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PPL ELECTRIC UTILITIES CORPORATION

Exhibit Future 1 (Revised)

**Summary of Measures of Value &
Rate of Return**

Witness: Various

Docket No. R-00049255

DOCKETED

JUL 28 2004

PPL ELECTRIC UTILITIES CORPORATION

**Exhibit Future 1
Docket No. R-00049255
Summary of Measures of Value and Rates of Return
Year Ended December 31, 2004**

This book contains a series of schedules (see Table of Contents) which are grouped as follows:

- A - Statement of Reasons
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PPL ELECTRIC UTILITIES CORPORATION

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PPL ELECTRIC UTILITIES CORPORATION

**Statement of Reasons
for the Proposed Increase
Docket No. R-00049255**

**PPL Electric Utilities Corporation
Statement of Reasons
for the Proposed Increase
Docket No. R-00049255**

1. Introduction

In this filing, PPL Electric Utilities Corporation ("PPL Electric" or the "Company") requests approval of an overall annual net increase in distribution revenues of approximately \$164.4 million, based on a future test year ending December 31, 2004. In addition, the Company also is informing the Public Utility Commission ("PUC" or the "Commission") and its customers of an estimated \$57.2 million increase in transmission service charges, which will be automatically passed through to customers, beginning January 1, 2005, pursuant to PPL Electric's existing Commission-approved tariff.

The combination of the distribution rate increase request and the pass through of transmission service charges will produce an overall increase in rates of approximately 8.1%. This increase was allocated to customer classes based on the results of a class cost of service study with the condition that no rate schedule would experience an average increase of more than 10% in total rates.

The filing includes several innovative rate design proposals, explained below, to better reflect the cost of providing service as an electric distribution company. The filing also proposes to expand PPL Electric's existing customer assistance, environmental and economic development programs.

The proposed increase is the minimum required for the Company to attract capital on reasonable terms, provide safe and reliable service to its customers

and to fully fund expanded social programs. In addition, however, it is important that this filing be reviewed in a broader context. This is the first post-rate cap distribution rate increase to be filed in Pennsylvania. As such, this filing is the logical next step in Pennsylvania's restructuring of the electric utility industry – a process that has served as a model for the rest of the country. Through its review of this filing, the Commission has the opportunity to demonstrate its continued leadership in implementing a restructuring process that ensures distribution companies can continue to provide reliable service at a reasonable cost.

Review of this filing also should reflect PPL Electric's important role in the communities it serves. PPL Electric provides thousands of jobs in its service territory and, through state and local partnerships, has helped create over 5,800 new jobs in 2001 and 2002 alone. The Company also provides a broad variety of programs to help low-income customers pay their electric bills and to improve the quality of life in its service territory.

Finally, review of this filing also should include consideration of the Company's management effectiveness. Through a series of initiatives, PPL Electric has continued to provide safe and reliable service, while a customer using the same amount of electricity pays approximately the same amount for electricity in 2004 as he or she did in 1986. At the same time, the Company has met all of its capital needs, implemented important new technology and has won a number of internationally recognized awards for outstanding quality of service. These accomplishments should be fully reflected in the Commission's consideration of this case.

2. Electric Utility Industry

In December 1996, the General Assembly passed, and the Governor signed into law, the Electricity Generation Customer Choice and Competition Act ("Competition Act"). 66 Pa. C.S. § 2801, *et seq.* In August 1998, the Commission approved the settlement of PPL Electric's restructuring case filed under the Competition Act. *Application of Pennsylvania Power & Light Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, Docket No. R-00973954. These events had significant implications for the electric utility industry in Pennsylvania and PPL Electric's business within that industry.

First, the Competition Act deregulated the generation of electricity. In response, PPL Electric's predecessor company – a traditional vertically integrated utility – was restructured into separate business entities. With the Commission's approval, PPL Electric's predecessor company transferred all of its generation facilities to an unregulated affiliate. PPL Electric remains a fully regulated company, but now provides only distribution, transmission and provider of last resort ("POLR") services in its certificated territory.

The second important consequence of the Competition Act and the 1998 settlement of PPL Electric's restructuring case was the establishment of rate caps. In PPL Electric's case, the sum of its transmission and distribution rates is capped through December 31, 2004, and its generation rates are capped through December 31, 2009. The last retail base rate case filed by PPL Electric's predecessor company was decided by the Commission in September of 1995.

Pennsylvania Public Utility Commission v. Pennsylvania Power & Light Co., Docket No. R-00943271. Because PPL Electric's rates had not increased during the four years prior to the establishment of the rate caps, this distribution rate increase will be the Company's first in nearly a decade.

Finally, this case will be all the more important to the residents of the Commonwealth as it is the first distribution-only base rate increase request filed by a major Pennsylvania Electric Distribution Company ("EDC") since the electric utility industry was restructured in 1996. The Commission's action in this case will send an important message to the electric utility industry in Pennsylvania and throughout the country, and will provide the Commission with an opportunity to reaffirm its commitment to a viable competitive market and reliable distribution service.

3. PPL Electric

For more than 80 years, PPL Electric and its predecessor companies have been delivering electricity to retail customers in eastern and central Pennsylvania. Today, PPL Electric provides electric delivery service to approximately 1.3 million homes and businesses in 29 counties of Pennsylvania. The Company provides jobs to approximately 3,000 employees in eastern and central Pennsylvania.

Moreover, PPL Electric and its employees are an important part of the communities it serves. Through partnerships with state, regional and local economic development agencies, PPL Electric helped to attract 5,820 new jobs to the region in 2001 and 2002. To continue and enhance these efforts, PPL Electric is proposing in

this filing a Community Betterment Initiative (“CBI”). The CBI would be linked with the Rendell administration’s Comprehensive Economic Stimulus Programs. The Company is proposing to fund the CBI at \$2 million annually, with a combination of ratepayer and shareowner contributions for an initial period of three years (2005-07). PPL Electric also is helping to improve educational opportunities in its service area. The Company sponsors energy and environmental education programs for children, training programs for teachers, and workforce development initiatives that prepare area residents to enter the job market. In addition, PPL Electric’s employees volunteered approximately 75,000 hours to community activities in 2003.

PPL Electric offers a variety of special programs that help low-income customers pay a portion of their electric bills and reduce their electricity use. For example, over the past 20 years, PPL Electric’s Operation HELP has raised more than \$13 million – through donations from the Company, its employees and customers – to provide emergency financial assistance to help over 50,000 low-income families pay heating bills. The Company offers OnTrack, a customer assistance program under which the Company will enter into agreements with eligible customers to pay off the customers’ overdue balances and manage the customers’ energy use. PPL Electric also offers the Winter Relief Assistance Program (“WRAP”), which provides free weatherization services (e.g., energy audit and weatherization measures) to approximately 2,800 customers annually. In this filing, PPL Electric is proposing to increase overall funding for OnTrack and WRAP by \$4.0 million, or approximately 23%.

PPL Electric actively strives to help protect the environment throughout its service territory in central-eastern Pennsylvania. The Company is committed to meeting or exceeding all applicable environmental laws and regulations, with a further commitment to continual improvement in its performance. In this regard, as a result of the 1998 settlement of its restructuring proceeding, PPL Electric established the Sustainable Energy Fund ("SEF"). The SEF is funded by a charge of 0.01¢/kwh to all customers which produces an annual budget of approximately \$3.4 million. *Funding levels increase about 2% per year as a result of retail sales growth.* In this filing, PPL Electric is proposing to continue funding SEF, at the current level through customer rates, beyond the current expiration date of December 31, 2004. In addition, the Company recently introduced two new Demand Side Response ("DSR") programs. The Residential Summer Off-peak Program allows residential customers to shift on-peak usage to off-peak periods during the summer months of June through September. The Demand Side Initiative for Industrial and Commercial Customers *allows those customers to adjust load requirements based on real-time market prices of energy.* In this filing, PPL Electric proposes to continue both of these programs.

4. PPL Electric's Management Effectiveness

As discussed above, the sum of PPL Electric's retail transmission and distribution rates is capped through December 31, 2004. However, the costs of providing high quality reliable service to customers have continued to grow. The Company owns a substantial number of facilities required to deliver electricity and must make significant capital investments in this infrastructure every year.

Specifically, PPL Electric owns 889,000 poles, 36,500 miles of power lines (including 6,700 miles of underground lines) and over 335 substations/switching stations. The Company must maintain, repair and replace those facilities as needed, and anticipates it will be required to invest approximately \$900 million in capital improvements over the next five years. Approximately 96% of this five-year capital budget is non-discretionary, with more than half of the spending required to accommodate growth, including both new customer connections and additional system capacity.

PPL Electric's operating expenses also are substantial and also continue to increase. In an average year, PPL Electric connects or transfers service for 33,500 customers, at an average cost of approximately \$2,300 for each new connection. The Company answers 1.8 million telephone calls, replaces 20,000 street lights and trims trees along more than 4,100 miles of power lines. Finally, PPL Electric processes approximately 16 million bills annually. The cost of labor, poles, wires, tools, vehicles and equipment required to maintain this level of service has increased throughout the rate cap period and will continue to increase in the foreseeable future.

To address the earnings implications of increasing capital and expense needs in a rate cap environment, PPL Electric has pursued an aggressive program of cost-effective operations. First, the Company has reduced its staffing levels while maintaining high quality service. When the electric utility industry was restructured in 1999, PPL Electric had approximately 3,800 employees; it now has approximately 3,000. The elimination of these positions, however, has not had an impact on the

operations that directly affect customers. In fact, today the Company has the same number of front-line forces performing lineman and electrical work as it had in 1990.

Second, PPL Electric has utilized new technology to manage its costs. One example is the Work Management System ("WMS"), which is a program to manage workflow more effectively from the time jobs are identified until they are completed. WMS forecasts scheduling needs, identifies employee skills to match assignments and automatically creates scheduled work assignments in advance. Another example of new technology utilized by the Company is the Automated Meter Reading ("AMR") system. In 2002, PPL Electric began a three-year process to replace all of the electric meters on its system with AMR meters. This project, which is nearing completion, required replacement of approximately 1.3 million meters. The AMR meters will help PPL Electric reduce costs associated with manual meter reading processes and provide more detailed information to customers, which will be important as Pennsylvania's competitive electric market develops.

