

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re:

SECURITIES CERTIFICATE OF	:	
PPL ELECTRIC UTILITIES	:	
CORPORATION IN RESPECT OF	:	SECURITIES CERTIFICATE
NOT IN EXCESS OF \$450 MILLION	:	
AGGREGATE PRINCIPAL AMOUNT	:	
OF DEBT SECURITIES	:	
	:	NO. S-2014-
	:	

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. The name of the public utility filing this Securities Certificate is PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), Two North Ninth Street, Allentown, Pennsylvania 18101-1179.
2. The name and address of PPL Electric’s attorneys are Frederick C. Paine and Michael A. McGrail, Two North Ninth Street, Allentown, Pennsylvania 18101-1179.
3. PPL Electric is a corporation organized on June 4, 1920 under the laws of the Commonwealth of Pennsylvania to exist perpetually. The Company is subject to the Pennsylvania Associations Code (15 Pa. C.S. §101 et seq.), including the Pennsylvania Business Corporation Law of 1988 (15 Pa. C.S. §1101 et seq.) for the government and regulation of its affairs. PPL Electric is engaged, *inter alia*, in the distribution of electricity and its intrastate rates and services are regulated by the Pennsylvania Public Utility Commission (“PUC” or “Commission”) pursuant to the Public Utility Code, 66 Pa.C.S. §§ 101 et seq. PPL Electric presently serves

approximately 1.4 million customers in its service territory, which encompasses approximately 10,000 square miles in eastern and central Pennsylvania. PPL Electric's service territory encompasses all or portions of 29 counties and includes 129 communities with populations over 5,000. The largest cities served by PPL Electric are Allentown, Bethlehem, Harrisburg, Hazleton, Lancaster, Scranton, Wilkes-Barre and Williamsport.

4. The Company is a direct subsidiary of PPL Corporation. PPL Corporation owns all of the Common Stock of the Company, and 100% of the outstanding voting stock of the Company.

5. This Securities Certificate requests Commission authorization for the Company to (a) issue up to \$450 million aggregate principal amount of its secured debt securities, which may include first mortgage bonds (the "New Bonds") in one or more series from time to time, the proceeds of which primarily will be added to the Company's treasury and used for general corporate purposes, such as the retirement of debt, and for capital expenditures. At March 31, 2014, the Company had short-term debt outstanding of \$60,000,000.

PPL Electric proposes to issue the New Bonds under its Indenture dated as of August 1, 2001 (the "2001 Indenture"). The Company previously has issued approximately \$4.004 billion of bonds under the 2001 Indenture (the "Existing Bonds," and collectively with the New Bonds, the "Bonds"), all of which Existing Bonds were authorized by the Commission under prior Securities Certificates filed by the Company. Like the Existing Bonds, the New Bonds will be secured by a lien in favor of the Trustee on the Company's distribution and certain of its transmission properties, subject to customary exceptions and exclusions.

On June 5, 2014 PPL Electric issued \$300 million of the \$400 million of its secured debt securities authorized by Securities Certificate S-2013-2378884. The Company does not intend to utilize the remaining \$100 million authorized under Securities Certificate S-2013-2378884.

Set forth below is a description of the general terms or range of terms the Company expects will be applicable to each series of the New Bonds.

EXACT TITLE OF SECURITY:

First Mortgage Bonds, % Series due ____.

AGGREGATE PRINCIPAL AMOUNT TO BE ISSUED:

Not in excess of \$450,000,000. The principal amount of the New Bonds will be determined by the Company at or about the time of the sale of that series based on the Company's capital requirements.

NOMINAL DATE OF ISSUE:

To be determined at the time of sale.

DATE OF MATURITY:

To be determined at the time of sale. It currently is expected that each series of the New Bonds will mature not later than 30 years from its original issue date.

INTEREST RATE AND PAYMENT DATES:

Interest Rate:

To be determined at the time of sale, depending on market conditions.

Payment Dates:

To be determined at the time of sale, depending on market conditions. It currently is expected that interest will be payable semiannually.

EXTENT TO WHICH TAXES ON SECURITIES ARE ASSUMED:

Based on tax laws currently in effect, the Company will not assume any taxes associated with the New Bonds.

CALLABILITY PROVISIONS:

To be determined at the time of sale, depending on market conditions.

CONVERSION PROVISIONS:

None.

**MAINTENANCE, DEPRECIATION AND SINKING
FUND OR OTHER PROVISIONS:**

Sinking or Improvement Fund:

To be determined at the time of sale, depending on market conditions. None currently expected.

Maintenance and Replacement Fund:

To be determined at the time of sale, depending on market conditions. None currently expected.

**NAME AND ADDRESS OF TRUSTEE AND
WHETHER AFFILIATED:**

Name and Address of Trustee:

The Bank of New York Mellon
Global Structured Finance
101 Barclay Street, 4th Floor
New York, New York 10286

Affiliation:

The Bank of New York Mellon is not an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

In addition, in order to limit the Company's exposure to interest rate fluctuations in conjunction with the New Bonds, the Company may enter into

arrangements with PPL Corporation (“PPL”) or directly with one or more financial institutions (the “Counterparty”) that will provide interest rate protection in the form of interest rate liability management instruments with respect to a nominal amount of up to \$450 million of New Bonds. Such instruments may include interest-rate swaps and/or interest-rate caps. If PPL is involved, PPL would serve only as a “conduit” between the Company and the Counterparty to procure such protection on behalf of the Company or by entering into a transaction with a Counterparty on terms substantially similar to the terms of its arrangements with the Company. PPL would pass through direct costs of procuring such instruments but would not charge the Company any fee or additional administrative costs associated with negotiating the terms of the interest rate liability management instrument.

6. Subject to the approval of the Commission, as evidenced by the registration of this Securities Certificate, the Company proposes to issue and sell the New Bonds in one or more series from time to time directly to investors, through agents or to one or more underwriters for public offering, or in private placements directly to one or more institutional investors or through agents, in each case on terms to be determined by market conditions at the time of sale. The Company will enter into one or more underwriting agreements, agency agreements or purchase agreements with underwriters, agents or other purchasers. The price to be paid to the Company by the underwriters, agents or other purchasers of the New Bonds and the compensation received by such parties will be determined at the time of sale.

* * *

None of the underwriters, agents or other purchasers described above will be an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

* * *

The estimate of expenses set forth below is based on a public offering of a series of New Bonds in the principal amount of \$450 million and would be expected to be the same whether that series of New Bonds is sold through competitive bidding or negotiated offering. These expenses would be paid from the general funds of the Company.

Filing Fee - Pennsylvania Public Utility Commission	\$ 350
Filing Fee – Securities and Exchange Commission.....	60,000
Printing and Engraving	50,000
Fees of Trustee, including counsel and authentication fees.....	35,000
Legal Fees, Expenses and Disbursements	300,000
Accounting Fees	125,000
Postage	4,000
Rating Agency Fees	575,000
Recording Fees	5,000
Blue Sky Fees and Expenses	10,000
Miscellaneous	<u>25,000</u>
Total	<u>\$1,189,350</u>

Any discounts relating to the sale of a series of the New Bonds will be charged to Unamortized Discount on Long-Term Debt. Any premiums relating to the sale of a series of the New Bonds will be credited to Unamortized Premium on Long-Term Debt. The issuance expenses related thereto will be charged to Unamortized Debt Expense. These amounts will be amortized over the life of the series being issued.

7. The net proceeds from the sale of the New Bonds will be added to the Company's treasury and used for general corporate purposes, such as the retirement of

debt and for capital expenditures. At March 31, 2014, the Company had short-term debt outstanding of \$60,000,000.

