

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re:

SECURITIES CERTIFICATE OF	:	
PPL ELECTRIC UTILITIES	:	
CORPORATION FOR	:	SECURITIES CERTIFICATE
AMENDMENT TO EXTEND	:	
MATURITY OF A	:	NO. S-
CREDIT FACILITY APPROVED	:	
BY COMMISSION ORDER ISSUED	:	
AUGUST 18, 2010 AT DOCKET NO.	:	
S-2010-2183912 AS MODIFIED BY	:	
COMMISSION ORDER ISSUED	:	
SEPTEMBER 22, 2011 AT	:	
DOCKET NO.S-2011-2263370	:	

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 that was 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, as a result, 100% of the outstanding voting stock of the Company.

5. In an order entered on August 18, 2010, at Docket Number S-2010-2183912, the Commission registered the Company's Securities Certificate (attached hereto as Exhibit A; the “August 2010 Order”). Pursuant to the authority granted to the Company by the Commission in the August 2010 Order, the Company was authorized to enter into a credit facility of up to \$300 million, and on December 31, 2010 the Company entered into a \$200 million Revolving Credit Agreement among the Company, the Lenders party thereto and Wells Fargo Bank, National Association as Administrative Agent.

6. The August 2010 Order includes a provision that the Credit Agreement could have a maturity of up to four years from the date of execution of the Credit Agreement, with the ability on each anniversary date of the execution thereof to extend the scheduled term of the Credit Agreement for an additional year, with consent of the applicable lenders.

7. In an order entered on September 22, 2011, at Docket Number S-2011-2263370, the Commission registered the Company's Securities Certificate (attached hereto as Exhibit B; the "September 2011 Order"). Pursuant to the authority granted to the Company by the Commission in the August 2011 Order, the Company was authorized to amend and restate the Credit Agreement to extend the then-applicable maturity to a date five years from the requested date of amendment, with the continued ability each year to further extend by a period of one year the term of the Credit Agreement with the consent of the applicable lenders. Pursuant to the authority granted in the September 2011 Order, on October 19, 2011 the Company entered into Amendment No. 1 to the Credit Agreement and, among other things, extended the maturity of the Credit Agreement to October 19, 2016. Subsequently, pursuant to the authority granted by the 2010 Order and the 2011 Order, on November 6, 2012 the Company entered into that certain \$300 million Amended and Restated Revolving Credit Agreement among the Company, the Lenders party thereto and Wells Fargo Bank, National Association as Administrative Agent (the Credit Agreement as so amended, the "Amended Credit Agreement) which, among other things, extended the maturity of the Amended Credit Facility to October 18, 2017. The Company had intended to amend the Amended Credit Agreement again in 2013 to extend its maturity to 2018, but due to market and other conditions it was not favorable for the Company to do so. Nevertheless, on July 28, 2014, the Company amended the Amended Credit Agreement to extend the maturity date for an additional year to October 2018 at existing rates. In addition, the lenders agreed to further extend such maturity to July 28, 2019 upon receipt of Commission approval of such extension and certain other customary conditions, so as to provide the Company with a five-year credit facility.

A five-year maturity feature is desirable because it locks in prices for up to five years and affords the Company and ratepayers more stable costs than facilities of shorter durations where the Company would be more frequently exposed to the volatility of the bank markets. Because it was not desirable or practicable for the Company to

amend the term of the Amended Credit Agreement during 2013, it effectively lost the ability to maintain a five-year credit facility through annual amendments and now seeks to restore this ability. The annual, one-year extension mechanism, however, is not the optimal mechanism to preserve the desired five-year maturity term, as it depends on the Company amending its credit facility every year, whether or not pricing and other terms that would be required by the applicable lenders are favorable at such time, and whether or not the Company could otherwise complete an amendment each year at the anniversary date of the credit agreement's execution.