Third, PPL Electric also reviewed, and where appropriate modified, business processes to manage costs. The Company implemented a maintenance priority system to rank and eliminate lower priority work. It also is taking advantage of improved data availability and analytical techniques to increase the utilization of the existing infrastructure and defer discretionary equipment upgrades. Finally, the Company installed a new customer information system that, among other things, allows PPL Electric to bill customers who choose an alternative generation supplier. This new and more robust information system provides additional functionality and

reliability for the Company to handle potentially hundreds of thousands of customer transactions every year.

The results of these management initiatives have been impressive. PPL Electric has been able to maintain its high quality of service throughout a period of rate stability extending almost two decades. Because PPL Electric's last retail base rate case became effective in 1995, its retail distribution rates have remained at 1995 levels since that time. The only source of revenue growth during that period has been a modest growth in retail sales – approximately 2% per year.

Actually, PPL Electric's rates have remained essentially unchanged since 1986 because the effect of the 1995 base rate increase was offset by prior decreases in energy costs. A residential customer using 900 kwh per month paid \$77.30 in 1986, and pays \$77.47 today. A small business customer using 1,000 kwh per month with a demand of 3 kw pays just 1.8% more than in 1986. Large business and industrial customers pay less for electric service than they did 1986.

Moreover, PPL Electric's rates compare favorably with other electric utilities. For example, a PPL Electric residential customer using 900 kwh of electricity per month pays 11.6% less than the Pennsylvania average, 24% less than the Mid-Atlantic average, and 6.3% less than the national average for electric service.

Most importantly, PPL Electric was able to manage its costs through the rate cap period without adversely affecting the quality of service to its customers. PPL Electric's customers consistently rank the Company as one of the best electric utilities in the country for quality and service. Moreover, over the past six years, PPL Electric has won numerous industry awards for quality of service and customer

satisfaction. For example, in 2000, 2001, 2003 and 2004, PPL Electric ranked first among 15 utilities in the East in the J.D. Power and Associates midsize business customer satisfaction study. In 1999, 2001, 2002 and 2003, PPL Electric ranked first among 15 utilities in the East in J.D. Power and Associates residential customer satisfaction study. Finally, in 2001, 2002 and 2003, PPL Electric ranked highest among combined gas-electric utilities nationwide in the American Customer Satisfaction Index.

5. PPL Electric's Financial Condition

Although PPL Electric has been highly effective in the management of its business and its costs over the past 20 years, there are limits on what this strategy can accomplish. The Company now is approaching those limits. In its last retail base rate proceeding at Docket No. R-00943271, PPL Electric was authorized to earn a return on equity of 11.5%. In calendar year 2003, the Company actually earned a return on equity of less than 2%, and expects its return on equity in 2004 to be even lower. Such returns are clearly inadequate by any standard and constitute one of the principal reasons PPL Electric now is requesting an increase in its retail distribution rates.

6. PPL Electric's Filing

PPL Electric's proposed distribution rate increase was shaped by three major considerations. First, the electric utility industry and PPL Electric's business have fundamentally changed over the past decade. This filing is the first base rate

increase the Company has filed with the Commission on a distribution-only basis and the first such increase to be filed by a major EDC since restructuring. Second, a rate increase of this nature should reflect, to the extent possible, customer opinions and preferences. In the course of preparing this filing, PPL Electric sought input from its customers through surveys, interviews and focus groups. Several of the proposals included in the filing reflect the results of that process. Third, ratemaking proposals designed to accommodate a restructured industry or customer input must be tempered by the principle of gradualism. The characteristics of a distribution-only business have certain ratemaking implications, and the filing recognizes those implications without creating inappropriately severe rate dislocations.

In this filing, PPL Electric is requesting an overall annual net distribution revenue increase of approximately \$164.4 million, based on a future test year ending December 31, 2004, and a proposed return on equity of 11.5%. In addition, PPL Electric is notifying the Commission that transmission service charges reflected in retail rates are expected to increase by approximately \$57.2 million, effective January 1, 2005. The Company must pay these transmission service charges to PJM under PJM's Open Access Transmission Tariff, which is subject to the jurisdiction of the Federal Energy Regulatory Commission. The Company's existing Commission-approved tariff permits the automatic pass through of transmission service charges, but under the 1998 settlement of PPL Electric's restructuring case, the Company agreed to a cap on the sum of its distribution and transmission rates. When that rate cap expires at the end of 2004, the full amount of these transmission service charges will be automatically passed through to retail customers.

The combination of the distribution rate increase request and the pass through of all transmission service charges, will produce an increase in overall rates (distribution, transmission, generation and transition charges) of about 8.1%. On average, residential rates are proposed to increase by about 9.67%. PPL Electric is proposing that the new distribution rates and the transmission service charge pass through both become effective for service rendered on and after January 1, 2005, when the cap on the sum of its transmission and distribution rates expires.

PPL Electric's filing includes a number of innovative proposals. First, the Company is proposing to move its rate design toward a flat monthly fee for electric delivery services, rather than continue to charge rates based on consumption. As a distribution company, most of PPL Electric's costs are fixed and do not vary significantly with consumption. In this regard, the Company is proposing an increase in the Rate Schedule RS customer charge to \$12.20 (which incorporates an initial commodity block of 200 kwh). In addition, most large industrial customers would no longer pay any commodity charges for their electricity delivery services under PPL Electric's proposal.

Second, PPL Electric is proposing to implement a Distribution System Improvement Charge ("DSIC"). The DSIC would enable PPL Electric to recover the fixed costs associated with non-revenue producing distribution system improvement and relocation projects between base rate proceedings. The capital costs eligible for inclusion in the DSIC are limited to projects that are designed to enhance system security, reliability, integrity, safety and long-term viability. The Company's proposal is similar to automatic adjustment mechanisms currently utilized by many

Pennsylvania water utilities. If approved by the Commission, the DSIC would enable the Company to make capital improvements necessary to maintain reliable service while delaying the need for future distribution rate increase requests.

Third, the Company is proposing to implement a Transmission Service Charge ("TSC") to pass through transmission service charges that PPL Electric must pay to PJM. As discussed above, PPL Electric's current tariff permits the pass through of these charges. The Company is proposing a mechanism based on a formula with the charges revised and reconciled on an annual basis. The Company's proposal is similar to the former Energy Cost Rate. PPL Electric's proposal would create a clear and understandable mechanism for implementing the pass through authority currently reflected in its retail tariff.

Fourth, PPL Electric is proposing to increase funding for a number of community betterment, customer assistance and environmental programs. As discussed above, PPL Electric is proposing a Community Betterment Initiative with initial funding from ratepayers and shareowners of \$2 million annually. The Company also is proposing a 23% increase in funding for two programs designed to assist low-income customers. Annual funding for On-Track, the Company's customer assistance program, is increased by \$3 million and annual funding for its WRAP program is increased by \$1 million. Finally, PPL Electric is proposing to extend customer funding for the Sustainable Energy Fund at 0.01¢/kwh or approximately \$3.4 million per year.

7. Conclusion

This filing should be viewed as the next logical step in the restructuring of the electric utility industry in Pennsylvania. The first step was implementation of PPL Electric's restructuring settlement, with deregulation of generation, recovery of stranded costs, creation of a POLR obligation and imposition of rate caps. The second step is the end of the transmission and distribution rate cap. As a regulated EDC, the Company must obtain Commission approval to increase its distribution rates. Such requests are a normal part of doing business for a regulated utility. Rate increase filings were temporarily suspended by the transmission and distribution rate cap but, with the expiration of that rate cap, rate increase requests once again are part of every EDC's business, including PPL Electric.

In this filing, PPL Electric has proposed a distribution rate increase appropriate for the restructured electric utility industry now in place in Pennsylvania. It reflects PPL Electric's status as a distribution-only electric utility and is based on financial and operating data for that single business line. The requested distribution rate increase will move PPL Electric's wholly inadequate return on equity from less than 2% to a modest 11.5%. This proposed return on equity is particularly appropriate in view of PPL Electric's management effectiveness during almost two decades of retail rate stability and award-winning customer service. For all of these reasons, PPL Electric's proposed distribution rate increase is just and reasonable and should be approved by the Commission.

PPL ELECTRIC UTILITIES CORPORATION

Assets and Other Debits
Balance Sheet at December 31, 2004
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Utility Plant	
101	Plant in service	\$ 4,125,450
105	Plant held for future use	20,674
106	Completed construction not classified	298,752
107	Construction work in progress	30,709
	Gross utility plant	<u>4,475,585</u>
108	Accumulated provision for depreciation	(1,714,096)
111	Accumulated provision for amortization	(2,383)
	Net utility plant	<u>2,759,106</u>
	Other Property and Investments	
121	Nonutility property	5,160
122	Accumulated provision for depreciation of nonutility property	(439)
	Net nonutility property	<u>4,721</u>
123	Investment in subsidiary companies	12,463
124	Other investments	3,960
128	Other special funds	0
	Total Other Property and Investments	<u>21,144</u>
	Current and Accrued Assets	
131	Cash	1,199
132	Interest special deposits	0
134	Other special deposits	0
135	Working funds	0
136	Temporary cash investments	36,581
	Notes and accounts receivable	
141	Notes receivable	0
142	Customer accounts receivable	202,440
143	Other accounts receivable	64,659
144	Accumulated provision for uncollectible accounts-credit	(24,065)
	Total notes and accounts receivable	<u>243,034</u>
145	Notes receivable from associated companies	0
146	Accounts receivable from associated companies	26,925
	Materials and supplies	
154	Plant materials and operating supplies	24,599
163	Stores expense undistributed	5,024
	Total materials and supplies	<u>29,623</u>

PPL ELECTRIC UTILITIES CORPORATION

Assets and Other Debits (Continued)
Balance Sheet at December 31, 2004
(Thousands of Dollars)

Acct. No.	<u>Title of Account</u>	<u>Amount</u>
	Current and Accrued Assets <i>(continued)</i>	
165	Prepayments	\$ 16,220
	Other current and accrued assets	
171	Interest and dividends receivable	134
172	Rents receivable	7,331
173	Accrued utility revenues	120,880
174	Miscellaneous current and accrued assets	23,002
190	Accumulated deferred income taxes (current)	49,250
	Total other current and accrued assets	<u>200,597</u>
	Total Current and Accrued Assets	<u>554,179</u>
	Deferred Debits	
181	Unamortized debt expense	11,947
182.3	Other regulatory assets	616,222
183	Preliminary survey and investigation charges	0
184	Clearing accounts	(594)
185	Temporary facilities	16
186	Miscellaneous deferred debits	36,947
189	Unamortized loss on reacquired debt	27,291
190	Accumulated deferred income taxes (noncurrent)	
	Contributions in aid of construction	70,787
	Pensions	35,426
	SFAS 109	16,135
	Other	24,749
	Total accumulated deferred income taxes (noncurrent)	<u>147,097</u>
	Total Deferred Debits	<u>838,926</u>
	Total Assets and Other Debits	<u>\$ 4,173,355</u>