* * *

The issuance and sale of the New Bonds (as described in this Securities Certificate) will provide a portion of the Company's currently estimated capital requirements and, therefore, is necessary for the capital needs of the Company. The registration of this Securities Certificate will place the Company in a position to take advantage of current favorable capital market interest rates.

8. If the Company decides to issue the New Bonds pursuant to one or more public offerings, it will issue such New Bonds under a Prospectus Supplement to Registration Statement 333-180410-03, to be filed with the Securities and Exchange Commission (the "SEC") with respect to the New Bonds.

9. There are appended hereto and made a part hereof the following:

- (A) A balance sheet of the Company as of March 31, 2014.
- (B) A statement of income and statement of retained earnings of the Company for the three months ended March 31, 2014.
- (C) Statement of utility plant of the Company at original cost as of March 31, 2014. The Company makes a part hereof by reference the revised Reclassification and Original Cost Studies heretofore filed with the Commission.
- (D) Statement of securities of other corporations owned by the Company as of March 31, 2014.
- (E) Statement showing the status of the funded debt of the Company as of March 31, 2014.
- (F) Statement showing the status of outstanding capital stock of the Company as of March 31, 2014.
- (G) Registration Statement filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the New Bonds.
- (H) The Public Utility Holding Company Act has been repealed.

- (I) Copy of resolutions of the Board of Directors of the Company authorizing the issuance and sale of the New Bonds. (To be supplied following an issuance of New Bonds)
- (J) Proposed form of Supplemental Indenture to 2001 Indenture pursuant to which the New Bonds will be issued. (To be supplied following an issuance of New Bonds)

A copy of the 2001 Indenture is attached as Exhibit (J) to Securities Certificate No. S-00010853.

Copies of supplements to the 2001 Indenture pursuant to which Senior Secured Bonds are currently outstanding have been filed as exhibits to Securities Certificates of the Company as follows:

	<u>Securities Certificate Number</u>	<u>Exhibit</u>
Supplemental Indenture No. 1 dated as of August 1, 2001	S-00010853	(J)
Supplemental Indenture No. 2 dated as of February 1, 2003	S-00020932	(J)
Supplemental Indenture No. 3 dated as of May 1, 2003	S-00020933	(J)
Supplemental Indenture No. 4 dated as of February 1, 2005	S-00041035	(J)
Supplemental Indenture No. 5 dated as of May 1, 2005	S-00041035	(J)
Supplemental Indenture No. 6 dated as of December 1, 2005	S-00051056	(J)
Supplemental Indenture No. 7 dated as of August 1, 2007	S-2008-2035720	(J)
Supplemental Indenture No. 8 dated as of October 1, 2008	S-2008-2065794	(J)

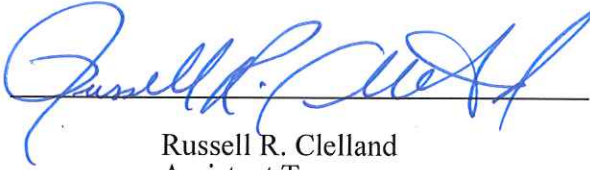
Supplemental Indenture No. 9 dated as of October 1, 2008	S-2008-2060876	(J)
Supplemental Indenture No. 10 dated as of May 1, 2009	S-2009-2094547	(J)
Supplemental Indenture No. 12 dated as of July 1, 2011	S-2011-2219042	(J)
Supplemental Indenture No. 13 dated as of August 1, 2011	S-2011-2246812	(J)
Supplemental Indenture No. 14 dated as of August 1, 2012	S-2012-2301050	(J)
Supplemental Indenture No. 15 dated as of July 1, 2013	S-2012-2334938	(J)
Supplemental Indenture No. 16 dated as of June 1, 2014	S-2013-2378884	(J)

- (K) Statement showing, in journal entry form, all charges to be made on the books of account of the Company as a result of the proposed sale, issuance and delivery of the New Bonds.
- (L) Proposed form of underwriting, agency or other purchase agreement. (To be supplied following an issuance of New Bonds)
- (M) No Net Earnings Certificate is required for the issuance of the New Bonds.
- (N) Not applicable.
- (O) Requirements and Sources of Funds.
- (P) Capital Structure of the Company at March 31, 2014 and as adjusted to give effect, among other things, to the issuance and sale of the New Bonds.
- (Q) Calculation of the book value per share of the Company's Common Stock as of March 31, 2014.

WHEREFORE, PPL Electric Utilities Corporation requests the

Commission to register this Securities Certificate pursuant to Chapter 19 of the Public Utility Code and evidence such registration by an Order.

PPL Electric Utilities Corporation

By: 
Russell R. Clelland
Assistant Treasurer

Dated: June ^{9th} 9, 2014

COMMONWEALTH OF PENNSYLVANIA)
) : SS
COUNTY OF LEHIGH)

MICHAEL A. McGRAIL, being duly sworn according to law, deposes and says that he is Assistant Secretary of PPL Electric Utilities Corporation; that he is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct to the best of his knowledge, information and belief and he expects the said PPL Electric Utilities Corporation to be able to prove the same at any hearing hereof.

Sworn to and subscribed before me
This 9th day of June, 2014.

Jacqueline M. Jacob

Michael A. McGrail



**PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS**

ACCT. NO.	TITLE OF ACCOUNT	MARCH 31, 2014
ASSETS AND OTHER DEBITS		
	UTILITY PLANT	
101	UTILITY PLANT IN SERVICE	\$ 6,588,525,528
105	UTILITY PLANT HELD FOR FUTURE USE	48,214,497
106	CC NOT CLASSIFIED	659,079,496
107	CONSTRUCTION WORK IN PROGRESS	700,572,680
	GROSS UTILITY PLANT	7,996,392,201
108/111	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE	(2,456,429,047)
	NET UTILITY PLANT	5,539,963,154
OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	3,543,774
122	ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY	(874,609)
	NET NONUTILITY PROPERTY	2,669,165
123.1	INVESTMENT IN SUBSIDIARY COMPANIES	435,991,036
124	OTHER INVESTMENTS	302,814
128	OTHER SPECIAL FUNDS	0
	TOTAL OTHER PROPERTY AND INVESTMENTS	438,963,015
CURRENT AND ACCRUED ASSETS		
131	CASH	17,180,025
132	INTEREST SPECIAL DEPOSITS	0
134	OTHER SPECIAL DEPOSITS	0
135	WORKING FUNDS	0
136	TEMPORARY CASH INVESTMENTS	24,731,338
	NOTES AND ACCOUNTS RECEIVABLE	
141	NOTES RECEIVABLE	0
142	CUSTOMER ACCOUNTS RECEIVABLE	67,899,264
143	OTHER ACCOUNTS RECEIVABLE	21,377,899
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT	(3,673,904)
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	85,603,259
	RECEIVABLES FROM ASSOCIATED COMPANIES	
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	0
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	14,159,911
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	14,159,911
	MATERIALS AND SUPPLIES	
154	PLANT MATERIALS AND OPERATING SUPPLIES	31,615,993
163	STORES EXPENSE UNDISTRIBUTED	2,253,293
	TOTAL MATERIALS AND SUPPLIES	33,869,286
165	PREPAYMENTS	100,690,918
	OTHER CURRENT AND ACCRUED ASSETS	
171	INTEREST AND DIVIDENDS RECEIVABLE	1,916
172	RENTS RECEIVABLE	8,690,737
173	ACCRUED UTILITY REVENUES	0
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	6,531,423
190	ACCUMULATED DEFERRED INCOME TAXES (CURRENT)	90,209,745
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	105,433,821
	TOTAL CURRENT AND ACCRUED ASSETS	381,668,558
DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	20,075,581
182.3	OTHER REGULATORY ASSETS	617,984,513
183	PRELIMINARY SURVEY AND INVESTIGATION CHARGES	0
184	CLEARING ACCOUNTS	2,393,909
185	TEMPORARY FACILITIES	58,221
186	MISCELLANEOUS DEFERRED DEBITS	14,449,902
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	54,821,349
190	ACCUMULATED DEFERRED INCOME TAXES	382,993,233
	LESS CURRENT ACCUMULATED DEFERRED INCOME TAXES	90,209,745
	TOTAL ACCUMULATED DEFERRED INCOME TAXES (NONCURRENT)	292,783,488
	TOTAL DEFERRED DEBITS	1,002,566,963
TOTAL ASSETS AND OTHER DEBITS		\$ 7,363,161,690

PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS

ACCT. NO.	<u>TITLE OF ACCOUNT</u>	<u>MARCH 31, 2014</u>
	LIABILITIES AND OTHER CREDITS	
	PROPRIETARY CAPITAL	
201	COMMON STOCK ISSUED	\$ 363,833,249
204	PREFERRED STOCK ISSUED	0
207	PREMIUM ON CAPITAL STOCK	0
211	ADDITIONAL PAID IN CAPITAL	1,411,262,745
214	CAPITAL STOCK EXPENSE	(6,283,429)
216	EARNINGS REINVESTED	675,397,258
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	22,194,167
217	REACQUIRED CAPITAL STOCK	0
219	OTHER COMPREHENSIVE INCOME	7,497
	TOTAL PROPRIETARY CAPITAL	2,466,411,487
	LONG-TERM DEBT	
221	BONDS	2,313,750,000
222	REACQUIRED BONDS	0
224	OTHER LONG-TERM DEBT	0
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	0
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT-DEBIT	(8,177,035)
	TOTAL LONG-TERM DEBT	2,305,572,965
	LESS AMOUNTS DUE WITHIN ONE YEAR	
221	BONDS	0
	TOTAL LONG-TERM DEBT	2,305,572,965
	OTHER NONCURRENT LIABILITIES	
227	OBLIGATIONS UNDER CAPITAL LEASES-NONCURRENT	0
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	119,974,949
229	ACCUMULATED PROVISION FOR RATE REFUNDS	0
	TOTAL OTHER NONCURRENT LIABILITIES	119,974,949
	CURRENT AND ACCRUED LIABILITIES	
	LONG-TERM DEBT DUE WITHIN ONE YEAR	
221	BONDS	0
231	NOTES PAYABLE	59,985,684
232	ACCOUNTS PAYABLE	309,352,775
233	NOTES PAYABLE - AFFILIATED COMPANIES	0
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	129,253,122
235	CUSTOMER DEPOSITS	14,637,779
236	TAXES ACCRUED	37,821,828
237	INTEREST ACCRUED	22,773,438
238	DIVIDENDS DECLARED	0
240	MATURED INTEREST	0
241	TAX COLLECTIONS PAYABLE	913,766
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	47,576,668
243	OBLIGATIONS UNDER CAPITAL LEASES-CURRENT	0
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	8,279,292
	TOTAL CURRENT AND ACCRUED LIABILITIES	630,594,352
	DEFERRED CREDITS	
252	CUSTOMER ADVANCES FOR CONSTRUCTION	73,580
253	OTHER DEFERRED CREDITS	18,468,061
254	OTHER REGULATORY LIABILITIES	83,098,753
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	2,100,856
257	UNAMORTIZED GAIN ON REAQUIRED DEBT	0
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY	0
282	ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY	1,393,427,142
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER	351,718,837
	LESS ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)	8,279,292
	TOTAL ACCUMULATED DEFERRED INCOME TAXES-OTHER (NONCURRENT)	343,439,545
	TOTAL DEFERRED CREDITS	1,840,607,937
	TOTAL LIABILITIES AND OTHER CREDITS	\$ 7,363,161,690

**PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF CONTINGENT LIABILITIES
MARCH 31, 2014**

Commitments and Contingencies

Legal Matters

PPL Electric Utilities Corporation (PPL Electric) is involved in legal proceedings, claims and litigation in the ordinary course of business. PPL Electric cannot predict the outcome of such matters, or whether such matters may result in material liabilities, unless otherwise noted.

Regulatory Issues

New Jersey Capacity Legislation

In January 2011, New Jersey enacted a law that intervenes in the wholesale capacity market exclusively regulated by the Federal Energy Regulatory Commission (FERC) (the Act). To create incentives for the development of new, in-state electricity generation facilities, the Act implements a long-term capacity agreement pilot program (LCAPP). The Act requires New Jersey utilities to pay a guaranteed fixed price for wholesale capacity, imposed by the New Jersey Board of Public Utilities (BPU), to certain new generators participating in PJM Interconnection, L.L.C. (PJM), with the ultimate costs of that guarantee to be borne by New Jersey ratepayers. PPL Corporation (PPL) believes the intent and effect of the LCAPP is to encourage the construction of new generation in New Jersey even when, under the FERC-approved PJM economic model, such new generation would not be economic. The Act could depress capacity prices in PJM in the short term, and harm the long-term ability of the PJM capacity market to encourage necessary generation investment throughout PJM.

In February 2011, PPL and several other generating companies and utilities filed a complaint in U.S. District Court in New Jersey challenging the Act on the grounds that it violates well-established principles under the Supremacy and Commerce clauses of the U.S. Constitution and requesting declaratory and injunctive relief barring implementation of the Act by the BPU Commissioners. In October 2013, the U.S. District Court in New Jersey issued a decision finding the Act unconstitutional under the Supremacy Clause on the grounds that it infringes upon the FERC's exclusive authority to regulate the wholesale sale of electricity in interstate commerce. The decision has been appealed to the U.S. Court of Appeals for the Third Circuit by CPV Power Development, Inc., Hess Newark, LLC and the State of New Jersey and oral argument was held on March 27, 2014. PPL Electric cannot predict the outcome of this proceeding or the economic impact on its business or operations, or the markets in which it transacts business.

Maryland Capacity Order

In April 2012, the Maryland Public Service Commission (MD PSC) ordered three electric utilities in Maryland to enter into long-term contracts to support the construction of new electricity generating facilities in Maryland, specifically a 661 MW natural gas-fired combined-cycle generating facility to be owned by CPV Maryland, LLC. PPL believes the intent and effect of the action by the MD PSC is to encourage the construction of new generation in Maryland even when, under the FERC-approved PJM economic model, such new generation would not be economic. The MD PSC action could depress capacity prices in PJM in the short term, and harm the long-term ability of the PJM capacity market to encourage necessary generation investment throughout PJM.

In April 2012, PPL and several other generating companies filed a complaint in U.S. District Court in Maryland challenging the MD PSC order on the grounds that it violates well-established principles under the Supremacy and Commerce clauses of the U.S. Constitution, and requested declaratory and injunctive relief barring implementation of the order by the MD PSC Commissioners. In September 2013, the U.S. District Court in Maryland issued a decision finding the MD PSC order unconstitutional under the Supremacy Clause on the grounds that it infringes upon the FERC's exclusive authority to regulate the wholesale sale of electricity in interstate commerce. The decision has been appealed to the U.S. Court of Appeals for the Fourth Circuit by CPV Power Development, Inc. and the State of Maryland. Oral argument has been scheduled for May 13, 2014. PPL Electric cannot predict the outcome of this proceeding or the economic impact on its business or operations, or the markets in which it transacts business.

FERC Market-Based Rate Authority

Periodic market-based rate filings with the FERC have been made by PPL Electric. In December 2013, PPL Electric filed market-based rate updates for the Eastern region. PPL Electric cannot predict the ultimate outcome of these update filings at this time.

