

## 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: 05/21/99  
8. DOCKET NO: R-00994707 : 9. EFFECTIVE DATE: 06/01/99

---

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: PP&L, INC.

COMP/APP COUNTY:

UTILITY CODE: 110500

---

## ALLEGATION OR SUBJECT

PP&L, INC. HAS FILED A RECOMPUTATION OF THE STATE TAX ADJUSTMENT SURCHARGE TO REFLECT A RECENT DECREASE IN THE CAPITAL STOCK TAX RATE EFFECTIVE JUNE 1, 1999

DOCUMENT  
FOLDER

DOCKETED  
JUN 11 1999

**Paul E. Russell**  
Associate General Counsel  
Tel. 610.774-4254 Fax 610.774.6726  
E-mail: perussell@papl.com

**PP&L, Inc.**  
Two North Ninth Street  
Allentown, PA 18101-1179  
Tel. 610.774.5151  
http://www.papl.com/

**HAND DELIVERED**

**ppl**  
**ORIGINAL**

May 21, 1999

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
North Office Building  
North Street & Commonwealth Avenue  
Harrisburg, Pennsylvania 17105-3265

R-00994707

RECEIVED  
MAY 21 AM 9:27  
SECRETARY'S BUREAU

**Re: 1999 State Tax Adjustment Surcharge**

Dear Mr. McNulty:

Enclosed for filing on behalf of PP&L, Inc. ("PP&L") are eight (8) copies of a recomputation of PP&L's State Tax Adjustment Surcharge ("STAS") to reflect a recent decrease in the Capital Stock Tax rate. This filing is being made pursuant to the terms of the Electricity Generation Customer Choice and Competition Act ("Act"), the Commission's regulations at 52 Pa. Code § 69.51, et seq., and PP&L's tariff.

Recomputation of the Company's STAS, as of May 21, 1999, to reflect this change indicates an increase from the present rate of 0.00% to a proposed rate of 0.50%, for application during the period from June 1, 1999 through December 31, 1999. Pursuant to the terms of its tariff and the "rate caps" imposed under the Act, PP&L will maintain the currently effective STAS tariff rate of 0.00% and, thereby, will forego recovery of this increase in its state tax liability at this time.

If you have any questions regarding the enclosed filing, please call.

Very truly yours,



Paul E. Russell

Enclosures

cc: Mr. Robert F. Wilson  
Irwin A. Popowsky, Esquire  
Charles F. Hoffman, Esquire  
Bernard A. Ryan, Jr., Esquire  
David M. Kleppinger, Esquire

DOCUMENT  
FOLDER

PP&L, INC.

Computation of State Tax Adjustment Surcharge  
As of June 1, 1999, Based on Calendar Year 1997 Operations

	<u>Total Amount</u>	<u>Schedule Number</u>
1. Capital Stock Tax	(\$2,442,032)	A
2. Corporate Net Income Tax	0	B
3. Utility Realty Tax	10,122,296	C
4. Gross Receipts Tax	<u>0</u>	D
5. Total of Lines 1, 2, 3, and 4	7,680,264	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	<u>(2,337,355)</u>	D
7. Total of Lines 5 and 6	<u>\$5,342,909</u>	
8. Line 7 divided by complement of Gross Receipts Tax Rate (.958)	<u>\$5,577,149</u>	
9. Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the Pennsylvania Public Utility Commission projected for the application period June 1, 1999 through December 31, 1999 <u>1/</u>	<u>\$1,119,676,000</u>	E
10. Surcharge rate to be applied for the period June 1, 1999 through December 31, 1999 (Line 8 divided by Line 9)	<u>0.50%</u>	

1/ Because of the implementation of a tax adjustment rate under the Revenue Neutral Reconciliation (RNR) provision of the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §2810(a), for calendar year 1999, effective January 1, 1999, PP&L began using calendar year application periods for purposes of State Tax Adjustment Surcharge (STAS) filings.