PPL ELECTRIC UTILITIES CORPORATION

Liabilities and Other Credits
Balance Sheet at December 31, 2004
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Proprietary Capital	
201	Common stock issued	\$ 1,476,048
204	Preferred stock issued	50,519
207	Premium on capital stock	41
211	Miscellaneous paid-in capital - unrealized holding gains and (losses)	360,258
214	Capital stock expense	(6,773)
215.1	Appropriated retained earnings - amortization reserve - Federal	0
216	Unappropriated retained earnings	318,800
216.1	Unappropriated undistributed subsidiary earnings	(37)
217	Required capital stock	(912,215)
219	Other comprehensive income	473
	Total Proprietary Capital	<u>1,287,114</u>
	Long-Term Debt	
221	Bonds	1,380,365
224	Other long-term debt	9,475
226	Unamortized discount on long-term debt-debit	(4,811)
		<u>1,385,029</u>
	Less amount due within one year	
221	Bonds	(60,000)
	Total Long-Term Debt	<u>1,325,029</u>
	Other Noncurrent Liabilities	
227	Obligations under capital leases (noncurrent)	<u>0</u>
	Current and Accrued Liabilities	
224	Long-term debt due within one year-other	60,000
231	Notes payable	2,001
232	Accounts payable	48,181
234	Accounts payable to associated companies	131,672
235	Customer deposits	16,039
236	Taxes accrued	99,062
237	Interest accrued	34,833
238	Dividends declared	611
240	Matured interest	0
241	Tax collections payable	3,992
242	Miscellaneous current and accrued liabilities	73,524
243	Obligations under capital-leases - current	0
283	Accumulated deferred income taxes-other (current)	4,740
	Total Current and Accrued Liabilities	<u>474,655</u>

PPL ELECTRIC UTILITIES CORPORATION

Liabilities and Other Credits (Continued)
Balance Sheet at December 31, 2004
(Thousands of Dollars)

<u>Acct.</u> <u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Deferred Credits	
228.3	Accumulated provision for pensions and benefits	\$ 0
252	Customer advances for construction	174
253	Other deferred credits	173,780
254	Other regulatory liabilities	12,010
255	Accumulated deferred investment tax credits	19,510
281	Accumulated deferred income taxes - accelerated amortization property	0
282	Accumulated deferred income taxes - other property	
	Accelerated cost recovery system	412,312
	SFAS 109	170,846
	Class life depreciation system	52
	Removal of retired depreciable property	108
	Repair Allowance	7,741
	Other	15,140
	Total accumulated deferred income-taxes - other property	<u>606,199</u>
283	Accumulated deferred income taxes - other (noncurrent)	<u>274,884</u>
	Total Deferred Credits	<u>1,086,557</u>
	Total Liabilities and Other Credits	<u>\$ 4,173,355</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Net Utility Operating Income
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
400	Operating Revenues (B-3)	<u>\$ 2,515,735</u>
	Operating Expenses:	
401	Operation and maintenance expense (B-4)	
402	Power production	1,727,617
	Transmission	15,056
	Distribution	127,832
	Customer accounts	54,211
	Customer service and informational expenses	13,597
	Sales	6,591
	Administrative and general	127,180
	Total Operation and Maintenance Expense	<u>2,072,084</u>
403	Depreciation expense and amortization of electric plant	103,611
404,405	Amort & Depl of Utility Plant	5,008
406	Amortization of electric plant acquisition adjustments	0
407.3	Regulatory debits	4,750
407.4	Regulatory credits	0
	Taxes (B-5)	
408.1	Taxes other than income taxes	176,974
409.1	Income taxes	(3,408)
	Deferred income taxes	
410.1	Provision	47,966
411.1	Provision - credit	(19,053)
411.4	Investment tax credits adjustment	(2,745)
	Total Taxes	<u>199,734</u>
411.6	Gains from disposition of utility plant	0
411.7	Losses from disposition of utility plant	0
	Total Operating Expenses	<u>2,385,187</u>
	Net Utility Operating Income	<u>\$ 130,548</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operating Revenue
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>Sales of Electricity</u>	
1	Residential	\$ 977,194
2	Commercial	860,283
3	Industrial	461,588
4	Public authorities	17,581
5	Railroads	4,330
6	Sales for Resale	<u>146,494</u>
7	Sales revenue	<u>2,467,470</u>
	<u>Other Operating Revenue</u>	
8	Forfeited discounts	6,000
9	Miscellaneous service revenue	0
10	Rent from electric property	16,906
	Other electric revenue	
11	Unbilled revenues	8,866
12	Other	<u>16,493</u>
13	Other Operating Revenue	<u>48,265</u>
14	Total Electric Operating Revenue	<u><u>\$ 2,515,735</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
<u>Other Power Supply Expenses</u>		
555	Purchased power	
	Affiliates	\$ 1,523,366
	Non-utility generation	143,946
	PJM ancillary services	45,096
	Other	0
556	System control and load dispatching	
	PJM ancillary services	15,189
	Other	20
557	Other expenses	0
	Total Other Power Supply Expenses	<u>1,727,617</u>
	Total Power Production Expenses	<u>1,727,617</u>
<u>Transmission Expenses</u>		
Operation		
560	Operation supervision and engineering	1,438
561	Load dispatching	2,284
562	Station expenses	588
563	Overhead line expenses	307
565	Transmission of electricity by others	0
566	Miscellaneous transmission expenses	830
567	Rents	295
	Total Transmission Operation Expenses	<u>5,742</u>
Maintenance		
568	Maintenance supervision and engineering	183
569	Maintenance of structures	31
570	Maintenance of station equipment	4,406
571	Maintenance of overhead lines	4,692
573	Maintenance of miscellaneous transmission plant	2 0
	Total Transmission Maintenance Expenses	<u>9,314</u>
	Total Transmission Expenses	<u>15,056</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
Distribution Expenses		
Operation		
580	Operation supervision and engineering	\$ 15,770
581	Load dispatching	759
582	Station expenses	654
583	Overhead line expenses	4,337
584	Underground line expenses	3,753
585	Street Lighting and signal system expenses	546
586	Meter expenses	8,412
587	Customer installations expenses	6,860
588	Miscellaneous distribution expenses	12,003
589	Rents	6,867
	Total Distribution Operation Expenses	<u>59,961</u>
Maintenance		
590	Maintenance supervision and engineering	5,311
591	Maintenance of structures	57
592	Maintenance of station equipment	9,011
593	Maintenance of overhead lines	36,741
594	Maintenance of underground lines	9,179
595	Maintenance of line transformers	2,477
596	Maintenance of street lighting and signal systems	3,732
597	Maintenance of meters	91
598	Maintenance of miscellaneous distribution plant	1,272
	Total Distribution Maintenance Expenses	<u>67,871</u>
	Total Distribution Expenses	<u>127,832</u>
<u>Customer Accounts Expenses</u>		
Operation		
901	Supervision	449
902	Meter reading expenses	10,418
903	Customer records and collection expenses	23,418
904	Uncollectible accounts	17,500
905	Miscellaneous customer accounts expenses	2,426
	Total Customer Accounts Expenses	<u>54,211</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
<u>Customer Service and Informational Expenses</u>		
	Operation	
907	Supervision	\$ 0
908	Customer assistance expenses	
	On-Track uncollectible accounts	3,700
	Other	9,811
909	Informational and instructional expenses	0
910	Miscellaneous customer service and informational expenses	86
	Total Customer Service and Informational Expenses	<u>13,597</u>
<u>Sales Expenses</u>		
	Operation	
911	Supervision	44
912	Demonstrating and selling expenses	2,241
913	Advertising expenses	2,416
916	Miscellaneous sales expenses	1,890
	Total Sales Expenses	<u>6,591</u>
<u>Administrative and General Expenses</u>		
	Operation	
920	Administrative and general salaries	4,425
921	Office supplies and expenses	80,186
923	Outside services employed	310
924	Property insurance	0
925	Injuries and damages	1,517
926	Employees pensions and benefits	27,215
928	Regulatory commission expenses	4,263
929	Duplicate charges - credit	0
930	Miscellaneous general expenses	7,376
931	Rents - office buildings	0
		<u>125,292</u>
	Maintenance	
935	Maintenance of general plant	<u>1,888</u>
	Total Administrative and General Expenses	127,180
	Total Operation and Maintenance Expenses	<u>\$ 2,072,084</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail Taxes
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Taxes Other Than Income	
	State and Local	
1	Capital Stock	\$ 6,680
2	Gross Receipts	158,803
3	Local property and Other	918
4	Public Utility Realty	4,000
5	State Unemployment Compensation	244
6	Sales and Use	0
7	Total State and Local	<u>170,645</u>
	Federal	
8	Unemployment Tax Act	67
9	Social Security and Hospital Insurance	6,262
10	Total Federal	<u>6,329</u>
11	Total Taxes Other Than Income	<u>176,974</u>
	Income Taxes	
12	State	5,678
13	Federal	(9,086)
14	Total Income Taxes	<u>(3,408)</u>
	Investment Tax Credit	
15	Deferred	0
16	Amortization of Deferral	(2,745)
17	Net Investment Tax Credit	<u>(2,745)</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail Taxes
Year Ended December 31, 2004
(Thousands of Dollars)