Electricity - Reliability Standards

The North American Electric Reliability Corporation (NERC) is responsible for establishing and enforcing mandatory reliability standards (Reliability Standards) regarding the bulk power system. The FERC oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk power electricity system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties of up to \$1 million per day, per violation, for certain violations.

PPL Electric monitors its compliance with the Reliability Standards and continues to self-report potential violations of certain applicable reliability requirements and submit accompanying mitigation plans, as required. The resolution of the only outstanding violation has been submitted to the FERC for approval. Any Regional Reliability Entity (including Reliability First Corporation (RFC) or SERC Reliability Corporation (SERC) determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.

In the course of implementing its programs to ensure compliance with the Reliability Standards, certain other instances of potential non-compliance may be identified from time to time. PPL Electric cannot predict the outcome of these matters, and cannot estimate a range of reasonably possible losses, if any.

As previously reported, in October 2012, the FERC initiated its consideration of proposed changes to Reliability Standards to address the impacts of Geomagnetic Disturbances on the reliable operation of the bulk-power system, which might, among other things, lead to a requirement to install equipment that blocks geomagnetically induced currents on implicated transformers. On May 16, 2013, FERC issued Order No. 779, requiring NERC to submit two types of Reliability Standards for FERC's approval. The first type would require certain owners and operators of the nation's electricity infrastructure, such as PPL Electric, to develop and implement operational procedures to mitigate the effects of Geomagnetic Disturbances on the bulk-power system. This NERC proposed standard was filed by NERC with FERC for approval in January 2014, with a comment due date of March 24, 2014. The second type is to require owners and operators of the bulk-power system to assess certain Geomagnetic Disturbance events and develop and implement plans to protect the bulk-power system from those events and must be filed by NERC with FERC for approval by January 22, 2015. PPL Electric may be required to make significant expenditures in new equipment or modifications to their facilities to comply with the new requirements. PPL Electric is unable to predict the amount of any expenditures that may be required as a result of the adoption of any Reliability Standards for Geomagnetic Disturbances.

Environmental Matters

Due to the environmental issues discussed below or other environmental matters, it may be necessary for PPL Electric to modify, curtail, replace or cease operation of certain facilities or performance of certain operations to comply with statutes, regulations and other requirements of regulatory bodies or courts. In addition, legal challenges to new environmental permits or rules add to the uncertainty of estimating the future cost impact of these permits and rules.

There are certain costs of complying with the Clean Air Act, as amended, and those federal, state or local environmental requirements which are applicable to coal combustion wastes and by-products from facilities that generate electricity from coal in accordance with approved compliance plans. All such costs for PPL Electric are subject to rate recovery before the Pennsylvania Public Utility Commission (PUC) or the FERC, if applicable. Because PPL Electric does not own any generating plants, its exposure to related environmental compliance costs is reduced. PPL Electric can provide no assurance as to the ultimate outcome of future environmental or rate proceedings before regulatory authorities.

Climate Change

As a result of the April 2007 U.S. Supreme Court decision that the Environmental Protection Agency (EPA) has authority under the Clean Air Act to regulate greenhouse gas(es) (GHG) emissions from new motor vehicles, in April 2010, the EPA and the U.S. Department of Transportation issued new light-duty vehicle emissions standards that applied beginning with 2012 model year vehicles. The EPA also clarified that this standard, beginning in 2011, authorized regulation of GHG emissions from stationary sources under the NSR and Title V operating permit provisions of the Clean Air Act. As a result, any new sources or major modifications to existing GHG sources causing a net significant emissions increase now require adherence to the BACT permit limits for GHGs. The rules were challenged and, in June 2012, the D.C. Circuit Court upheld the EPA's regulations. In December 2012, the D.C. Circuit Court denied petitions for rehearing pertaining to its June 2012 opinion. On October 15, 2013, the U.S. Supreme Court granted certiorari for several petitions to decide whether the NSR provisions of the Clean Air Act require the EPA to regulate GHG emissions from stationary sources, such as power plants. The oral argument was held on February 24, 2014, and the decision is pending.

In June 2013, President Obama released his Climate Action Plan that reiterates the goal of reducing greenhouse gas emissions in the U.S. "in the range of" 17% below 2005 levels by 2020 through such actions as regulating power plant emissions, promoting increased use of renewables and clean energy technology, and establishing tighter energy efficiency standards. Additionally, the Climate Action Plan requirements related to preparing the U.S. for the impacts of climate change could affect PPL Electric and others in the industry as modifications to electricity delivery systems to improve the ability to withstand major storms may be needed in order to meet those requirements.

Renewable Energy Legislation

There has been interest in renewable energy legislation at both the state and federal levels. Federal legislation on renewable energy is not expected to be enacted this year.

PPL Electric believes there are financial, regulatory and logistical uncertainties related to the implementation of renewable energy mandates that will need to be resolved before the impact of such requirements on it can be estimated. Such uncertainties, among others, include the impacts to PJM's capacity market and the need for substantial changes to transmission and distribution systems to accommodate renewable energy sources. These uncertainties are not directly addressed by proposed legislation.

Other Issues

The EPA is reassessing its polychlorinated biphenyls (PCB) regulations under the Toxic Substance Control Act, which currently allow certain PCB articles to remain in use. In April 2010, the EPA issued an Advanced Notice of Proposed Rulemaking for changes to these regulations. This rulemaking could lead to a phase-out of all or some PCB-containing equipment. The EPA is planning to propose the revised regulations in November 2014. PCBs are found in PPL Electric's operations. PPL Electric cannot predict at this time the outcome of these proposed EPA regulations and what impact, if any, they would have on its facilities, but the costs could be significant.

On April 21, 2014, the EPA and the U.S. Army Corps of Engineers (Army Corps) published the proposed rule defining waters of the United States (WOTUS) that could significantly expand the federal government's interpretation of what constitutes WOTUS subject to regulation under the Clean Water Act. The comment deadline is July 21, 2014. If the definition is expanded as proposed by the EPA and the Army Corps, permits and other regulatory requirements may be imposed for many matters presently not covered (including vegetation management for transmission lines and activities affecting storm water conveyances and wetlands), the implications of which could be significant. Any eventual expansion of this interpretation cannot reliably be estimated at this time but would not be expected to have a material financial impact on PPL Electric.

Superfund and Other Remediation

PPL Electric is potentially responsible for costs at several sites listed by the EPA under the federal Superfund program, including the Columbia Gas Plant site, the Metal Bank site and the Ward Transformer site. Clean-up actions have been or are being undertaken at all of these sites, the costs of which have not been significant to PPL Electric. However, should the EPA require different or additional measures in the future, or should PPL Electric's share of costs at multi-party sites increase substantially more than currently expected, the costs could be significant.

PPL Electric is remediating or has completed the remediation of several sites that were not addressed under a regulatory program such as Superfund, but for which PPL Electric may be liable for remediation. These include a number of former coal gas manufacturing plants in Pennsylvania previously owned or operated by a predecessor of PPL Electric. There are additional sites, formerly owned or operated by a PPL Electric predecessor, for which PPL Electric lacks information on current site conditions and is therefore unable to predict what, if any, potential liability it may have.

Depending on the outcome of investigations at sites where investigations have not begun or been completed or developments at sites for which PPL Electric currently lacks information, the costs of remediation and other liabilities could be material. PPL Electric cannot estimate a range of reasonably possible losses, if any, related to these matters.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of coal gas manufacturing. As a result of the EPA's evaluation, individual states may establish stricter standards for water quality and soil cleanup. This could require PPL Electric to take more extensive assessment and remedial actions at former coal gas manufacturing plants. PPL Electric cannot estimate a range of reasonably possible losses, if any, related to these matters.