8. The Company primarily uses its credit facility to provide liquidity backstop for its commercial paper issuances and to obtain letters of credit for its general corporate purposes, rather than for direct borrowings. Banks have indicated that because new banking rules will impose liquidity and additional capital requirements on banks with respect to committed, undrawn revolving credit facilities, the cost involved in providing such facilities is expected to increase as these rules are implemented. Banks have stated that they will have to charge more for such credit facilities and may limit availability of such facilities in the future. The Company believes it is in the best interest of the Company, its shareowners and ratepayers to have ongoing flexibility to, no more than once each calendar year, at any time before the scheduled maturity of the Amended Credit Agreement, amend the Amended Credit Agreement to reset the scheduled maturity date to a date up to five years from such amendment and hereby requests authority from the Commission to do so. By doing so, the Company will be able to contractually lock in fees and interest rates when market conditions make it desirable to do so, without amending every year solely to maintain the five-year maturity feature. Except as

otherwise provided above, the Amended Credit Agreement would remain consistent with the authority granted by the August 2010 Order and September 2011 Order.

9. As of June 30, 2014, there were outstanding under the Credit Agreement approximately \$1 million of letters of credit and no borrowings. The letters of credit have been issued to collateralize certain energy purchase obligations with PJM, and for workers' compensation and minor road construction obligations.

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

- (A) August 2010 Order (Docket No. S-2010-2183912; and
- (B) September 2011 Order (Docket No. S-2011-2263370).

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: August 5, 2014

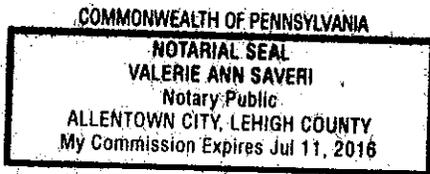
COMMONWEALTH OF PENNSYLVANIA)
) : SS
COUNTY OF LEHIGH)

RUSSELL R. CLELLAND, being duly sworn according to law, deposes and says that he is Assistant Treasurer 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 5 th day of August, 2014.

Valerie Ann Saveri

:
:
:
:
:



**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held August 18, 2010

Commissioners Present:

James H. Cawley, Chairman
Tyrone J. Christy, Vice Chairman
John F. Coleman, Jr.
Wayne E. Gardner
Robert F. Powelson

Securities Certificate of PPL Electric Utilities Corporation in respect of certain bank loans evidenced by unsecured promissory notes issued or other obligations incurred pursuant to one or more credit facilities in an aggregate amount not in excess of \$300 million to be outstanding at any one time.

S-2010-2183912

ORDER

BY THE COMMISSION:

On June 25, 2010, PPL Electric Utilities Corporation (PPL Electric or the Company) filed the above-captioned securities certificate for registration pursuant to Chapter 19 of the Public Utility Code, 66 Pa. C.S. §§ 1901, *et seq.* On July 8, 2010, PPL Electric agreed to a voluntary extension of the consideration period until August 20, 2010.

PPL Electric (utility code 110500), located at Two North Ninth Street, Allentown, PA 18101-1179, is a corporation that was organized on June 4, 1920 under the laws of the Commonwealth of Pennsylvania. PPL Electric is engaged, *inter alia*, in the distribution of electricity, and presently serves approximately 1.4 million customers in eastern and central Pennsylvania. PPL Electric is a direct subsidiary of PPL Corporation.

PPL Electric intends to enter into one or more credit facilities, effective not later than December 31, 2010, with an initial term of up to four years (with the ability on each anniversary date of the execution thereof to extend the scheduled term for an additional year, with consent of 51% of the applicable lenders), in an aggregate amount of up to \$300 million with one or more banks or other financial institutions. Borrowings under the credit facility would be evidenced by secured or unsecured promissory notes or other evidences of indebtedness.

The notes will bear interest at market-based rates, which could be based upon the prime interest rate of specified banks, the overnight federal funds rate for transactions with Federal Reserve System members, the London Interbank Offered Rate or other market rates. The notes will be payable without premium at any time, however, the Company may be required to compensate the banks for the costs of redeploying funds at lower interest rates in certain circumstances.

None of the banks that will participate in the credit facility will be an affiliated interest of PPL Electric within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

The credit facility would replace the Company's existing \$200 million, five-year credit facility scheduled to expire in May 2012 that was registered by the Commission at Docket No. S-00040993.