Line No.	Description	Federal	State	Amount
Deferred Income Taxes				
Provision for Deferred Taxes				
18	ACRS & MACRS - General Property	\$ 2,484	\$ 0	\$ 2,484
19	ACRS & MACRS - Transmission Property	5,527	0	5,527
20	ACRS & MACRS - Distribution Property	35,480	0	35,480
21	Pensions Costs Capitalized	514	163	677
22	Amortizations Booked Separately	468	157	625
23	Environmental Cleanup	317	100	417
24	Loss on Reacquired Debt	99	24	123
25	Post-Retirement Benefits	741	235	976
26	Bad Debts	588	186	774
27	Taxes Capitalized	256	82	338
28	Obsolete Inventory	28	9	37
29	Consumer Education	99	32	131
30	Other Taxes	244	77	321
31	Severance Pay	43	13	56
32	Miscellaneous	0	0	0
33	Total Provision	<u>46,888</u>	<u>1,078</u>	<u>47,966</u>
Provision for Deferred Taxes - Credit				
34	CTC	(1,694)	(538)	(2,232)
35	Pension Expense - Book	(1,211)	(384)	(1,595)
36	SERP/DRP	(77)	(25)	(102)
37	Vacation Pay	(267)	(84)	(351)
38	Health Care Costs - PMC Amortization	(1,639)	(520)	(2,159)
39	Post-Employment Benefits	(97)	(31)	(128)
40	Fin 45 Prepaid Rent	(254)	(80)	(334)
41	Removal Costs - Transmission Property	(48)	(12)	(60)
42	Removal Costs - Distribution Property	(92)	(24)	(116)
43	Class Life - Transmission Property	(274)	(60)	(334)
44	Class Life - Distribution Property	(846)	(164)	(1,010)
45	Repair Allowance - Transmission Property	(28)	(9)	(37)
46	Repair Allowance - Distribution Property	(449)	(142)	(591)
47	Contributions in Aid of Construction - Transmission Property	(3,064)	(971)	(4,035)
48	Contributions in Aid of Construction - Distribution Property	(4,188)	(1,328)	(5,516)
49	Administrative & General Capitalized	(306)	(96)	(402)
50	Amortizations Booked Separately	(40)	(11)	(51)
51	Miscellaneous	0	0	0
52	Total Credits	<u>\$ (14,574)</u>	<u>\$ (4,479)</u>	<u>(19,053)</u>
53	Total Deferred Income Taxes			<u>28,913</u>
54	Total All Taxes			<u>\$199,734</u>

PPL ELECTRIC UTILITIES CORPORATION

Calculation of Composite Cost Rate of Long-Term Debt
at December 31, 2004
(Thousands of Dollars)

Line No.	(1) First Mortgage Bonds	(2) Amount Outstanding	(3) Percent to Total	(4) Effective Interest Rate (a)	(5) Average Weighted Cost Rate	
1	6-1/2 % Series Due 2005	\$ 60,000	36.01 %	6.67 %	2.40 %	
2	6.55 % Series Due 2006	96,000	57.62	6.68	3.85	
3	7.70 % Series Due 2009	325	0.19	7.78	0.01	
4	7-3/8 % Series Due 2014	10,290	6.18	7.55	0.47	
5	Total	<u>\$ 166,615</u>	<u>100.00 %</u>		<u>6.73 %</u>	
	<u>Pollution Control Bonds</u>					
6	3.125% Series due 2008	\$ 90,000	28.69 %	3.74 %	1.07 %	
7	5.50 % Series I Due 2027	53,250	16.97	5.69	0.97	
8	6.40 % Series J Due 2029	115,500	36.81	6.54	2.41	
9	6.15 % Series K Due 2029	55,000	17.53	6.37	1.12	
10	Total	<u>\$ 313,750</u>	<u>100.00 %</u>		<u>5.57 %</u>	
	<u>Senior Secured Bonds</u>					
11	5.875% Series due 2007	\$ 300,000	33.33 %	6.25 %	2.08 %	
12	6.25% Series due 2009	500,000	55.56	6.53	3.63	
13	4.30% Series due 2013	100,000	11.11	4.47	0.50	
		<u>\$ 900,000</u>	<u>100.00 %</u>		<u>6.21 %</u>	
14	<u>Conemaugh Scrubber Note</u> Due 6/1/27	<u>\$ 9,475</u>	<u>100.00 %</u>	1.21 %	<u>1.21 %</u>	
15	Total First Mortgage Bonds	\$ 166,615	11.99 %	6.73 %	0.81 %	
16	Total Pollution Control Bonds	313,750	22.57	5.57	1.26	
17	Total Senior Secured Bonds	900,000	64.76	6.21	4.02	
18	Total Conemaugh Scrubber Note	9,475	0.68	1.21	0.01	
19		<u>\$ 1,389,840</u>	<u>100.00 %</u>		<u>6.10 %</u>	
20	Long-Term Debt	\$ 1,389,840			6.10 %	\$ 84,780 (b)
21	Loss on Reacquired Debt	(27,291)				3,027 (c)
22	Gain on Reacquired Debt					(d)
23	Adjusted Long-Term Debt	<u>\$ 1,362,549</u>			6.44 %(e)	<u>\$ 87,807</u>

- (a) Effective interest rate from Schedule B-6, page 2.
(b) 6.10% * \$1,389,840
(c) Annualized amortization of loss on reacquired debt
(d) Annualized amortization of gain on reacquired debt
(e) \$87,807 / \$1,362,549

PPL ELECTRIC UTILITIES CORPORATION

Schedule of Long-Term Debt and Calculation
of Average Weighted Cost Rate at December 31, 2004

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Line No.	Description of Issue	Nominal Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding	Amount Retired	Coupon Rate - %	Premium, Option or (Discount) at Issuance	Issuance Expense	Net Proceeds	Annual Sinking Fund Requirement(a)	Average Term in Years	Net Proceeds Ratio (b)	Effective Interest Rate - %
<u>First Mortgage Bonds</u>														
1	6-1/2 % Series Due 2005	4/1/93	4/1/05	125,000,000	60,000,000	65,000,000	6.50	(782,351)	41,105	59,176,544		12	98.63	6.87
2	6.55 % Series Due 2006	3/1/94	3/1/06	150,000,000	98,000,000	54,000,000	6.55	(884,712)	134,992	94,980,296		12	98.84	6.88
3	7.70 % Series Due 2009	10/1/94	10/1/09	200,000,000	325,000	199,675,000	7.70	(2,031)	254	322,715		15	99.30	7.78
4	7-3/8 % Series Due 2014	3/1/94	3/1/14	100,000,000	10,290,000	89,710,000	7.375	(170,465)	14,877	10,104,658		20	98.20	7.55
<u>Pollution Control Bonds</u>														
5	3.125% Series Due 2008	2/12/03	11/1/08	90,000,000	90,000,000	-	3.125	0	2,610,269	87,189,731		5	96.88	3.74
6	5.50 % Series I Due 2027	2/15/94	2/15/27	53,250,000	53,250,000	-	5.50	(698,438)	496,730	51,754,832		33	97.19	5.69
7	6.40 % Series J Due 2029	9/1/94	9/1/29	115,500,000	115,500,000	-	6.40	(990,990)	1,186,848	113,322,162		35	98.11	6.54
8	6.15 % Series K Due 2029	8/1/95	8/1/29	55,000,000	55,000,000	-	6.15	(870,650)	808,184	53,321,166		34	96.95	6.37
<u>Senior Secured Bonds</u>														
9	5.875% Series due 2007	8/1/01	8/15/07	300,000,000	300,000,000	-	5.875	(1,856,021)	3,797,714	294,346,265		6	98.12	6.25
10	6.25% Series due 2009	8/1/01	8/15/09	500,000,000	500,000,000	-	6.25	(2,143,776)	6,454,524	491,401,700		8	98.28	6.53
11	4.30% Series due 2013	5/23/03	6/1/13	100,000,000	100,000,000	-	4.30	(548,000)	849,971	98,602,029		10	98.60	4.47
<u>Conemaugh Scrubber Note</u>														
12	Due 6/1/27 (Variable rate)	6/4/97	6/1/27	9,475,000	9,475,000	-	1.16	0	110,606	9,364,394		30	98.83	1.21
13	TOTAL				<u>\$1,389,840,000</u>									

(a) The sinking fund requirements may be met with property additions or bonds.

(b) Approximates net proceeds at time of issuance.

NOTE: No bonds under any series outstanding have been reacquired or retired by the Company.

PPL ELECTRIC UTILITIES CORPORATION

**Composite Cost Rate of Preferred Stock
December 31, 2004
(Thousands of Dollars)**

Line No.		(1) Amount Outstanding	(2) Percent of Total	(3) Effective Cost Rate (a)	(4) Weighted Cost Rate	(5) Annual Cost
1	4-1/2 % Preferred	\$ 24,752	49.00 %	5.03 %	2.46 %	\$ 1,245
	Series Preferred					
2	3.35%	2,061	4.08	3.37	0.14	69
3	4.60%	2,861	5.66	4.79	0.27	137
4	4.40%	11,768	23.29	4.46	1.04	525
5	6.75%	<u>9,077</u>	<u>17.97</u>	6.82	<u>1.23</u>	<u>619</u>
6	Total Preferred Stock	50,519	100.00 %		5.14 %	2,595
	Unamortized Premiums and Unrecovered Original Issues					
7	Costs on Redeemed Stock (b)	<u>(1,811)</u>				<u>419</u>
8		<u>\$ 48,708</u>			<u>6.19 % (c)</u>	<u>\$ 3,014</u>

(a) Effective cost rate from Schedule B-7, Page 2.

(b) See Schedule B-7, Page 3 for determination of these amounts.

(c) \$3,014 / \$48,708

PPL ELECTRIC UTILITIES CORPORATION

**Computation of Preferred Stock Effective Cost Rate by Series
At December 31, 2004**

Line No.	(1) Description of Issue	(2) Date of Issue	(3) Date of Maturity (a)	(4) Amount Issued	(5) Amount Outstanding (f)	(6) Amount Retired	(7) Gain on Reacquisition	(8) Issuance Expenses Net of Premium (f)	(9) Net Proceeds (b)	(10) Sinking Fund Requirements Annual Requirements (Shares)	(11) Redemption Period	(12) Nominal Dividend Rate	(13) Average Term in Years (a)	(14) Net Proceeds Ratio	(15) Effective Cost Rate (c)
<u>Cumulative Preferred Stock</u>															
1	3.35 % Series	5/2/46		\$ 4,178,300	\$ 2,060,600	\$ 2,117,800		\$ 10,370	\$ 2,050,130	-	-	3.35 %		99.50 %	3.37 %
2	4.60 % Series	10/21/48		6,300,000	2,861,400	3,438,600		113,048	2,748,352	-	-	4.60		98.05	4.79
3	4.40 % Series	8/5/52		22,877,300	11,767,800	11,109,700		162,966	11,604,634	-	-	4.40		98.62	4.46
4	4-1/2 % Series	12/10/45		53,018,900	24,752,400	28,266,500		72,048 (d)	22,145,805 (e)	-	-	4.50		89.47	5.03
5		12/22/54													
6	6.75 % Series	10/5/93		85,000,000	9,077,000	75,923,000		90,879	8,986,121	-	-	6.75		99.00	6.82
7				<u>\$ 171,374,500</u>	<u>\$ 50,518,900</u>	<u>\$ 120,855,600</u>		<u>\$ 449,311</u>	<u>\$ 47,535,042</u>						

(a) None of the preferred stock has sinking fund requirements, therefore these fields are not applicable.