DOCUMENT  
FOLDER

DOCKETED

JUN 11 1999

RECEIVED  
99 MAY 21 AM 9:27  
PA.P.U.C.  
SECRETARY'S BUREAU

PP&L, INC.Capital Stock Tax Adjustment  
(Electric Department)

1. Value of capital stock (Per official settlement dated December 23, 1997 attached, Schedule A, Page 3) (Value per settlement of \$2,857,116,156 plus 1996 statutory exemption of \$100,000)	\$2,857,216,156
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statutory exemption	2,857,091,156
4. Apportionment percentage	<u>0.940076</u>
5. Taxable value of capital stock	2,685,882,826
6. Tax rate - 1999 (10.99 mills)	<u>0.01099</u>
7. Pa. capital stock tax based on new law - 1999	29,517,852
8. Pa. capital stock tax (Based on 1996 settled value and 1998 tax rates)	<u>32,203,735</u>
9. Tax decrease - 1999	(2,685,883)
10. PUC jurisdictional allocation factor	<u>0.90921</u>
11. Allocated tax decrease - 1999	<u>(\$2,442,032)</u>
12. Allocated tax decrease - June 1, 1999 through December 31, 1999 (Line 11 divided by 12 times 12)	<u>(\$2,442,032)</u>

REPORT  
RECEIVED 10/14/97

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

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



OFFICIAL NOTICE OF SETTLEMENT

RE: 0280-166 REV-57 CT APP (9-96)  
01/01/96 TO 12/31/96  
DLN 97-7-84051

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

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

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----		
TAX	AS REPORTED	AS SETTLED
	34,246,595	34,245,306
----- SECTION B - LOANS TAX -----		
TAX	AS REPORTED	AS SETTLED
	28,513	28,513
----- SECTION C - CORPORATE NET INCOME TAX -----		
TAX	AS REPORTED	AS SETTLED
	70,007,077	70,007,077

DEPARTMENT OF REVENUE GLENWOOD HOSKIN	MAILING DATE	AUDITED AND APPROVED BY DEPARTMENT OF AUDITOR GENERAL WILLIAM E MOGLIA
12/18/97	12/23/97	12/22/97

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

LOANS SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:

- \* DEPARTMENT OF REVENUE COMPUTATION DIFFERS FROM SUBMITTED FIGURE
- B6 INCONSISTENT WITH DEPARTMENT RECORDS FOR PRIOR TAX YEAR(S).
- C3 INCLUDE ALL GROSS RECEIPTS EXCEPT DIVIDENDS AND U.S. SECURITY INTEREST.
- C4 FACTOR AS REPORTED NOT SUPPORTED BY ACCOMPANYING SCHEDULES.
- D4 INCLUDE DIVIDENDS RECEIVED AND REMOVE INCOME/LOSS OF SUBSIDIARIES.
- N2 CARRY-IN FIGURE(S) INCONSISTENT WITH DEPARTMENT RECORDS.
- Q5 SALES OF SECURITIES ARE EXCLUDED UNLESS IN THE SECURITIES BUSINESS.
- S8 USE AVERAGE TOTAL ASSETS PER BALANCE SHEET.

RE: 0280-166 PP & L INC OFFICIAL NOTICE OF SETTLEMENT PAGE 2  
01/01/96 TO 12/31/96 DLN 97-7-84051

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

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/92 TO 12/31/92	344,849,572		
01/01/93 TO 12/31/93	344,917,249		
01/01/94 TO 12/31/94	248,336,852		
01/01/95 TO 12/31/95	324,745,204	324,596,820	B6
01/01/96 TO 12/31/96	353,296,414	353,296,416	D4
TOTAL BOOK INCOME		1,615,996,909	
AVERAGE NET INCOME	323,229,058	323,199,382	*
EQUITY YEAR ENDING	3,083,111,406		
EQUITY YEAR BEGINNING	2,994,271,079		
NET WORTH	3,083,111,406	3,083,111,406	
CAPITAL STOCK VALUE	2,857,272,346	2,857,116,156	*
APPORTIONMENT PROPORTION	.940060	.940076	
CAPITAL STOCK/FRANCHISE TAX	34,246,595	34,245,306	*

