7 FACTORS MUST REFLECT SEPARATE COMPANY FIGURES, NOT CONSOLIDATED.
- F1 USE CONSOLIDATED NET WORTH.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.

OFFICIAL NOTICE OF SETTLEMENT
 RE: 0280-166 PPL ELECTRIC UTILITIES CO 01/01/00 TO 12/31/00 DLN 02-7-86281

SECTION A - CAPITAL STOCK/FRANCHISE TAX

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
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		560,378,205-	PY
01/01/99 TO 12/31/99		477,299,182	PY
01/01/00 TO 12/31/00	277,363,986		
TOTAL BOOK INCOME		892,592,355	
AVERAGE NET INCOME	178,518,471	178,518,471	
EQUITY YEAR ENDING	1,210,989,251	1,160,000,000	F1
EQUITY YEAR BEGINNING	1,346,647,669	1,296,000,000	F1
NET WORTH	1,210,989,251	1,160,000,000	*
CAPITAL STOCK VALUE	1,393,566,869	1,374,445,900	*
APPORTIONMENT PROPORTION	.945632	.931240	*
CAPITAL STOCK/FRANCHISE TAX	11,847,035	11,506,652	*

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

PROPERTY FACTOR - PA	7,155,194,439	7,155,019,482	C7
PROPERTY FACTOR - TOTAL	7,192,251,356	7,192,055,905	C7
PAYROLL FACTOR - PA	342,232,161	335,955,333	C7
PAYROLL FACTOR - TOTAL	343,281,914	337,005,086	C7
SALES FACTOR - PA	2,985,063,357	2,296,901,800	C7
SALES FACTOR - TOTAL	3,532,181,586	2,864,020,029	C7
SINGLE FACTOR - NUMERATOR			
SINGLE FACTOR - DENOMINATOR			

SECTION B - LOANS TAX

INDEBTEDNESS	730,653	
LOANS TAX	2,858	2,858

SECTION C - CORPORATE NET INCOME TAX

NET INCOME	234,954,089	
DIVIDENDS	2,109,385	
US INTEREST		
OTHER		
TOTAL DEDUCTIONS	2,109,385	2,109,385
INCOME TAXES	20,938,624	
TAX PREFERENCE ITEMS	159,545-	
EIP ADJUSTMENTS		
OTHER		
TOTAL ADDITIONS	20,779,079	20,779,079
ADJUSTED INCOME	253,623,783	253,623,783
TOTAL NONBUSINESS INCOME		
INCOME TO BE APPORTIONED		253,623,783
APPORTIONMENT PROPORTION	.905421	.905421
PA APPORTIONED INCOME		229,636,299
PA NONBUSINESS INCOME		
INCOME PRIOR TO NL DEDUCTION	229,636,299	229,636,299
NET LOSS DEDUCTION		0
PA TAXABLE INCOME		229,636,299
CORPORATE NET INCOME TAX	22,940,666	22,940,666

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

PROPERTY FACTOR - PA	7,155,194,439
PROPERTY FACTOR - TOTAL	7,192,251,356
PAYROLL FACTOR - PA	342,232,161
PAYROLL FACTOR - TOTAL	343,281,914
SALES FACTOR - PA	2,985,063,357
SALES FACTOR - TOTAL	3,532,181,586
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
12-31-94 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	12-31-98 0 PY
12-31-99 0	12-31-99 0 PY
	12-31-00 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>

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 municipal authority furnishing public utility service, but shall not mean any public utility furnishing public utility sewage services, or municipality or municipal 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 Inset 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. 280467, 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 credit is 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 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
	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

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA _____ 19 _____

Harrisburg, PA _____ 19 _____

SETTLED AND DELIVERED TO AUDITOR GENERAL:

AUDITED AND APPROVED:

(FOR THE SECRETARY OF REVENUE)

(FOR THE AUDITOR GENERAL)

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, 2002 to December 31, 2002	\$2,505,208,633
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. Actual increase in applicable 2002 gross receipts tax liability based on RNR tax rate adjustment	<u>\$37,578,129</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, 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	\$238,802,936	\$608,923	\$239,411,859
February	211,291,243	583,226	211,874,469
March	204,578,512	572,446	205,150,958
April	202,000,499	459,618	202,460,117
May	193,384,585	498,916	193,883,501
June	196,791,421	(1,263,001)	195,528,420
July	210,598,131	428,744	211,026,875
August	224,313,877	616,469	224,930,346
September	211,229,058	499,783	211,728,841
October	194,679,003	598,333	195,277,336
November	187,111,468	840,649	187,952,117
December	225,429,630	554,164	225,983,794
Total	<u>\$2,500,210,363</u>	<u>\$4,998,270</u>	<u>\$2,505,208,633</u>

PPL ELECTRIC UTILITIES CORPORATIONDetail of Tax Surcharge Revenue Collections

<u>Month</u>	<u>STAS Revenues</u>
January 2002	\$281,313
February	2,280,748
March	2,208,633
April	2,171,218
May	2,086,189
June	2,120,291
July	2,303,950
August	2,696,439
September	2,572,039
October	2,362,562
November	2,284,407
December	<u>2,740,818</u>
Total	<u><u>\$26,108,607</u></u>