(b) Amount outstanding less issuance expenses net of premium.

(c) For issues without sinking fund requirements the effective cost rate is computed by dividing the nominal dividend rate by the net proceeds ratio.

(d) Includes \$40,839 premium.

(e) Net proceeds after deducting \$2,534,547 (prorated portion of \$5,428,900) attributable to cost of Company refinanced issues carried forward.

(f) Amount outstanding and Issuance Expenses net of Premium are net of reacquired stock.

PPL ELECTRIC UTILITIES CORPORATION

DETERMINATION OF UNAMORTIZED PREMIUMS AND
ORIGINAL ISSUE COSTS ON REACQUIRED PREFERRED AND PREFERENCE STOCK
AS OF DECEMBER 31, 2004

Line No.	Date Redeemed	(1) Premium	(2) Unrecovered Original Issue Costs	(3) Average Remaining Life-Mos.	(4) Monthly Amortization(a)	(5) Amortization through 12/31/04-Mos.	(6) Amortization(b)	(7) Unamortized Premium/OIC 12/31/2004(c)	Jan. 1, 2005 Dec. 31, 2005 Amortization(e)
<u>Preferred Stock(d)</u>									
1	9.24% Series 2/1/92	\$258,900	\$371,446	101	\$6,241	101.00	\$630,346	\$0	\$0
2	9.00% Series 2/1/92	77,630	152,830	171	1,348	155.00	208,940	21,520	16,176
3	7.40% Series 7/1/93	236,800	84,230	120	2,675	120.00	321,030	0	0
4	8.75% Series 7/1/93	1,074,000	134,765	111	10,890	111.00	1,208,765	0	0
5	8.00% Series 7/1/93	500,000	116,531	111	5,554	111.00	616,531	0	0
6	8.60% Series 7/15/93	297,976	393,860	171	4,046	137.50	556,325	135,511	48,552
7	7.375% Series 11/1/93	2,106,823	492,810	221	11,763	134.00	1,576,242	1,023,391	141,156
8	7.82% Series 11/1/93	590,500	329,639	32	28,754	32.00	920,139	0	0
9	6.875% Series 5/1/94	0	202,499	23	8,804	23.00	202,499	0	0
10	7.00% Series 5/1/94	0	611,359	32	19,105	32.00	611,359	0	0
<u>Preference Stock</u>									
11	\$15.00 Series 2/19/86	10,000,000	1,549,988	136	84,926	136.00	11,549,988	0	0
12	\$13.68 Series 4/1/86	7,000,000	1,755,915	163	53,717	163.00	8,755,915	0	0
13	\$13.00 Second Series 6/13/86	7,000,000	1,553,360	144	59,398	144.00	8,553,360	0	0
14	\$11.60 Series 2/18/87	7,000,000	1,443,951	141	59,886	141.00	8,443,951	0	0
15	\$ 8.00 Series 9/15/93	351,944	582,445	171	5,464	135.50	740,372	194,017	65,568
16	\$ 8.40 Series 9/15/93	401,333	678,905	171	6,317	135.50	855,954	224,284	75,804
17	\$ 8.70 Series 9/15/93	400,667	621,621	171	5,978	135.50	810,019	212,269	71,736
18		<u>\$37,296,573</u>	<u>\$11,076,154</u>		<u>\$374,866</u>		<u>\$46,561,735</u>	<u>\$1,810,992</u>	<u>\$418,992</u>

(a) $((1) + (2)) / (3) = (4)$

(b) $(5) \times (4) = (6)$

(c) $(1) + (2) - (6) = (7)$

(d) Unrecovered Original Issue Costs include litigation fees and settlements with former holders pro-rated based on principal amount at time of redemption.

(e) $(4) \times 12$ months

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure
(Millions of Dollars)

Line No.		<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
	Capitalization						
1	Long-Term Debt (a)	\$ 1,090.2	\$ 939.6	\$ 1,516.6	\$ 1,479.2	\$ 1,493.4	\$ 1,362.5
2	Preferred & Preference Stock	350.6	351.3	336.1	79.0	48.3	48.7
3	Common Equity (b)	1,323.2	1,180.4	950.2	1,156.2	1,230.0	1,244.7
4	Total	<u>\$ 2,764.0</u>	<u>\$ 2,471.3</u>	<u>\$ 2,802.9</u>	<u>\$ 2,714.4</u>	<u>\$ 2,771.7</u>	<u>\$ 2,655.9</u>
	Capitalization Ratios						
5	Long-Term Debt (a)	39.44%	38.02%	54.11%	54.49%	53.88%	51.30%
6	Preferred & Preference Stock	12.69%	14.22%	11.99%	2.91%	1.74%	1.83%
7	Common Equity (b)	47.87%	47.76%	33.90%	42.60%	44.38%	46.87%
8	Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

(a) Long-term debt includes amount due within one year and the unamortized loss on reacquired debt.

(b) Common equity includes an adjustment for the unamortized premiums and unrecovered original issue costs on reacquired preferred and preference stock.

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure
(Thousands of Dollars)

Line No.		1999	2000	2001	2002	2003	2004
<u>Computation of Long-Term Debt</u>							
1	Long-term Debt	\$ 1,120,941	\$ 968,357	\$ 1,544,189	\$ 1,504,890	\$ 1,520,412	\$ 1,389,840
2	Unamortized Loss on Reacquired Debt	(30,725)	(28,710)	(27,607)	(25,649)	(26,971)	(27,291)
3	Adjusted Long-Term Debt	\$ 1,090,216	\$ 939,647	\$ 1,516,582	\$ 1,479,241	\$ 1,493,441	\$ 1,362,549
<u>Computation of Preferred & Preference Stock</u>							
4	Preferred Stock	\$ 97,432	\$ 97,432	\$ 81,619	\$ 81,619	\$ 50,519	\$ 50,519
5	Subordinated Debentures	257,732	257,732	257,732			
6		355,164	355,164	339,351	81,619	50,519	50,519
	Adjustment for Unamortized Premiums and Unrecovered Original Issue Costs on Reacquired Preferred and Preference Stock	(4,598)	(3,913)	(3,264)	(2,665)	(2,230)	(1,811)
7							
8	Preferred & Preference Stock	\$ 350,566	\$ 351,251	\$ 336,087	\$ 78,954	\$ 48,289	\$ 48,708
<u>Computation of Common Equity</u>							
Common Equity per Books							
9	Common Stock Issued	\$ 1,476,048	\$ 1,476,048	\$ 1,476,048	\$ 1,476,048	\$ 1,476,048	\$ 1,476,048
10	Treasury Stock	(632,215)	(632,215)	(912,215)	(912,215)	(912,215)	(912,215)
11	Misc Paid in Capital	55,140	55,140	50,777	281,943	360,258	360,258
12	Earnings Reinvested	419,616	277,491	332,325	307,772	303,691	318,762
13		1,318,589	1,176,464	946,935	1,153,548	1,227,782	1,242,853
	Adjustment for Unamortized Premiums and Unrecovered Original Issue Costs on Reacquired Preferred and Preference Stock	4,598	3,913	3,264	2,665	2,230	1,811
14							
15	Adjusted Common Equity	\$ 1,323,187	\$ 1,180,377	\$ 950,199	\$ 1,156,213	\$ 1,230,012	\$ 1,244,664

PPL ELECTRIC UTILITIES CORPORATION

Rate of Return at
December 31, 2004

	(1)	(2)	(3)	(4)
<u>Line No.</u>		<u>Capitalization Ratio (B-8)</u>	<u>Embedded Cost</u>	<u>Return</u>
1 Long-Term Debt		51.30 %	6.44 % (B-6)	3.30 %
2 Preferred Stock		1.83	6.19 (B-7)	0.11
3 Common Equity		46.87	11.50	5.39
4		<u>100.00 %</u>		<u>8.80 %</u>

PPL ELECTRIC UTILITIES CORPORATION

Measures of Value and Rates of Return

As of December 31, 2004

(Thousands of Dollars)

Line No.	Title of Account	Total T&D Operations	PPUC Jurisdictional (Exhibit JMK 2)
	Electric Plant		
1	Electric plant in service (C-2)	\$ 4,424,095	\$ 3,426,813
2	Reserve for depreciation (C-2)	1,709,721	1,286,590
3	Net electric plant in service	<u>2,714,374</u>	<u>2,140,223</u>
	Additions		
3	Plant held for future use (C-3)	<u>0</u>	<u>0</u>
4	Total electric plant	<u>2,714,374</u>	<u>2,140,223</u>
	Working Capital		
5	Cash working capital (C-4)	22,565	17,851
6	Materials and operating supplies (C-5)	<u>29,886</u>	<u>22,698</u>
7	Total working capital	<u>52,451</u>	<u>40,549</u>
	Deductions		
8	Accumulated deferred taxes on income (C-6)	349,426	324,152
9	Customer advances for construction (B-1)	174	174
10	Customer deposits	<u>20,463 (1)</u>	<u>19,443</u>
11	Total deductions	<u>370,063</u>	<u>343,769</u>
12	Measures of Value (net)	<u>\$ 2,396,762</u>	<u>\$ 1,837,003</u>
	Pro forma return at present rates		
13	Amount (D-1, col.6)		\$ 74,250
14	Percent		4.04%
	Pro forma return at proposed rates		
15	Amount (D-1, col. 8)		\$ 161,656
16	Percent		8.80%

(1) As discussed in Statement No. 5-R.

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service - Original Cost
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$ 975,327
2	Distribution ¹	3,091,137
3	General	335,346
4	Intangible	<u>22,392</u>
5	Total Electric Plant In Service as filed	4,424,202
6	Less: Adjustments on Schedule C-2a	<u>(107)</u>
7	Adjusted Total Electric Plant in Service	<u>\$ 4,424,095</u>

PPL ELECTRIC UTILITIES CORPORATION

Reserve for Depreciation - Original Cost
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$ 414,872
2	Distribution	1,159,165
3	General	127,274
4	Intangible	<u>8,940</u>
5	Total Reserve for Depreciation as filed	1,710,251
6	Less: Amortization for PMS Software	<u>(530) (1)</u>
7	Adjusted Total Reserve for Depreciation	<u>\$ 1,709,721</u>

(1) As discussed in Statement No. 2-R.