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

PROPERTY FACTOR - PA			
PROPERTY FACTOR - TOTAL			
PAYROLL FACTOR - PA			
PAYROLL FACTOR - TOTAL			
SALES FACTOR - PA			
SALES FACTOR - TOTAL			
SINGLE FACTOR - NUMERATOR	9,210,256,004	9,203,513,656	C4
SINGLE FACTOR - DENOMINATOR	9,797,517,023	9,790,176,591	S8

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

INDEBTEDNESS	7,176,677	
LOANS TAX	28,513	28,513

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

NET INCOME	634,114,970	
DIVIDENDS	2,637,730	
US INTEREST		
OTHER		
TOTAL DEDUCTIONS	2,637,730	2,637,730
INCOME TAXES	70,120,405	
TAX PREFERENCE ITEMS	706,250-	
EIP ADJUSTMENTS		
OTHER		
TOTAL ADDITIONS	69,414,155	69,414,155
ADJUSTED INCOME	700,891,395	700,891,395
TOTAL NONBUSINESS INCOME		
INCOME TO BE APPORTIONED		700,891,395
APPORTIONMENT PROPORTION	.999829	.999829
PA APPORTIONED INCOME		700,771,542
PA NONBUSINESS INCOME		
INCOME PRIOR TO NL DEDUCTION	700,771,543	700,771,542
NET LOSS DEDUCTION	0	0
PA TAXABLE INCOME		700,771,542
CORPORATE NET INCOME TAX	70,007,077	70,007,077

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

PROPERTY FACTOR - PA	10,236,768,017		
PROPERTY FACTOR - TOTAL	10,237,270,091		
PAYROLL FACTOR - PA	388,810,380		
PAYROLL FACTOR - TOTAL	389,057,576		
SALES FACTOR - PA	2,933,906,907	2,927,424,787	C3
SALES FACTOR - TOTAL	2,933,906,907	2,927,424,787	Q5
SINGLE FACTOR - PA			
SINGLE FACTOR - TOTAL			

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR	
12-31-89	0	12-31-89 0 N2
12-31-90	0	12-31-90 0 N2
12-31-91	0	12-31-91 0 N2
12-31-92	0	12-31-92 0 N2
12-31-93	0	12-31-93 0 N2
12-31-94	0	12-31-94 0 N2
12-31-95	0	12-31-95 0 N2
		12-31-96 0

PP&L, INC.

Pennsylvania Public Utility Realty Tax  
Report Due April 15, 1998

1. Total plant taxable value at December 31, 1997 (per report due April 15, 1998 - attached, Schedule C, Page 2)	<u>\$1,002,082,237</u>
2. Pa. Public Utility Realty Tax (Based on applied rate of 64.2684 mills, Schedule C, Page 3)	\$64,402,222
3. Pa. Public Utility Realty Tax (Based on rate of 45.2228 mills, Schedule C, Page 4)	<u>45,316,965</u>
4. Increase in Pa. Public Utility Realty Tax	19,085,257
5. PUC jurisdictional allocation factor	<u>0.90921</u>
6. Allocated tax increase	<u>\$17,352,507</u>
7. Allocated tax increase - June 1, 1999 through December 31, 1999 (Line 6 divided by 12 times 7)	<u>\$10,122,296</u>

RCY 127 (11-95)



# PUBLIC UTILITY REALTY TAX REPORT

**IMPORTANT!** PUBLIC UTILITY TAX REPORTS MUST BE FILED ON OR BEFORE APRIL 15 REFLECTING THE STATE TAXABLE VALUE OF PUBLIC UTILITY REALTY AT THE END OF THE PRECEDING CALENDAR YEAR. PENALTY AND INTEREST WILL BE ADDED TO THE TAX AS PROVIDED IN THE ACT. MAIL THIS FORM WITH REMITTANCE PAYABLE TO THE PA DEPARTMENT OF REVENUE, ALONG WITH PAYMENT TRANSMITTAL FORM (REV-856S), TO THE PA DEPARTMENT OF REVENUE, BUREAU OF RECEIPTS AND CONTROL (CORP.), DEPT. 28040 HARRISBURG, PA 17128-0407.