From time to time, PPL Electric undertakes remedial action in response to notices of violations, spills or other releases at various on-site and off-site locations, negotiates with the EPA and state and local agencies regarding actions necessary for compliance with

applicable requirements, negotiates with property owners and other third parties alleging impacts from PPL Electric's operations and undertakes similar actions necessary to resolve environmental matters which arise in the course of normal operations. Based on analyses to date, resolution of these environmental matters is not expected to have a significant adverse impact on PPL Electric's operations.

Future cleanup or remediation work at sites currently under review, or at sites not currently identified, may result in significant additional costs for PPL Electric.

Other

Labor Unions

On May 11, 2014, PPL Electric's bargaining agreement with its largest International Brotherhood of Electrical Workers (IBEW) local expires. The agreement covers approximately 63% of PPL Electric's total workforce. Negotiations on a new agreement commenced in January 2014 and are continuing. PPL Electric cannot predict the outcome of these negotiations. If there were to be a work stoppage, a significant disruption of operations could occur which could have an adverse financial impact. To help mitigate such risks, PPL Electric has been making preparations to maintain critical services.

Guarantees and Other Assurances

In the normal course of business, PPL Electric may enter into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies.

The table below details the guarantee provided as of March 31, 2014. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The probability of expected payment/performance under this guarantee is remote.

	<u>Exposure at March 31, 2014</u>		<u>Expiration Date</u>
Guarantee of inventory value	\$ 32	(a)	2017

(a) A third party logistics firm provides inventory procurement and fulfillment services. The logistics firm has title to the inventory, however, upon termination of the contracts, PPL Electric has guaranteed to purchase any remaining inventory that has not been used or sold.

PPL Electric provides other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, no significant payments have been made with respect to these types of guarantees and the probability of payment/performance under these guarantees is remote.

PPL, on behalf of itself and certain of its subsidiaries including PPL Electric, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of \$225 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF INCOME
TWELVE MONTHS ENDED MARCH 31, 2014

ACCT. NO.		\$	
	UTILITY OPERATING INCOME		
400	OPERATING REVENUES		2,030,216,701
	OPERATING EXPENSES		
401	OPERATION EXPENSES		1,125,119,347
402	MAINTENANCE EXPENSES		142,384,074
403/406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS		180,025,534
407.3	REGULATORY DEBITS		6,935,653
407.4	REGULATORY CREDITS		
408.1	TAXES OTHER THAN INCOME TAXES		111,947,135
409.1	INCOME TAXES		
	FEDERAL		8,981,754
	STATE		18,923,726
410.1	PROVISION FOR DEFERRED INCOME TAXES		504,045,630
411.1	PROVISION FOR DEFERRED INCOME TAXES-CREDIT		(395,794,144)
411.4	INVESTMENT TAX CREDIT ADJUSTMENT		(1,001,967)
411.6	GAINS FROM DISPOSITION OF UTILITY PLANT		
411.7	LOSSES FROM DISPOSITION OF UTILITY PLANT		
411.8	GAINS FROM DISPOSITION OF EMISSION ALLOWANCES		
	TOTAL UTILITY OPERATING EXPENSES		1,701,566,742
	NET UTILITY OPERATING INCOME		328,649,959
	OTHER INCOME AND DEDUCTIONS		
	OTHER INCOME		
415/416	MERCHANDISING, JOBBING AND CONTRACT WORK		(1,196)
417.1	EXPENSES OF NONUTILITY OPERATIONS		
418	NONOPERATING RENTAL INCOME		(56,415)
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES		45,833,160
419	INTEREST AND DIVIDEND INCOME		609,503
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		8,651,454
421	MISCELLANEOUS NONOPERATING INCOME		340,508
421.1	GAIN ON DISPOSITION OF PROPERTY		184,412
	TOTAL OTHER INCOME		55,561,426
	OTHER INCOME DEDUCTIONS		
421.2	LOSS ON DISPOSITION OF PROPERTY		550
426.1-426.5	MISCELLANEOUS INCOME DEDUCTIONS		74,098,854
	TOTAL OTHER INCOME DEDUCTIONS		74,099,404

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF INCOME
TWELVE MONTHS ENDED MARCH 31, 2014

ACCT. NO.		
	OTHER INCOME AND DEDUCTIONS (CONTINUED)	
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	
408.2	TAXES OTHER THAN INCOME TAXES	\$ 200
409.2	INCOME TAXES	
	FEDERAL	(20,575,799)
	STATE	(8,042,325)
410.2/411.2	PROVISION FOR DEFERRED INCOME TAXES-NET	2,426,480
411.5	INVESTMENT TAX CREDIT	
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	<u>(26,191,444)</u>
	NET OTHER INCOME AND DEDUCTIONS	<u>7,653,466</u>
	INCOME BEFORE INTEREST CHARGES	<u>336,303,425</u>
	INTEREST CHARGES	
427	INTEREST ON LONG-TERM DEBT	103,144,147
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	2,177,031
428.1	AMORTIZATION OF LOSS ON REACQUIRED DEBT	7,910,582
429	AMORTIZATION OF PREMIUM ON DEBT-CREDIT	
429.1	AMORTIZATION OF GAIN ON REACQUIRED DEBT-CREDIT	
430	INTEREST ON DEBT TO ASSOCIATED COMPANIES	
431	OTHER INTEREST CHARGES	(4,156,134)
432	ALLOW. FOR BORROWED FUNDS USED DURING CONSTRUCTION-CREDIT	(4,396,257)
	NET INTEREST CHARGES	<u>104,679,369</u>
	NET INCOME	<u>\$ 231,624,056</u>

**PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF RETAINED EARNINGS
TWELVE MONTHS ENDED MARCH 31, 2014**

Retained earnings, March 31, 2013	\$ 600,967,369
Activity during the twelve months ended March 31, 2014	
Net income	231,624,056
Dividends declared - common	(135,000,000)
Retained earnings, March 31, 2014	<u>\$ 697,591,425</u>

PPL ELECTRIC UTILITIES CORPORATION
UTILITY PLANT ACCOUNTS

Acct. No.		MARCH 31, 2014
	Utility plant in service	
101	Electric plant in service	
	Intangible plant	\$ 95,952,818
	Transmission plant	1,469,699,252
	Distribution plant	4,393,886,692
	General plant	628,986,766
	Electric plant in service	6,588,525,528
101.1	Property under capital leases	
	Total utility plant in service	6,588,525,528
105	Electric plant held for future use	48,214,497
106	CC not classified	659,079,496
107	Construction work in progress	700,572,680
	Total utility plant	7,996,392,201
108	Accumulated provision for depreciation of utility plant	(2,399,698,037)
111	Accumulated provision for amortization of utility plant	(56,731,010)
	 Net utility plant	 \$ 5,539,963,154

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF SECURITIES OF OTHER ENTITIES OWNED
AS OF MARCH 31, 2014

Name of Issuer	Title of Security	Number of Shares or Principal Amount	Date Acquired	Price Paid	Book Value	Approximate Value Indicated by Market Quotations March 31, 2014
Securities of Subsidiaries						
CEP Commerce, LLC	Member's Interests	\$ 10,072	7/1/2000	\$ 10,072	\$ 361,872	Not Available
PPL Receivables Corporation	Common	\$ 100	3/22/2004	100	435,629,164	Not Available
				<u>10,172</u>	<u>435,991,036</u>	
Other Corporate Securities						
Mortgages						
Pocono Mtn Business Park (Senda)	Mortgage	290,000	3/15/2002	290,000	290,000	Not Available
	Total Mortgages			<u>\$ 290,000</u>	<u>290,000</u>	
Other Corporate Securities						
Stocks						
Rock-Tenn Company	Common	6 shares	Not Available	Not Available	633	\$ 633
Sears Holdings Corporation	Common	233 shares	Not Available	Not Available	11,127	\$ 11,127
SemGroup (SEMG)	Warrant	2 shares	Not Available	Not Available	131	\$ 131
Quad/Graphics Inc.	Common	37 shares	Not Available	Not Available	868	\$ 868
USA Mobility Inc.	Common	3 shares	Not Available	Not Available	55	\$ 55
	Total Stocks				<u>12,814</u>	
	Total Securities of Other Entities Owned				<u>\$ 436,293,850</u>	