PPL ELECTRIC UTILITIES CORPORATION

C-2a
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Adjustments to Electric Plant in Service
Year Ended December 31, 2004
(Thousands of Dollars)

These adjustments to Electric Plant in Service are discussed in Statement No. 2-R.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Post retirement benefits	\$ 122
2	Pension	(215)
3	SERP	(14)
4	Decrease in Electric Plant in Service	<u>\$ (107)</u>

PPL ELECTRIC UTILITIES CORPORATION
Electric Plant Held For Future Use
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Transmission	
1	Substations	\$ 258
2	Lines	<u>12,899</u>
3	Total	<u>13,157</u>
	Distribution	
4	Area - Substations	1,917
5	Lines	30
6	Other	<u>266</u>
7	Total	<u>2,213</u>
8	Total Plant Held For Future Use as filed	<u>15,370</u>
9	Less: Eliminate Plant Held for Future Use	(15,370) (1)
10	Adjusted Plant Held For Future Use	<u>\$ -</u>

(1) As discussed in Statement No. 5-R.

PPL ELECTRIC UTILITIES CORPORATION

Cash Working Capital
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Operation and maintenance expense (C-4, page 2)	\$ 13,352
2	Average prepayments (C-4, page 3)	2,152
3	Accrued taxes (C-4, page 4)	16,714
4	Interest payments (C-4, page 5)	(9,657)
5	Preferred dividend payments (C-4, page 6)	<u>4</u>
6	Total cash working capital requirement	<u>\$ 22,565</u>

PPL Electric Utilities Corporation

Working Capital Required for Operation and Maintenance Expenses
As of December 31, 2004
(Thousands of Dollars)

The Company bills its customers every month. On this basis, there is a considerable span of days between the time electricity is furnished to a customer and the time the customer pays for such electricity.

In many instances, the Company must pay its bills for payroll and other O&M expenses prior to the time it is able to collect the amount due for the service which requires the incurrence of such expenses. Thus, the Company has examined its records to determine, as to the major categories of expense, the average span of days which exists between the time an expense is incurred and the time it must be paid. Schedule C-4, page 2, of Exhibit Historic 1 sets forth the individual components which result in the days lag between payment of expenses and receipt of the related revenues used in the determination of the working capital required for the pro forma O&M expense for the test year ending December 31, 2004.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Net pro forma O&M expense (a)	\$ 377,955
2	O&M expense per day (line 1 divided by 365 days)	1,035
3	Average lag in days between payment of O&M expenses and receipt of revenue (b)	12.9
4	Working capital requirement (line 2 x line 3)	<u>\$ 13,352</u>
(a)	Total pro forma operation and maintenance expense (D-1)	\$ 403,894
Less: Non-cash items		
	Uncollectible accounts expense per budget (B-4)	17,500
	On-Track customer assistance expense (B-4)	3,700
	Amortization of AMR displacement costs (D-9)	1,764
	Amortization of Hurricane Isabel deferred costs (D-10)	<u>2,975</u>
	Net pro forma O&M expense	<u>\$ 377,955</u>

(b) As discussed in Statement No. 5-R.

PPL ELECTRIC UTILITIES CORPORATION

Average Prepayments
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Insurance</u>	<u>PUC Annual Assessment</u>	<u>Postage</u>	<u>Total</u>
1	December 2003	\$17	\$1,713	\$376	\$2,106
2	January 2004	8	1,428	400	1,836
3	February	(2)	1,142	344	1,484
4	March	(12)	857	428	1,273
5	April	(22)	571	305	854
6	May	(31)	286	402	657
7	June	(41)	3,108	260	3,327
8	July	(51)	2,849	363	3,161
9	August	(60)	2,501	457	2,898
10	September	(70)	2,731	307	2,968
11	October	(80)	2,427	386	2,733
12	November	(89)	2,124	532	2,567
13	December	(99)	1,820	394	2,115
14	Total Prepayments	(\$532)	\$23,557	\$4,954	\$27,979
15	Monthly Average	(\$41)	\$1,812	\$381	\$2,152

PPL ELECTRIC UTILITIES CORPORATION

Accrued Taxes
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>12-Month Accrued Factor (c)</u>	<u>Accrued Taxes</u>
1	Federal income tax (D-1, line 6, col. 5 + col. 7)	\$25,568	-3.52%	\$ (900)
2	PA income tax (D-1, line 7, col. 5 + col. 7)	16,668	-1.44%	(240)
3	PA gross receipts tax (a)	47,696	36.06%	17,200
4	PA capital stock tax (b)	7,700	-1.44%	(111)
5	PA public utility reality tax (D-12, page 4)	3,251	23.56%	766
6	Total Accrued Taxes			<u>\$ 16,714</u>
 (a) PA gross receipts tax				
	Amount per D-12, page 3	\$38,289		
	Amount due to proposed increase (D-13, page 4)	<u>9,407</u>		
	TOTAL	<u>\$47,696</u>		
 (b) PA capital stock tax				
	Amount applicable to electric operations (D-12, page 2)	\$7,060		
	Amount applicable to proposed increase (D-13, page 4)	<u>640</u>		
	TOTAL	<u>\$7,700</u>		

(c) The 12-month average factor represents, in the case of Federal and State income tax and capital stock tax, the portion of the tax liability which is available to the Company for the payment of other costs. This situation exists because revenue is available from customers prior to payment dates of the taxes. The factors for the other Pennsylvania taxes represent the portions of those tax liabilities which must be provided by the Company due to payment of the taxes before the revenue is available from customers. Exhibit Historic 1, Schedule C-4, pages 7 through 12 reflect the computation of such factors.

PPL ELECTRIC UTILITIES CORPORATION

Interest Payments
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>
1	Measures of value at December 31, 2004 (C-1)		\$2,396,762
2	Long-term debt ratio (B-9)		51.30%
3	Embedded cost of long-term debt (B-9)		6.44%
4	Pro forma interest (line 1 x line 2 x line 3)		<u>\$ 79,182</u>
5	Daily amount (line 4 + 365)		<u>\$ 217</u>
6	Days to mid-point of interest payments	90.0	
7	Less: Revenue lag days (Historic C-4, page 2)	<u>45.5</u>	
8	Interest payments lag days (line 6 - line 7)		<u>44.5</u>
9	Total interest payments (line 5 x line 8)		<u>\$ 9,657</u>

PPL ELECTRIC UTILITIES CORPORATION

Preferred Dividend Payments
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>
1	Measures of value at December 31, 2004 (C-1)		\$ 2,396,762
2	Preferred stock ratio (B-9)		1.83%
3	Embedded cost of preferred stock (B-9)		6.19%
4	Pro forma dividends (line 1 x line 2 x line 3)		<u>\$ 2,715</u>
5	Daily amount (line 4 + 365)		<u>\$ 7</u>
6	Days to mid-point of dividend payments	45.0	
7	Less: Revenue lag days (Historic C-4, page 2)	<u>45.5</u>	
8	Dividend payments lag days (line 6 - line 7)		<u>(0.5)</u>
9	Total preferred dividend payments (line 5 x line 8)		<u>\$ (4)</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Plant Materials and Operating Supplies (C-5, page 2)	\$ 24,759
2	Stores expense undistributed (C-5, page 3)	<u>5,127</u>
3	Total materials and operating supplies	<u>\$ 29,886</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2003	\$ 25,236
2	January 2004	24,974
3	February	25,046
4	March	25,060
5	April	24,942
6	May	24,609
7	June	24,685
8	July	24,649
9	August	24,435
10	September	24,553
11	October	24,562
12	November	24,521
13	December	<u>24,599</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 321,871</u>
15	Monthly Average	<u>\$ 24,759</u>

PPL ELECTRIC UTILITIES CORPORATION

Stores Expense Undistributed
As of December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2003	\$ 5,154
2	January 2004	5,140
3	February	5,137
4	March	5,131
5	April	5,133
6	May	5,156
7	June	5,226
8	July	5,230
9	August	5,154
10	September	5,091
11	October	5,044
12	November	5,035
13	December	<u>5,024</u>
14	Total Stores Expense Undistributed	<u>\$ 66,655</u>
15	Monthly Average	<u>\$ 5,127</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Operating Income
Pro Forma at Present and Proposed Rates
Year Ended December 31, 2004
(Thousands of Dollars)

Line No.	(1)	(2)	(3)	(4)	(5)	(6) PPUC Jurisdictional		(8)
	Total Amount Per Budget	Less: CTC & POLR	T&D Operations Per Budget	Pro forma Adjustments D-2	T&D Pro Forma at Present Rates	Pro Forma at Present Rates (Exhibit JMK 2)	Rate Increase (D-13, Pg 4)	Pro Forma at Proposed Rates
1 Operating Revenue	\$ 2,515,735	\$ (1,836,195)	\$ 679,540	\$ 2,817	\$ 682,357	\$ 523,544	\$ 159,443	\$ 682,987
Operating Expenses								
2 Operations and Maintenance	2,072,084	(1,669,312)	402,772	1,122	403,894	306,991	-	306,991
3 Depreciation and amortization	108,619	-	108,619	3,653	112,272	93,464	-	93,464
4 Regulatory Debits/Credits	4,750	(4,750)	(0)	-	(0)	-	-	-
Provision for Taxes								
5 Taxes Other Than Income	176,974	(120,681)	56,293	(523)	55,770	44,608	10,047	54,655
Income Taxes								
6 Federal	(9,086)	(16,229)	(25,315)	3,818	(21,497)	(24,446)	47,065	22,619
7 State	5,678	(5,146)	532	1,211	1,743	165	14,925	15,090
8 Deferred Income Taxes	28,913	4,070	32,983	(1,173)	31,810	30,425	-	30,425
9 Investment Tax Credit	(2,745)	-	(2,745)	-	(2,745)	(1,913)	-	(1,913)
10 Total taxes	199,734	(137,986)	61,748	3,333	65,081	48,839	72,037	120,876
11 Gain/loss from Disposition of Utility Plant	-	-	-	-	-	-	-	-
12 Total Operating Expenses	2,385,187	(1,812,048)	573,139	8,108	581,247	449,294	72,037	521,331
13 Operating Income	\$ 130,548	\$ (24,147)	\$ 106,401	\$ (5,291)	\$ 101,110	\$ 74,250	\$ 87,406	\$ 161,656

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Income
Year Ended December 31, 2004
 (Thousands of Dollars)