<input type="checkbox"/> FIRST REPORT	<input type="checkbox"/> LAST REPORT	<input type="checkbox"/> AMENDED REPORT
UTILITY NAME: KA 12 0100 BOX NO 3500-090 PENNSYLVANIA POWER & LIGHT CO TAX SECTION TW 10 2 N 9TH ST ALLENTOWN PA 18101		
COMPLETE ADDRESS	PURTA BOX NUMBER: 3500-090	FEDERAL EMPLOYER IDENTIFICATION NUMBER: 23-0959590
CITY	STATE: PA ZIP CODE: 18101	TAX YEAR ENDING: December 31, 19 97

1. COUNTIES IN WHICH UTILITY OWNS AND/OR FURNISHES PUBLIC UTILITY SERVICE: (Attach schedule if additional space is necessary.)

2. REPORT THE FOLLOWING AS TO LAND OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE:

A. BOOK COST	54,830,873	
B. BOOK COST OF LAND INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968	30,850,249	
C. VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (A MINUS B)	23,980,624	
D. BOOK DEPLETION RESERVE ACCRUED AGAINST C		
E. NET VALUE OF LAND SUBJECT TO UTILITY REALTY TAX (C MINUS D)	23,980,624	

3. REPORT THE FOLLOWING AS TO ALL OTHER "UTILITY REALTY" AS DEFINED BY ARTICLE 11 (a) § 1101-A, OWNED IN PENNSYLVANIA AT THE END OF THE PRECEDING CALENDAR YEAR AND USED, OR IN THE COURSE OF DEVELOPMENT OR CONSTRUCTION FOR USE, IN FURNISHING PUBLIC UTILITY SERVICE.

A. BOOK COST	1,550,402,798	
B. BOOK COST OF UTILITY REALTY INCLUDED ON LINE A THAT IS SUBJECT TO LOCAL TAXATION UNDER ANY LAW IN EFFECT ON APRIL 23, 1968	8,389,972	
C. VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (A MINUS B)	1,542,012,826	
D. BOOK DEPRECIATION RESERVE ACCRUED AGAINST C (See instructions below.)	563,911,213	
E. NET VALUE OF UTILITY REALTY SUBJECT TO UTILITY REALTY TAX (C MINUS D)	978,101,613	

➔ PUBLIC UTILITY REALTY TAX DUE WITH THIS REPORT

4. STATE TAXABLE VALUE (2E PLUS 3E)	1,002,082,237	x .042	= 42,087,454
-------------------------------------	---------------	--------	--------------

AMOUNT DUE COMMONWEALTH. If remitting payment by Electronic Funds Transfer (EFT), place an "X" in this block.  \$ 2,715,703  
 Mail completed tax report to the PA Department of Revenue at the address listed above. Beginning 01/01/94 payments of \$20,000 or more must be remitted by EFT. To participate in the program, the Department first must receive your completed Authorization Agreement. For EFT questions only, call 1-800-892-9816.

**INSTRUCTIONS: (SEE REVERSE SIDE FOR GENERAL INSTRUCTIONS.)**  
 Item 2 - Show depreciable land improvements under Item 3.  
 Item 3 - (a) For any public utility which was required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) M: 28, 1937, show in Item 3D the book reserve for depreciation accrued against Item 3C. If the amount shown in Item 3D was determined by prorating, attach to this report the computations used in such prorating.  
 (b) For any public utility which was not required to record annual depreciation on its utility realty prior to enactment of section 503 of the Public Utility Law (P.L. 1053) M: 28, 1937, show in Item 3D the book reserve for depreciation against Item 3C, or 50% of Item 3C, whichever is greater.  
 Check here ( ) if the 50% of Item 3C is used in Item 3D.

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 taxpayer, the declaration is based on all information of which preparer has any knowledge.