In connection with the April 28, 2010 announcement by PPL Corporation of its agreement to acquire the businesses of Louisville Gas and Electric Company and Kentucky Utilities Company, PPL Corporation has undertaken to arrange financing both to pay a portion of the purchase price of the acquisition and to provide operating credit facilities for its subsidiaries' businesses following completion of the acquisition. The acquisition is expected to close by the end of 2010. As part of that larger financing project, the Company determined that it would be commercially beneficial to negotiate the terms of a replacement for its existing credit facility in conjunction with PPL Corporation's negotiations with banks to provide financing for other of PPL Corporation's operating subsidiaries. Renegotiating now has enabled the Company to take advantage of economies of scale and sharing of costs as part of PPL Corporation's larger finance syndication effort, as well as enabling the Company to access the credit markets in advance of expected rising interest rates over the period between now and the scheduled expiration of the existing credit facility. Consequently, the Company intends to enter into the credit facility upon receipt of the Commission's approval.

PPL Electric contemplates the new credit facility to be a \$200 million facility (replacing the existing \$200 million facility), but proposes that the new facility contain a provision that, with the banks' consent, would allow the Company to increase the amount available to \$300 million.

PPL Electric generally finances short-term liquidity requirements in excess of internally generated funds through the sale of commercial paper to

institutional investors. According to the Company, commercial paper provides needed capital on a short-term basis at rates that are generally lower than for direct bank borrowings. The banks' commitment to lend pursuant to the credit facility provides an additional source of funds to repay commercial paper in the event short-term markets were unfavorable or unavailable at a time the Company would otherwise refinance outstanding commercial paper at maturity. Such additional liquidity is required to sell the Company's commercial paper and, thereby, achieve the lowest available cost for short-term financing.

According to the Company, the commitment of banks to lend pursuant to the terms of the credit facility also will provide the Company with maximum flexibility during periods when the commercial paper markets may be unavailable to the Company and during periods when capital market conditions become unfavorable for sales of long-term securities.

During 2004, PPL Electric began participating in a \$150 million asset-backed commercial paper program, which was authorized by the Commission at Docket No. S-00030972. The Company may use a portion of the credit facility to replace the asset-backed commercial paper program, which expires in July 2010, if the asset-backed commercial paper program is not economical to renew.

In addition, PPL Electric proposes to have the ability under the credit facility to cause the banks to issue letters of credit. Such letters of credit can be used by the Company to satisfy potential collateral requirements under its energy or other contracts instead of depositing cash or other collateral with its counterparties.

Staff has made its compliance checks and found that PPL Electric is current with its annual, financial, quarterly earnings, and Security Planning and Readiness reports, and has no outstanding fines or assessments.

Having examined the instant filing, we have determined that PPL Electric's proposal to enter into one or more credit facilities in an aggregate amount not in excess of \$300 million outstanding at any one time is necessary or proper for the present and probable future capital needs of the utility;
THEREFORE,

IT IS ORDERED:

1. That the securities certificate of PPL Electric Utilities Corporation in respect of certain bank loans evidenced by unsecured promissory notes issued or other obligations incurred pursuant to one or more credit facilities in an aggregate amount not in excess of \$300 million to be outstanding at any one time is hereby registered.
2. That within 60 days of each issuance of securities pursuant to the instant registration, PPL Electric Utilities Corporation shall file notice with the Commission of such issuance together with a summary of the interest rate, maturity and the call provisions of the securities issued.
3. That the proposed securities certificate will replace PPL Electric Utilities Corporation's existing \$200 million, five-year credit facility scheduled to expire in May 2012 that was registered by the Commission at Docket No. S-00040993.

4. The case will be marked closed upon final issuance of the credit facilities registered herein.

BY THE COMMISSION

A handwritten signature in cursive script, reading "Rosemary Chiavetta".

Rosemary Chiavetta

Secretary

(SEAL)

ORDER ADOPTED: August 18, 2010

ORDER ENTERED: August 18, 2010

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held September 22, 2011

Commissioners Present:

Robert F. Powelson, Chairman
John F. Coleman, Jr., Vice Chairman
Wayne E. Gardner
James H. Cawley
Pamela A. Witmer

Securities Certificate for PPL Electric Utilities Corporation in respect of an amendment to extend the maturity date of a credit facility approved by Commission Order Issued August 18, 2010 at Docket No. S-2010-2183912.