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<u>Line No.</u>	<u>Reference</u>	<u>Description</u>	<u>Amount</u>
		<u>Operating Revenues</u>	
1	D-3, page 1	Operating Revenue	<u>\$ 2,817</u>
		<u>Operating and Maintenance Expenses</u>	
2	D-2a	Miscellaneous proposed adjustments	(3,026)
3	D-5	Employee wages and benefits	(5,629)
4	D-6	Rate case expense	0
5	D-7	Interest expense on customer deposits	262
6	D-8	Social programs	4,776
7	D-9	Automated Meter Reading (AMR) displacement costs	1,764
8	D-10	Hurricane Isabel deferred costs	<u>2,975</u>
8		Total operation and maintenance expense	<u>1,122</u>
		<u>Depreciation</u>	
9	D-11	Annual depreciation expense	<u>3,653</u>
		<u>Provision for Taxes</u>	
		Taxes other than income	
10	D-12	Capital stock	380
11	D-12	Gross receipts	167
12	D-12	Public utility realty	(749)
13	D-5	Payroll taxes	(321)
		Income taxes	
14	D-13	Federal	3,818
15	D-13	State	1,211
16	D-14	Deferred income taxes	(1,173)
17	D-15	Investment tax credit - amortization	<u>0</u>
18		Total Taxes	<u>3,333</u>
19		Total Operating Expenses	<u>8,108</u>
20		Total Adjustments to Income	<u>\$ (5,291)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Operation and Maintenance Expense
Year Ended December 31, 2004
(Thousands of Dollars)

These adjustments to operation and maintenance expense are discussed in Statement No. 2-R.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Post retirement benefits expense	\$ 276
2	Pension expense	(489)
3	SERP expense	(30)
4	Community Affairs expense claim	(300)
5	Environmental remediation expense	(2,483)
6	Net decrease in operation and maintenance expense	<u>\$ (3,026)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Operating Revenue
Year Ended December 31, 2004
 (Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Total Revenue Per Budget</u>	<u>Less: CTC and POLR</u>	<u>T&D Revenue Per Budget</u>	<u>Pro Forma Adjustments</u>	<u>Pro forma at Present Rates</u>
PPUC Jurisdictional						
1	Transmission revenue	\$ 140,699	\$ -	\$ 140,699	\$ 2,378	\$ 143,077
2	Distribution revenue	489,662	-	489,662	9,883	499,545
3	CTC revenue	107,550	(107,550)	-	-	-
4	Capacity and energy revenue	1,554,885	(1,554,885)	-	-	-
5	Tax surcharge revenue	30,728	(23,343)	7,385	(7,385)	-
6	Sales to affiliate	143,946	(143,946)	-	-	-
7	Total PPUC Tariff Revenue	<u>2,467,470</u>	<u>(1,829,724)</u>	<u>637,746</u>	<u>4,876</u>	<u>642,622</u>
Other Electric Revenue						
8	Late Payment	6,000	-	6,000	336 (1)	6,336
9	Misc. Revenue	-	-	-	-	-
10	Rent	16,906	-	16,906	-	16,906
11	Other	16,493	-	16,493	-	16,493
	Total Other	<u>39,399</u>	<u>-</u>	<u>39,399</u>	<u>336</u>	<u>39,735</u>
12	Operating Revenue (excl. unbilled)	2,506,869	(1,829,725)	677,145	5,212	682,357
13	Unbilled Revenue	8,866	(6,471)	2,395	(2,395)	-
14	Total Operating Revenue	<u>\$ 2,515,735</u>	<u>\$ (1,836,195)</u>	<u>\$ 679,540</u>	<u>\$ 2,817</u>	<u>\$ 682,357</u>

(1) As discussed in Statement 2-R.

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PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Operating Revenue
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Total Revenue Per Budget</u>	<u>Less: CTC and POLR</u>	<u>T&D Revenue Per Budget</u>	<u>Pro Forma Adjustments</u>	<u>Pro forma at Present Rates</u>
PPUC Jurisdictional						
1	Transmission revenue	140,699	-	\$ 140,699	\$ 2,378	\$ 143,077
2	Distribution revenue	489,662	-	489,662	9,883	499,545
3	CTC revenue	107,550	(107,550)	-	-	-
4	Capacity and energy revenue	1,554,885	(1,554,885)	-	-	-
5	Tax surcharge revenue	30,728	(23,343)	7,385	(7,385)	-
6	Sales to affiliate	143,946	(143,946)	-	-	-
7	Total PPUC Tariff Revenue	<u>2,467,470</u>	<u>(1,829,724)</u>	<u>637,746</u>	<u>4,876</u>	<u>642,622</u>
Other Electric Revenue						
8	Late Payment	6,000	-	6,000	-	6,000
9	Misc. Revenue	-	-	-	-	-
10	Rent	16,906	-	16,906	-	16,906
11	Other	16,493	-	16,493	-	16,493
	Total Other	<u>39,399</u>	<u>-</u>	<u>39,399</u>	<u>-</u>	<u>39,399</u>
12	Operating Revenue (excl. unbilled)	2,506,869	(1,829,725)	677,145	4,876	682,021
13	Unbilled Revenue	8,866	(6,471)	2,395	(2,395)	-
14	Total Operating Revenue	<u>\$ 2,515,735</u>	<u>\$ (1,836,195)</u>	<u>\$ 679,540</u>	<u>\$ 2,481</u>	<u>\$ 682,021</u>

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PPL Electric Utilities Corporation
12 month Period Ended December 31, 2004 Budget

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line Number	Rate Schedule	Number of Customers	Sales (KWH)	Distribution Present Rate Revenue	Distribution EDI/IDI Credit	Transmission Present Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Present Rate Revenue	State Tax Adjustment Surcharge (STAS) 1.16%	Total Revenue
1	RS	1,151,638	12,894,588,000	\$ 290,356,394	\$ -	\$ 48,512,730	\$ 28,207,368	\$ 133,905,048	\$ 566,905,701	\$ 1,067,887,241	\$ 12,462,892	\$ 1,080,350,133
2	RTS	14,342	399,999,000	\$ 3,472,873	\$ -	\$ 475,522	\$ 539,999	\$ 3,127,992	\$ 15,665,590	\$ 23,281,976	\$ 270,071	\$ 23,552,047
3	RTD	274	5,295,000	\$ 118,811	\$ -	\$ 19,962	\$ 13,093	\$ 62,256	\$ 201,546	\$ 415,668	\$ 4,822	\$ 420,490
4	GS-1	137,035	2,027,665,000	\$ 60,536,043	\$ -	\$ 11,664,590	\$ 6,844,873	\$ 25,200,215	\$ 109,402,680	\$ 213,646,401	\$ 2,478,321	\$ 216,126,722
5	GS-3	21,347	8,730,215,000	\$ 83,740,650	\$ (577,882)	\$ 37,948,721	\$ 25,898,936	\$ 95,576,058	\$ 401,682,623	\$ 644,279,106	\$ 7,473,638	\$ 651,752,743
6	LP-4	866	5,536,214,446	\$ 22,719,736	\$ (1,323,912)	\$ 19,558,320	\$ 15,187,246	\$ 50,960,299	\$ 217,796,033	\$ 324,897,723	\$ 3,768,814	\$ 328,666,536
7	IS-P	34	410,790,428	\$ 1,721,477	\$ -	\$ 1,479,814	\$ 60,728	\$ 3,274,898	\$ 13,454,791	\$ 19,991,706	\$ 231,904	\$ 20,223,610
8	LP-5	95	3,312,901,395	\$ 1,736,321	\$ (147,992)	\$ 9,588,067	\$ 8,385,736	\$ 28,060,501	\$ 117,064,947	\$ 164,687,580	\$ 1,910,376	\$ 166,597,956
9	IS-T	33	1,872,981,237	\$ 1,438,158	\$ -	\$ 6,985,093	\$ (1,154,363)	\$ 15,128,107	\$ 57,614,815	\$ 80,011,611	\$ 928,135	\$ 80,939,746
10	LP-6	4	511,847,000	\$ 279,835	\$ -	\$ 1,558,013	\$ 140,883	\$ 6,161,053	\$ 20,055,041	\$ 28,192,825	\$ 327,037	\$ 28,519,862
11	LPEP	1	72,000,000	\$ 309,600	\$ -	\$ 38,160	\$ 339,176	\$ 1,752,515	\$ 2,197,440	\$ 4,636,891	\$ 53,788	\$ 4,690,679
12	ISA	1	142,853,548	\$ 641,843	\$ -	\$ 353,040	\$ (1,130,781)	\$ 2,684,890	\$ 2,983,938	\$ 5,532,930	\$ 64,182	\$ 5,597,112
13	IS-1	4	2,120,000	\$ 54,648	\$ -	\$ 9,794	\$ (27,841)	\$ 59,570	\$ 50,664	\$ 146,835	\$ 1,703	\$ 148,538
14	BL	30	6,360,000	\$ 219,314	\$ -	\$ 36,888	\$ 18,571	\$ 68,434	\$ 209,182	\$ 552,389	\$ 6,408	\$ 558,797
15	SA	0	23,375,000	\$ 3,120,447	\$ -	\$ 80,116	\$ 11,975	\$ 275,430	\$ 723,426	\$ 4,211,394	\$ 48,852	\$ 4,260,246
16	SM	111	5,128,000	\$ 716,987	\$ -	\$ 16,055	\$ (14,438)	\$ 72,386	\$ 167,866	\$ 958,856	\$ 11,123	\$ 969,979
17	SHS	1,065	62,947,000	\$ 12,900,899	\$ -	\$ 198,094	\$ 81,030	\$ 631,159	\$ 3,585,920	\$ 17,397,102	\$ 201,806	\$ 17,598,908
18	SE	80	19,699,000	\$ 725,832	\$ -	\$ 62,124	\$ -	\$ 86,258	\$ 37,717	\$ 911,731	\$ 10,576	\$ 922,307
19	TS	10	353,000	\$ 22,076	\$ -	\$ 1,119	\$ (1,185)	\$ 5,177	\$ 13,731	\$ 40,918	\$ 475	\$ 41,393
20	SI-1	3	95,000	\$ 15,775	\$ -	\$ 299	\$ (863)	\$ 1,941	\$ 3,765	\$ 20,917	\$ 243	\$ 21,160
21	GH-1	1,003	340,128,000	\$ 5,007,989	\$ -	\$ 1,480,301	\$ 614,931	\$ 6,869,146	\$ 13,384,742	\$ 27,357,109	\$ 317,342	\$ 27,674,451
22	GH-2	2,608	72,987,000	\$ 1,142,642	\$ -	\$ 334,567	\$ 83,588	\$ 1,499,234	\$ 2,943,114	\$ 6,003,145	\$ 69,636	\$ 6,072,781
23	Slandby(LP5-S)	6	7,024,000	\$ 36,037	\$ -	\$ 21,352	\$ (87,430)	\$ 272,602	\$ 861,699	\$ 1,124,260	\$ 13,041	\$ 1,137,301
24	PRS	0	131,584,946	\$ 677,973	\$ -	\$ 59,583	\$ 8,381	\$ 75,246	\$ 5,538,886	\$ 6,360,049	\$ 73,777	\$ 6,433,825
25	Rate Revenue	1,330,568	36,689,129,000	\$ 491,712,161	\$ (2,049,786)	\$ 140,480,324	\$ 84,039,593	\$ 375,810,412	\$ 1,552,555,658	\$ 2,842,548,362	\$ 30,728,961	\$ 2,873,277,323
26												
27	Annualization Adjustment		0	0	0	0	0	0	0	0	0	0
28												
29	Total PUC Tariff Revenue		36,689,129,000	\$ 491,712,161	\$ (2,049,786)	\$ 140,480,324	\$ 84,039,593	\$ 375,810,412	\$ 1,552,555,658	\$ 2,842,548,362	\$ 30,728,961	\$ 2,873,277,323
30												
31	<i>Other Electric Revenues</i>											
32	Late Payment			\$ 5,885,745	\$ -	\$ 114,255				\$ 6,000,000		\$ 6,000,000
33	Misc. Revenue			\$ -	\$ -	\$ -				\$ -		\$ -
34	Rent			\$ 16,906,000	\$ -	\$ -				\$ 16,906,000		\$ 16,906,000
35	Other			\$ 885,000	\$ -	\$ 15,607,971				\$ 16,492,971		\$ 16,492,971
36	Total Other			\$ 23,676,745	\$ -	\$ 15,722,226				\$ 39,398,971	\$ -	\$ 39,398,971
37												
38	Total Operating Revenue		36,689,129,000	\$ 515,388,906	\$ (2,049,786)	\$ 156,202,550	\$ 84,039,593	\$ 375,810,412	\$ 1,552,555,658	\$ 2,881,947,333	\$ 30,728,961	\$ 2,712,676,294