SIGNATURE OF OFFICER OF COMPANY <i>[Signature]</i>	DATE 4/12/98	TELEPHONE NUMBER (610) 774-5032
TITLE VP & CONTROLLER	INDIVIDUAL OR FIRM SIGNATURE OF PREPARER	TITLE
STREET ADDRESS	STATE	TELEPHONE NUMBER
CITY	ZIP CODE	DATE

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

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



RCT-900A (12-98)

December 22, 1998

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

Re: Pennsylvania Public Utility Realty Tax  
1997 Notice of Additional Assessment and Determination pursuant to Title 72 P.S. § 8104-A(b)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. The 1997 Realty Tax Equivalent shown in the reports required by Title 72 P.S. § 8106-A was \$167,503,199. The 1997 State taxable value shown in the reports required by Title 72 P.S. § 8102-A(b) was \$3,204,671,382.86.

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiacki

Director

PURTA Coupon  
Public Utility Realty Tax  
Tax Period: 12/97

Department Use Only

[Empty box for Department Use Only]

Box Number:	3500090	Report Code:	KA
EDN:	230959590		
PENNSYLVANIA POWER & LIGHT CO			
TAX SECTION TW 10			
2 N 9TH ST			
ALLENTOWN PA 18101			

CALCULATION OF REASSESSMENT	
Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
\$1,002,082,238.10 x 0.0222684 =	\$22,314,816.00

Amount Paid:

[Empty box for Amount Paid]



RCT-900A (11-96)

December 22, 1997

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

Re: Pennsylvania Public Utility Realty Tax  
1996 Additional Tax Assessment Title 72 P.S. § 8104-A(h)

Dear Taxpayer:

Title 72 P.S. § 8107-A(b) of the Pennsylvania Code provides that, on or before October 1 of each year, the Department of Revenue shall distribute to each local taxing authority its share of the total realty tax equivalent. Funding for this distribution is indirectly linked to the Public Utility Realty Tax (PURTA) collected from utility companies under Title 72 P.S. § 8102-A(a). If in any calendar year the amount determined by the Department pursuant to § 8107-A shall exceed the total amount of tax collected pursuant to § 8102-A(a), the Department shall determine the ratio which the amount of such excess bears to the total state taxable value of all utility realty reported to it pursuant to § 8102-A(b). In the event that the amount of the distribution exceeds the amount of tax collected, the Department of Revenue is required to assess an additional tax. (Title 72 P.S. § 8104-A(b)).

The computed ratio and the amount of additional tax due is calculated below. Please detach the coupon and return it along with full payment in the enclosed pre-addressed envelope. You have 45 days from the date of this notice to remit or satisfy your pro-rata share of additional tax. Failure to timely remit may result in the assessment of interest and underpayment penalties. If you have over payments/credits that may be applied toward this assessment, please provide transfer instructions along with your remittance. If you have any questions, please contact the Pennsylvania Department of Revenue, Bureau of Corporation Taxes, Specialty Tax Unit at (717) 783-6035.

Sincerely,

Thomas S. Rominiecki

Director

PURTA Coupon  
Public Utility Realty Tax  
Tax Period: 12 / 96

Department Use Only

Box Number:	3500090	Report Code:	KA
EIN:	230959590		
PENNSYLVANIA POWER & LIGHT CO			
TAX SECTION TW 10			
2 N 9TH ST			
ALLENTOWN PA 18101			

CALCULATION OF REASSESSMENT	
Taxpayer's taxable value of realty property x PURTA assessment ratio = Amount Due	
\$1,041,580,714.29 x 0.0032228 =	\$3,356,850.00

Amount Paid: \$3,356,850.00

PP&L, INC.

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

1. Projected taxable revenues for Pa. gross receipts tax for period January 1, 1999 to December 31, 1999	\$2,003,447,000
2. RNR tax rate adjustment as published by the Department of Revenue in the <u>Pennsylvania Bulletin</u> on November 28, 1998	<u>(0.002)</u>
3. Projected decrease in applicable 1999 gross receipts tax liability based on RNR tax rate adjustment	<u>(\$4,006,894)</u>
4. Projected decrease - June 1, 1999 through December 31, 1999 (Line 3 divided by 12 times 7)	<u>(\$2,337,355)</u>

PP&L, INC.