S-2011-2263370

ORDER

BY THE COMMISSION:

On September 19, 2011, PPL Electric Utilities Corporation (PPL Electric or the Company) filed the above-captioned securities certificate for registration pursuant to Chapter 19 of the Public Utility Code, 66 Pa. C.S. §§ 1901, *et seq.*

PPL Electric (utility code 110500), located at Two North Ninth Street, Allentown, PA 18101, is a corporation that was organized on June 4, 1920, under the laws of the Commonwealth of Pennsylvania. PPL Electric is engaged, *inter alia*, in the distribution of electricity, and presently serves approximately 1.4 million customers in eastern and central Pennsylvania. PPL Electric is a direct subsidiary of PPL Corporation.

On June 25, 2010, PPL Electric filed with the Commission a securities certificate requesting authority to enter into a credit facility of up to \$300 million and subject to such terms and conditions as reflected in the Credit Agreement. The Commission registered this securities certificate by Order entered August 18, 2010, at Docket No. S-2010-2183912 (the 2010 Order). Pursuant to the authority granted to PPL Electric by the Commission in the 2010 Order, on December 31, 2010, the Company entered into a \$200 million revolving credit agreement among PPL Electric, the Lenders party thereto, and Wells Fargo Bank, National Association as administrative agent.

The 2010 Order includes a provision that the Credit Agreement could have a maturity of up to four years from the date of execution of the Credit Agreement, with the ability on each anniversary date of the execution thereof to extend the scheduled term of the Credit Agreement for an additional year, with consent of the applicable lenders.

The Company has been advised that it has the opportunity to amend the Credit Agreement to reduce certain fees, spreads used to determine the interest rates applicable to borrowings, and letter of credit fees under the Credit Agreement, and to extend the initial maturity date from December 31, 2014, to a date approximately five years from the date of the proposed amendment

(effectively, a 19-month extension of the original maturity to a date in October 2016).

PPL Electric avers that it is in the best interest of the Company, its shareholders and ratepayers to agree to extend the Credit Agreement's scheduled maturity date, and hereby requests, with the proposed securities certificate, authority from the Commission to amend and restate the Credit Agreement to extend the maturity date for an additional period of up to two years (not to exceed December 31, 2016), with the continued ability each year to further extend by a period of one year the scheduled term of the Credit Agreement with the consent of the applicable lenders. By doing so, the Company will be able contractually to lock in current, low, availability fees and short-term interest rates and not be required to wait until the Credit Agreement's current December 31, 2014 maturity date to renegotiate such fees and rates.

PPL Electric estimates that its net before-tax savings, through December 31, 2014, as a result of amending the Credit Facility as proposed, assuming no additional borrowings under the Credit Facility, would be \$498,768. Except as otherwise provided above, PPL Electric avers that the amended and restated Credit Agreement would remain consistent with the authority granted by the 2010 Order.

Currently there is outstanding under the Credit Agreement \$13 million of letters of credit and no borrowings. The letters of credit have been issued to collateralize certain energy purchase obligations with PJM, and for other workers' compensation and minor road construction obligations.

Compliance checks found that PPL Electric is current with its annual and Security Planning and Readiness reports and has no outstanding fines or assessments.

Having examined the instant filing, we have determined that PPL Electric's proposal of an amendment to extend the maturity date of a credit facility approved by Commission Order entered August 18, 2010, at Docket No. S-2010-2183912 is necessary or proper for the present and probable future capital needs of the utility; **THEREFORE,**

IT IS ORDERED:

1. That the securities certificate of PPL Electric Utilities Corporation in respect of an amendment to extend the maturity date of a credit facility approved by Commission Order Issued August 18, 2010 at Docket No. S-2010-2183912 is hereby registered.
2. That within 60 days of each issuance of securities pursuant to the instant registration, PPL Electric Utilities Corporation shall file notice with the Commission of such issuance together with a summary of the interest rate, maturity and the call provisions of the securities issued.
3. That the proposed securities certificate will amend and replace PPL Electric Utilities Corporation's existing authority to enter into a credit facility of up to \$300 million that was registered by the Commission at Docket No. S-2010-2183912.

4. The case will be marked closed upon final issuance of the credit facilities registered herein.

BY THE COMMISSION

A handwritten signature in cursive script, reading "Rosemary Chiavetta".

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: September 22, 2011

ORDER ENTERED: September 22, 2011