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF THE FUNDED DEBT
AS OF MARCH 31, 2014

Name and Description of Obligation (a)	Interest		Term at Date Of Issue (Years) (d)	Date of Maturity (e)	Total Principal Amount Authorized (f)	Total Principal Amount Outstanding (Not Held by the Public Utility) (g)	Total Principal Amount Held by the Public Utility		
	Rate (b)	Dates Payable (c)					Reacquired and Held in Treasury (h)	Pledged (i)	In Sinking or Other Funds (j)
First Mortgage Bonds:									
4.95% Series due 2015	4.95%	June 15 & Dec. 15	10	Dec. 15, 2015	\$ 100,000,000	\$ 100,000,000	None	None	None
5.15% Series due 2020	5.15%	June 15 & Dec. 15	15	Dec. 15, 2020	100,000,000	100,000,000	None	None	None
6.45% Series due 2037	6.45%	Feb. 15 & Aug. 15	30	Aug. 15, 2037	250,000,000	250,000,000	None	None	None
6.25% Series due 2039	6.25%	May 15 & Nov. 15	30	May 15, 2039	300,000,000	300,000,000	None	None	None
5.20% Series due 2041	5.20%	Jan. 15 & July 15	30	July 15, 2041	250,000,000	250,000,000	None	None	None
3.00% Series due 2021	3.00%	Mar. 15 & Sept. 15	10	Sept. 15, 2021	400,000,000	400,000,000	None	None	None
2.50% Series due 2022	2.50%	Mar. 1 & Sept. 1	10	Sept. 1, 2022	250,000,000	250,000,000	None	None	None
4.75% Series due 2043	4.75%	Jan. 15 & July 15	30	July 15, 2043	350,000,000	350,000,000	None	None	None
						2,000,000,000			
Senior Secured Bonds (Pollution Control Series)									
Series 2008 due 2023	4.00%	Apr. 1 & Oct. 1	15	Oct. 1, 2023	90,000,000	90,000,000	None	None	None
4.75% Series due 2027	4.75%	Feb. 15 & Aug. 15	22	Feb. 15, 2027	108,250,000	108,250,000	None	None	None
4.70% Series due 2029	4.70%	Mar. 1 & Sept. 1	24	Sept. 1, 2029	115,500,000	115,500,000	None	None	None
						313,750,000			
Unamortized Premium on Long-Term Debt						0			
Unamortized Discount on Long-Term Debt						(8,177,035)			
Total Funded Debt						\$ 2,305,572,965			

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF OUTSTANDING CAPITAL STOCK
AS OF MARCH 31, 2014

Total Par Value or Number of Shares if Without Par Value				Amount Outstanding (Not Held by the Public Utility) (1)	Held by the Public Utility			Stated Book Value of Outstanding Stock Having No Par Value As of Date of Balance Sheet (i)
Designation of Kind and Class (a)	Number of Shares Authorized (b)	Par Value Per Share (c)	Amount Authorized (d)		Reacquired and Held in Treasury (f)	Pledged (g)	In Sinking or Other Funds (h)	
Preference Stock				<u>0 shares</u>	None	None	None	\$ 0.00
Common Stock, no par	170,000,000		170,000,000 shares	<u>66,368,056 shares</u>	None	None	None	\$ 2,466,411,487 (2)
Treasury Stock				<u>0 shares</u>	None	None	None	\$ 0.00

(1) All common shares of PPL Electric stock are owned by PPL.

(2) Book value of common stock held by PPL Corporation.

PPL ELECTRIC UTILITIES CORPORATION
HOLDERS OF EACH CLASS OF CAPITAL STOCK AS OF MARCH 31, 2014

COMMON

	<u>Shares</u>
PPL Corporation Two North Ninth Street Allentown, PA 18101	66,368,056

PPL ELECTRIC UTILITIES CORPORATION

STATEMENT SHOWING, IN JOURNAL ENTRY FORM, ALL CHARGES AND CREDITS
TO BE MADE ON THE BOOKS OF ACCOUNT TO GIVE EFFECT TO
THE PROPOSED ISSUANCE FROM TIME TO TIME OF NOT IN EXCESS OF
\$450,000,000 AGGREGATE PRINCIPAL AMOUNT OF DEBT SECURITIES

Journal Entry 1

143	Other Accounts Receivable	\$	
221	Long-Term Debt - Bonds		\$

To give effect to the sale of a particular series of Debt Securities.

Journal Entry 2

131	Cash	\$	
143	Other Accounts Receivable		\$

To record receipt of proceeds from the sale of a particular series of Debt Securities.

Journal Entry 3

181	Unamortized Debt Expense	\$	
131	Cash		\$

To record the payment of expenses in connection with the issuance and sale of a particular series of Debt Securities. Expenses will be amortized over the life of the debt.

**PPL ELECTRIC UTILITIES CORPORATION
CAPITAL STRUCTURE**

The capital structure of the Company at March 31, 2014, and on a pro forma basis to give effect to the transactions footnoted below, is as follows

	Actual Amount	Adjustments		Pro Forma Amount	% of Capitalization
		Authorized Issuance	Requested Issuance		
Common Equity					
Common Stock Issued.....	\$ 363,833,249			\$ 363,833,249	
Miscellaneous Paid-In Capital.....	1,411,262,745			1,411,262,745	
Capital Stock Expense.....	(6,283,429)			(6,283,429)	
Treasury Stock.....	-			-	
Other Comprehensive Income.....	7,497			7,497	
Earnings Reinvested.....	697,591,425			697,591,425	
Total Common Equity.....	<u>2,466,411,487</u>	<u>-</u>	<u>-</u>	<u>2,466,411,487</u>	45%
Preferred Securities					
Preferred Stock without Mandatory Redemption.....	-			-	0%
Long-Term Debt (a)					
First Mortgage Bonds.....	2,000,000,000	\$ 300,000,000 (b)	\$ 450,000,000 (c)	2,650,000,000	
Senior Secured Bonds (Pollution Control Series)....	313,750,000		(100,000,000) (c)	313,750,000	
Unamortized Premium/Discount- Net.....	(8,177,035)			(8,177,035)	
Total Long-Term Debt.....	<u>2,305,572,965</u>	<u>300,000,000</u>	<u>350,000,000</u>	<u>2,955,572,965</u>	55%
Total Capitalization.....	<u>\$ 4,771,984,452</u>	<u>\$ 300,000,000</u>	<u>\$ 350,000,000</u>	<u>\$ 5,421,984,452</u>	100%

(a) Long-term debt includes amounts due within one year

(b) The authorized issuance of \$300 million of Debt Securities issued in June 2014

(c) The requested issuance of up to \$450 million of Debt Securities. The net proceeds from the issuance will be used for general corporate purposes, such as the retirement of debt (\$100 million), and for capital expenditures.