Gross Receipts Tax Adjustment

Most recently completed calendar year is the year 1997:

1. Taxable revenues per attached copy of return filed September 15, 1998		\$2,377,383,345
2. Less - Revenues included above for:		
(a) Tax surcharge	(\$233,192)	
(b) Fuel/energy adjustment clause	(1,124,708)	
(c) Change in accounts receivables	10,583,757	9,225,857
		<hr/>
3. Remainder - Tax Base of PUC Base Rate Revenues		2,368,157,488
4. Less - Revenues included above from service under rates subject to jurisdiction of Federal Energy Regulatory Commission		<hr/>
		32,071,963
5. Taxable revenue from service under rates subject to jurisdiction of Pennsylvania Public Utility Commission		<hr/> <hr/>
		\$2,336,085,525

PP&L, INC.

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

Calendar Year 1997

1. Revenues from sales of electricity	\$2,957,422,863
2. Add - Delayed Payment Charges	<u>7,478,484</u>
3. Sub-total	2,964,901,347
4. Less - Revenues from service under rates subject to jurisdiction of Federal Energy Regulatory Commission	<u>602,006,881</u>
5. Revenues from service under rates subject to jurisdiction of Pennsylvania Public Utility Commission	<u><u>\$2,362,894,466</u></u>

PP&L, INC.

Computation of Revenues from Service Under  
Rates Subject to Jurisdiction of  
Pennsylvania Public Utility Commission  
For Twelve Months Ended December 31, 1997

<u>Month</u>	(A) Base Rate Revenue	(B) SBRCA	(C) Delayed Payment Charge	(D) (A)+(B)+(C) PUC Jurisdictional Sales
January 1997	\$229,873,258	(\$697,544)	\$708,341	\$229,884,055
February	223,782,061	(681,251)	747,122	223,847,932
March	199,916,302	(616,069)	686,219	199,986,452
April	193,259,790	(586,281)	620,056	193,293,565
May	181,132,313	(549,231)	614,998	181,198,080
June	177,510,834	(520,970)	576,180	177,566,044
July	197,141,372	(264,863)	575,047	197,451,556
August	191,195,489	(2,734)	623,937	191,816,692
September	188,003,288	(3,503)	631,034	188,630,819
October	179,151,845	639	579,433	179,731,917
November	185,280,101	702	504,568	185,785,371
December	213,090,463	(29)	611,549	213,701,983
Total	\$2,359,337,116	(\$3,921,134)	\$7,478,484	\$2,362,894,466

PP&L, INC.

Projected Revenues from Service Under  
Rates Subject to Jurisdiction of  
Pennsylvania Public Utility Commission  
For the Application Period January 1, 1999 to December 31, 1999

<u>Month</u>	(A) <u>Base Rate Revenue</u>	(B) <u>Delayed Payment Charge</u>	(C) (A)+(B) <u>PUC Jurisdictional Sales</u>
January	190,916,000	688,000	191,604,000
February	198,365,000	692,000	199,057,000
March	183,052,000	688,000	183,740,000
April	162,037,000	619,000	162,656,000
May	146,377,000	337,000	146,714,000
Subtotal - January through May	880,747,000	3,024,000	883,771,000
June	150,954,000	565,000	151,519,000
July	162,460,000	562,000	163,022,000
August	162,752,000	647,000	163,399,000
September	161,740,000	666,000	162,406,000
October	143,516,000	612,000	144,128,000
November	153,683,000	557,000	154,240,000
December	180,253,000	709,000	180,962,000
Subtotal - June through December	1,115,358,000	4,318,000	1,119,676,000
Total Projected Revenue	\$1,996,105,000	\$7,342,000	\$2,003,447,000

PP&L, INC.  
 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 - 1997

Schedule F

		Revenue Per Books - 1997			
Line No.	Reference FERC Form 1	Total	Less Fuel/Energy Adjustment	Less Surcharge	Base Rates
<b>Schedule D</b>					
1	Sale of Electricity Page 300: Line 14	\$2,962,259,887	(\$1,029,757)	(\$594,825)	\$2,963,884,469
2	Unbilled revenue included in above	5,983,607	(116,507)	(361,492)	6,461,606
3	Sale of Electricity (net of unbilled revenue)	2,956,276,280	(913,250)	(233,333)	2,957,422,863
<i>Other Operating Revenue:</i>					
4	Delayed Payment Charge Line 16	7,478,484			7,478,484
5	Other	77,920,358			77,920,358
6	Unbilled Revenues	5,983,607	(116,507)	(361,492)	6,461,606
7	Total Line 27	3,047,658,729	(1,029,757)	(594,825)	3,049,283,311
<i>Less:</i>					
8	Interdepartmental Sales Line 9	0			0
9	Bad Debts Company Records	26,282,400			26,282,400
10	Change in Accounts Receivable Company Records	(10,583,757)			(10,583,757)
11	Other Revenue As Above	77,920,358			77,920,358
<i>Non-Taxable FERC Revenue</i>					
12	UGI Luzerne Page 310-2/311-2: Line 14&15	26,242,235			26,242,235
13	Citizens Electric Page 310-2/311-2: Line 13	6,542,320	212,473		6,329,847
14	Atlantic City Electric Page 310-3/311-3: Line 5&6	23,897,008			23,897,008
15	Baltimore Gas & Elec. Line 7&8	55,346,029			55,346,029
16	Jersey Central Power Line 9&10	133,206,460			133,206,460
17	Miscellaneous Companies Page 310-8/311-8: Line 8	279,425,901			279,425,901
18	Pa-NJ-Md Interconnection Page 310-8/311-8: Line 10&11	45,490,192			45,490,192
19	Outside pools Line 3	(2,754)			(2,754)
20	Non-Taxable PUC Revenue (Borderline-Total) Page 310-1/311-1: Line 3-5	525,384	(1,015)	(141)	526,540
21	Unbilled Revenue As Above	5,983,607	(116,507)	(361,492)	6,461,606
22	Total (Lines 8 through 21)	670,275,383	94,951	(361,633)	670,542,065
23	Gross Receipts Tax Base (Line 7 - Line 22)	\$2,377,383,346	(\$1,124,708)	(\$233,192)	2,378,741,246
24	Less: "FERC Other" Taxable Revenue Company Records				32,071,963
25	Tax Base - Revenue Subject to PUC Jurisdiction (Schedule D, Line 5)				<u>\$2,346,669,283</u>
<b>Schedule E</b>					
26	Sale Of Electricity (Line 3)				\$2,957,422,863
27	Delayed Payment Charge (line 4)				7,478,484
<i>Less: FERC Revenue:</i>					
28	UGI Luzerne (Line 12)				(26,242,235)
29	Citizens Electric (Line 13)				(6,329,847)
30	Atlantic City Electric (Line 14)				(23,897,008)
31	Baltimore Gas & Elec. (Line 15)				(55,346,029)
32	Jersey Central Power (Line 16)				(133,206,460)
33	Miscellaneous Companies (Line 17)				(279,425,901)
34	Pa-NJ-Md Interconnection (Line 18)				(45,490,192)
35	Outside pools (Line 19)				2,754
36	FERC other (Line 24)				(32,071,963)
37	Revenue-PUC Jurisdictional Sales (Schedule E, Line 5)				<u>2,362,894,466</u>
<i>Reconcile to Schedule D:</i>					
<i>Elimination of Non-taxable Items</i>					
38	Bad Debts (Line 9)				(26,282,400)
39	PUC Revenue (Line 20)				(526,540)
40	Interdepartmental Sales (line 8)				0
41	Tax Base (Schedule D, Line 5)				<u>\$2,336,085,526</u>