PPL ELECTRIC UTILITIES CORPORATION
BOOK VALUE OF COMMON STOCK
MARCH 31, 2014

<u>Acct. No.</u>			
	Common Equity		
201	Common stock issued	\$	363,833,249
207	Premium on capital stock		-
211	Additional paid in capital		1,411,262,745
214	Capital stock expense		(6,283,429)
216	Unappropriated retained earnings		675,397,258
216.1	Unappropriated undistributed subsidiary earnings		22,194,167
217	Reacquired capital stock		-
219	Other comprehensive income		<u>7,497</u>
	Total Common Equity	\$	<u><u>2,466,411,487</u></u>
	Shares of common stock issued at March 31, 2014		66,368,056
	Shares repurchased and held in treasury		<u>0</u>
	Shares of common stock outstanding at March 31, 2014		<u><u>66,368,056</u></u>
	Book Value of Common Stock		
	Total common equity ÷ shares of common stock outstanding at March 31, 2014	\$	<u><u>37.16</u></u>

Chapter 19 Securities Certificate Registrations - Data Request

To the extent the following information has not been filed with Applicant's registration:

- 1) Previous registration balances. Provide docket numbers, initial registration amount, issuances by type, amount and date and current remaining balance. Plans for these balances vis-à-vis the current registration.

Answer:

Authorization of \$100 million remains under Securities Certificate S-2013-2378884.

In June 2014, PPL Electric issued \$300 million of the \$400 million for secured debt securities authorized. At this time, PPL Electric does not intend to utilize the remaining \$100 million authorized under Securities Certificate S-2013-2378884.

- 2) What effect will this issuance have upon the capital structure of the utility? Show calculations.

(\$ in Millions)	<u>3/31/2014</u>	<u>As Adjusted</u>
Total Long-term Debt	2,306	2,306
Authorized Issuance - June 2014		300
Requested Issuance		450
Total Debt	<u>2,306</u>	<u>3,056</u>
Common Equity	<u>2,467</u>	<u>2,467</u>
Total Capital	<u><u>4,773</u></u>	<u><u>5,523</u></u>
Debt/Total Capitalization	48.3%	55.3%

3) Current and three year projections for; (Provide details of calculation)

Sources and Uses of Funds:

\$ (000's)	2014	2015	2016	2017
Requirements				
Construction	954,155	884,481	874,750	995,820
Pension Funding	19,250	19,600	19,600	19,600
Maturities, Redemptions & Sinking Funds	10,290	100,000		
Total Requirements	983,695	1,004,081	894,350	1,015,420
Sources				
Internal, net	703,695	554,081	619,350	675,420
Outside Financing				
Long-term debt	300,000	450,000	275,000	340,000
Short-term debt change	(20,000)	-	-	-
Other	-	-	-	
Total Outside	280,000	450,000	275,000	340,000
Total Sources	983,695	1,004,081	894,350	1,015,420

Capital Expenditures & Ratio of Capital Expenditures to Depreciation and Amortization:

\$ (000's)	2014	2015	2016	2017
Capital Expenditures	954,155	884,481	874,750	995,820
Depreciation	181,213	200,224	217,800	236,244
Amortization	16,528	16,082	20,464	20,550
Total Depreciation & Amortization	197,741	216,306	238,264	256,794
Capital / Depreciation & Amortization	483%	409%	367%	388%

Capitalization Ratios:

\$ (000's)	2014	2015	2016	2017
Total Long-term Debt	2,606,029	2,956,619	3,232,209	3,572,799
Total Short-term Debt	-	-	-	
Total Debt	2,606,029	2,956,619	3,232,209	3,572,799
Total Capitalization	5,275,562	5,921,952	6,495,075	7,173,601
Debt / Total Capitalization	49.4%	49.9%	49.8%	49.8%

Dividend payout ratio:

\$ (000's)	2014	2015	2016	2017
Earnings Available for Common	251,765	254,300	281,433	287,536
Total Dividend Paid to Parent	151,400	166,500	179,900	184,600
% Earnings Available for Common	60.1%	65.5%	63.9%	64.2%

Interest coverage ratios – both SEC and Indenture basis:

\$ (000's)	2014	2015	2016	2017
Income Before Taxes	409,105	422,428	468,939	479,544
Total Interest (as shown below)	127,559	156,237	162,315	184,810
Less Interest Component of AFUDC (est)	(4,043)	(4,306)	(2,843)	(3,278)
Total Earnings	532,621	574,359	628,411	661,076
Fixed Charges, as defined:				
Interest on Long-term Debt	117,149	145,933	150,402	171,583
Interest on Short-term Debt	220		1,916	3,144
Other Interest	1,100	1,100	1,100	1,100
Amortization of Debt Discount, Expense and Premium - net	9,090	9,204	8,897	8,983
Total Interest	127,559	156,237	162,315	184,810
Earnings/Interest	4.18	3.68	3.87	3.58

4) Three year history of credit ratings – By credit rating agency and class

	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013	Mar. 31, 2014
Moody's				
Issuer Rating	Baa2	Baa2	Baa2	Baa1
Senior Secured/First Mortgage Bonds	A3	A3	A3	A2
Tax Exempt Bonds	A3/Baa2	A3/Baa2	A3/Baa2	A2/Baa1
Short-term/Commercial Paper	P-2	P-2	P-2	P-2
Preference Stock	Ba1			
Outlook	Stable	Stable	Stable	Stable
Standard & Poor's				
Issuer Rating	BBB	BBB	BBB	BBB
Senior Secured/First Mortgage Bonds	A-	A-	A-	A-
Tax Exempt Bonds	A-	A-	A-	A-
Short-term/Commercial Paper	A-2	A-2	A-2	A-2
Preference Stock	BB+			
Outlook	Stable	Stable	Stable	Stable
Fitch				
Issuer Rating	BBB	BBB	BBB	BBB
Senior Secured/First Mortgage Bonds	A-	A-	A-	A-
Tax Exempt Bonds				
Short-term/Commercial Paper	F2	F2	F2	F2
Preference Stock	BBB-			
Outlook	Stable	Stable	Stable	Stable

5) Projected refinancing savings or costs, if applicable

Answer:

Not applicable

6) Affiliated interest agreement applicable to instant registration, if financing involves an affiliate

Answer:

Not applicable

7) List all unregulated affiliates of the applicant

SUBSIDIARIES AND AFFILIATES OF PPL CORPORATION

Airborne Pollution Control, Inc.	McClure Company
Aztec Insurance Limited	Merchants Landing (Amenities) Limited
B-G Mechanical Contractors, Inc.	Met-South, Inc.
B-G Mechanical Service, Inc.	Meter Operator Services Limited
BDW Corp.	Meter Reading Services Limited
Brunner Island Services, LLC	Midwest Electric Power, Inc.
Burns Mechanical, Inc.	Millennium Builders, Inc.
Cell Site Connection Services Limited	Montour Services, LLC
Central Networks Trustees Limited	MRA Service Company Limited
CEP Commerce, LLC	Northmere Limited
CEP Lending, Inc.	Ohio Valley Electric Corporation
CEP Reserves, Inc.	Pennsylvania Mines, LLC
Colstrip Comm Serv, LLC	PMDC Chile, LLC
Conemaugh Fuels, LLC	PMDC International Holdings, Inc.
DCUSA Limited	PP&L Residual Corporation
DHA, LLC	PPL Bell Bend Holdings, LLC
EA Technology Limited	PPL Bell Bend, LLC
Ebusiness South West Limited	PPL Brunner Island, LLC
Electralink Limited	PPL Capital Funding, Inc.
Electric Energy, Inc.	PPL Cayman, LLC
Electricity Association Services Limited	PPL Colstrip I, LLC
Electricity Pensions Limited	PPL Colstrip II, LLC
Electricity Pensions Trustee Limited	PPL Electric Utilities Corporation
Elmsford Sheet Metal Works, Inc.	PPL Energy Funding Corporation
Energy Networks Association Limited	PPL Energy Services Group, LLC
FCD LLC	PPL Energy Services Holdings, LLC
Fred Williams, Inc.	PPL Energy Services Northeast, Inc.
Gemserv Limited	PPL Energy Supply, LLC
General Control Systems, Inc.	PPL EnergyPlus, LLC
H. T. Lyons Co.	PPL EnergyPlus Retail, LLC
H. T. Lyons, Inc.	PPL Foundation
Hyder Limited	PPL Generation, LLC
Hyder Profit Sharing Trustee Limited	PPL Generation Services, LLC
Hyder Share Scheme Trustee (2) Limited	PPL Global, LLC
Hyder Share Scheme Trustee Limited	PPL Holtwood, LLC
Indiana-Kentucky Electric Corporation	PPL Infrastructure Services, LLC
Infralec 1992 Pension Trustee Limited	PPL Interstate Energy Company
Joppa & Eastern Railroad Company	PPL Investment Corporation
Kelston Properties Limited	PPL Ironwood, LLC
Kelston Properties 2 Limited	PPL Ironwood Holdings, LLC
Kentucky Utilities Company	PPL Island Financing LLP
Keystone Fuels, LLC	PPL Land Holdings, LLC
Lady Jane Collieries, Inc.	PPL Maine, LLC
Lexington Utilities Company	PPL Martins Creek, LLC
LG&E and KU Capital LLC	PPL Montana Holdings, LLC
LG&E and KU Energy LLC	PPL Montana, LLC
LG&E and KU Foundation Inc.	PPL Montour, LLC
LG&E and KU Hydro I LLC	PPL New Jersey Biogas, LLC
LG&E and KU Services Company	PPL New Jersey Solar, LLC
LG&E Energy Inc.	PPL Nuclear Development, LLC
LG&E Energy Marketing Inc.	PPL Power Insurance Ltd.
Louisville Gas and Electric Company	PPL Prescott, LLC
Lower Mount Bethel Energy, LLC	PPL Receivables Corporation
Massac Enterprises, LLC	PPL Renewable Energy, LLC
McCarl's Inc.	PPL SavageALERT, Inc.

PPL Services Corporation
PPL Spectrum, Inc.
PPL Strategic Development, LLC
PPL Susquehanna, LLC
PPL Treasure State, LLC
PPL UK Holdings, LLC
PPL UK Investments Limited
PPL UK Resources Limited
PPL WEM Holdings Limited
PPL WW Holdings Limited
PPL Solutions, LLC
Realty Company of Pennsylvania
REC Collect Limited
Smart Energy Code Company Limited
South Wales Electricity Share Scheme Trustees Limited
South Western Helicopters Limited
Spinnaker Quay Management Company Limited
Surf Telecoms Limited
The Ombudsman Service Limited
Titan Mechanical Contractors, Inc.
Trystate Mechanical, Inc.
Victory Park Management Company Limited

Western Kentucky Energy Corp.
Western Power Distribution (East Midlands) plc
Western Power Distribution (West Midlands) plc
Western Power Distribution (South Wales) plc
Western Power Distribution (South West) plc
Western Power Distribution Investments Limited
Western Power Generation Limited
Western Power Pension Trustee Limited
Willow Farm Management Company Limited
WPD 1957 Limited
WPD Investments Limited
WPD Limited
WPD Limited (Guernsey)
WPD Midlands Holdings Limited
WPD Midlands Networks Contracting Limited
WPD Midlands Networks Services Limited
WPD Property Developments Limited
WPD Property Investments Limited
WPD Property Limited
WPD Share Scheme Trustees Limited
WPD Smart Metering Limited
WW Share Schemes Trustees Limited

8) List all debt for which the applicant is a guarantor of affiliated company debt instruments

Answer:

None

9) For any corporate money pool from which applicant may potentially borrow, lend or deposit excess cash to, provide;

Commission ordered reporting requirements
Current balances of borrowed and lent funds
Eligible borrowing and lending entities
Accounting for money pool transactions
3 year history of borrowing and lending to the pool

Answer:

Not applicable

10) Describe historical reliance by type of both corporate internal and external sources of financing

Answer:

PPL Electric historically has used a combination of equity and debt to fund its ongoing operations and expand/maintain its capital infrastructure in a manner that supports its investment-grade credit ratings. PPL Electric typically relies on issuing either external first mortgage bonds or, temporarily, incurring bank debt as a bridge to the external debt capital markets. Equity sources have been preferred/preference stock, retained earnings or capital contributions from its parent, PPL Corporation.

11) Where current dividend payout ratio exceeds 75 %, provide three year history and plan for future dividend payouts.

Answer:

Current dividend payout ratio does not exceed 75%.

12) Where the debt to total capital ratio exceeds 55%, provide plan for managing future debt to total capital levels.

Answer:

Debt to total capital ratio does not exceed 55%.

13) With respect to the purpose for which you propose to issue or assume securities;

A. If the purpose is the purchase or construction of new facilities, or the betterment of existing facilities, provide;

1. Estimated final cost
2. A brief description of the new facilities or betterments
3. The date when it is expected that the purchase or construction or betterment will be completed.
4. Estimated amount of AFUDC included in the project costs

Answer:

Not applicable.

B. If the purpose is to obtain working capital, explain any unusual condition which exists, or will exist, in the public utility's current assets or current liabilities, stating;

1. The approximate cost of average materials and supplies inventory which the public utility expects to carry

2. The average time elapsing between the date when the public utility furnishes or begins a period of furnishing services to customers and the date when collection is made from customers for the service.
3. The minimum bank balance requirements.

Answer:

Not applicable

C. If the purpose is to refund obligations, describe obligations in detail.

1. Explain the purpose for which obligations were issued, or refer to the number of securities certificate in which the purpose appears.
2. State whether refunding is to meet maturity, or to effect saving in interest or other annual charges; if to effect savings, state date when, and at price which obligations are to be called, and submit statement showing savings to be effected as a result of refunding.

Answer:

Not applicable

D. If the purpose is for the payment of dividends, please justify the use of funds from the registration to pay dividends.

Answer:

Not applicable

E. If the purpose is to fund pension obligations:

1. Provide the current Accumulated Benefit Obligation (except where no longer used consistent with FASB Statement No. 158), the projected benefit obligation, the current fair value of plan assets, and the percent that the current benefit obligation is funded.
2. Provide the annual contributions to the plan from 2006 to the present, and the projected contributions for the next five years.
3. Provide an explanation as to how compliance with the Pension Protection Act of 2006 will be accomplished.

Answer:

Not applicable

14) Reconcile total capitalization with total rate base for ratemaking purposes. Are any of the funds to be issued for a non-utility purpose? If so, please describe that purpose.

	Utility Plant	Working Capital & Other Additions	Other Long Term	Total
Distribution Rate Base	3,311	58	(796)	2,573
Transmission Rate Base	1,845	20	(228)	1,637
Rate Base	<u>5,156</u>	<u>78</u>	<u>(1,024)</u>	<u>4,210</u>
CWIP 107 (net of Susquehanna-Roseland in Rate Base)	327			327
Other (1)	57			57
Working Capital Other (2)		(409)		(409)
Regulatory Assets			618	618
Other Long Term (3)			(31)	(31)
	<u>5,540</u>	<u>(331)</u>	<u>(437)</u>	<u>4,772</u>

(1) Primarily due to asset additions, retirements, and accumulated depreciation.

(2) Mostly timing differences.

(3) Primarily timing of deferred and current income taxes.

15) Three year history and three year projections for ratio of capital expenditures to depreciation expense. Show calculations.

\$ (000's)	2011	2012	2013	2014	2015	2016	2017
Capital Expenditures	490,000	633,000	942,000	954,155	884,481	874,750	995,820
Depreciation	146,000	160,000	178,000	181,213	200,224	217,800	236,244
Capital/Depreciation	336%	396%	529%	527%	442%	402%	422%