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2004 Pro Forma Budget, With Annualization Revenues

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line Number	Rate Schedule	Number of Customers	Sales (KWH)	Distribution Present Rate Revenue	Distribution EDI/IDI Credit	Transmission Present Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Present Rate Revenue	State Tax Adjustment Surcharge (STAS) 1.16%	Total Revenue
(Note 1)												
1	RS	1,151,636	12,894,588,000	\$ 290,356,394	\$ -	\$ 48,512,730	\$ 28,207,368	\$ 133,905,048	\$ 566,905,701	\$ 1,067,887,241	\$ 12,462,892	\$ 1,080,350,133
2	RTS	14,342	399,999,000	\$ 3,472,873	\$ -	\$ 475,522	\$ 539,999	\$ 3,127,992	\$ 15,865,590	\$ 23,281,976	\$ 270,071	\$ 23,552,047
3	RTD	274	5,295,000	\$ 118,811	\$ -	\$ 19,962	\$ 13,093	\$ 62,256	\$ 201,546	\$ 415,668	\$ 4,822	\$ 420,490
4	GS-1	137,035	2,027,665,000	\$ 60,536,043	\$ -	\$ 11,664,590	\$ 6,844,873	\$ 25,200,215	\$ 109,402,680	\$ 213,648,401	\$ 2,478,321	\$ 216,126,722
5	GS-3	21,347	8,730,215,000	\$ 83,740,650	\$ (577,882)	\$ 37,948,721	\$ 25,898,936	\$ 95,576,058	\$ 401,692,623	\$ 644,279,106	\$ 7,473,638	\$ 651,752,743
6	LP-4	866	5,536,214,446	\$ 22,719,736	\$ (1,323,912)	\$ 19,558,320	\$ 15,187,246	\$ 50,960,299	\$ 217,796,033	\$ 324,897,723	\$ 3,768,814	\$ 328,666,536
7	IS-P	34	410,790,428	\$ 1,721,477	\$ -	\$ 1,479,814	\$ 60,728	\$ 3,274,896	\$ 13,454,791	\$ 19,991,706	\$ 231,904	\$ 20,223,610
8	LP-5	95	3,312,901,395	\$ 1,736,321	\$ (147,992)	\$ 9,588,067	\$ 9,385,736	\$ 28,060,501	\$ 117,064,947	\$ 164,687,580	\$ 1,910,376	\$ 166,597,956
9	IS-T	33	1,972,981,237	\$ 1,438,158	\$ -	\$ 6,985,093	\$ (1,154,363)	\$ 15,128,107	\$ 57,614,615	\$ 80,011,611	\$ 928,135	\$ 80,939,746
10	LP-6	4	511,847,000	\$ 279,835	\$ -	\$ 1,556,013	\$ 140,883	\$ 6,161,053	\$ 20,055,041	\$ 28,192,825	\$ 327,037	\$ 28,519,862
11	LPEP	1	72,000,000	\$ 309,600	\$ -	\$ 38,160	\$ 339,176	\$ 1,752,515	\$ 2,197,440	\$ 4,636,891	\$ 53,788	\$ 4,690,679
*12	ISA	1	142,853,548	\$ 641,843	\$ -	\$ 353,040	\$ (1,130,781)	\$ 2,684,890	\$ 2,983,938	\$ 5,532,930	\$ 64,182	\$ 5,597,112
13	IS-1	4	2,120,000	\$ 54,648	\$ -	\$ 9,794	\$ (27,841)	\$ 59,570	\$ 50,664	\$ 146,835	\$ 1,703	\$ 148,538
14	BL	30	6,360,000	\$ 219,314	\$ -	\$ 36,888	\$ 18,571	\$ 68,434	\$ 209,182	\$ 552,389	\$ 6,408	\$ 558,797
15	SA	0	23,375,000	\$ 3,120,447	\$ -	\$ 80,116	\$ 11,975	\$ 275,430	\$ 723,426	\$ 4,211,394	\$ 48,852	\$ 4,260,246
16	SM	111	5,126,000	\$ 716,987	\$ -	\$ 16,055	\$ (14,438)	\$ 72,386	\$ 167,866	\$ 958,856	\$ 11,123	\$ 969,979
17	SHS	1,065	62,947,000	\$ 12,900,899	\$ -	\$ 198,094	\$ 81,030	\$ 631,159	\$ 3,585,920	\$ 17,397,102	\$ 201,806	\$ 17,598,908
18	SE	80	19,699,000	\$ 725,632	\$ -	\$ 62,124	\$ -	\$ 86,258	\$ 37,717	\$ 911,731	\$ 10,576	\$ 922,307
19	TS	10	353,000	\$ 22,076	\$ -	\$ 1,119	\$ (1,185)	\$ 5,177	\$ 13,731	\$ 40,918	\$ 475	\$ 41,393
20	SI-1	3	95,000	\$ 15,775	\$ -	\$ 299	\$ (863)	\$ 1,941	\$ 3,765	\$ 20,917	\$ 243	\$ 21,160
21	GH-1	1,003	340,128,000	\$ 5,007,989	\$ -	\$ 1,480,301	\$ 614,931	\$ 6,869,146	\$ 13,384,742	\$ 27,357,109	\$ 317,342	\$ 27,674,451
22	GH-2	2,608	72,987,000	\$ 1,142,642	\$ -	\$ 334,567	\$ 83,588	\$ 1,499,234	\$ 2,943,114	\$ 6,003,145	\$ 69,636	\$ 6,072,781
23	Standby(LP5-S)	6	7,024,000	\$ 36,037	\$ -	\$ 21,352	\$ (67,430)	\$ 272,602	\$ 861,699	\$ 1,124,260	\$ 13,041	\$ 1,137,301
24	PRS	0	131,564,946	\$ 677,973	\$ -	\$ 59,583	\$ 8,361	\$ 75,246	\$ 5,538,886	\$ 6,360,049	\$ 73,777	\$ 6,433,825
25	Rate Revenue	1,330,588	36,689,128,000	\$ 491,712,161	\$ (2,049,786)	\$ 140,480,324	\$ 84,039,593	\$ 375,810,412	\$ 1,552,555,658	\$ 2,642,548,362	\$ 30,728,961	\$ 2,673,277,323
26												
27	Annualization Adjustment		115,906,991	\$ 4,128,235	\$ -	\$ 693,867	\$ (182,348)	\$ 1,396,463	\$ 6,511,570	\$ 12,547,787	\$ -	\$ 12,547,787
28												
29	Total PUC Tariff Revenue		36,805,035,991	\$ 495,840,396	\$ (2,049,786)	\$ 141,174,191	\$ 83,857,245	\$ 377,206,876	\$ 1,559,067,228	\$ 2,655,096,149	\$ 30,728,961	\$ 2,685,825,110
30												
31	Other Electric Revenues											
32	Late Payment			\$ 5,985,745	\$ -	\$ 114,255	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000
33	Misc. Revenue			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Rent			\$ 16,906,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,906,000	\$ -	\$ 16,906,000
35	Other			\$ 885,000	\$ -	\$ 15,607,971	\$ -	\$ -	\$ -	\$ 16,492,971	\$ -	\$ 16,492,971
36	Total Other			\$ 23,676,745	\$ -	\$ 15,722,226	\$ -	\$ -	\$ -	\$ 39,398,971	\$ -	\$ 39,398,971
37												
38	Total Operating Revenue		36,805,035,991	\$ 519,517,141	\$ (2,049,786)	\$ 156,896,417	\$ 83,857,245	\$ 377,206,876	\$ 1,559,067,228	\$ 2,694,495,120	\$ 30,728,961	\$ 2,725,224,081

Note 1: Col 6, page 2

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2004 Pro Forma Budget, STAS Roll-In

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Line Number	Rate Schedule	Distribution Present Rate Revenue	Distribution EDI/IDI Credit	Transmission Present Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Present Rate Revenue	State Tax Adjustment Surchage (STAS) 0.0%	Total Revenue
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)		(Note 7)	
1	RS	\$ 293,799,928	\$ -	\$ 49,075,478	\$ 28,534,573	\$ 135,458,347	\$ 573,481,807	\$ 1,080,350,133	\$ -	\$ 1,080,350,133
2	RTS	\$ 3,513,158	\$ -	\$ 481,038	\$ 548,263	\$ 3,164,277	\$ 15,847,311	\$ 23,552,047	\$ -	\$ 23,552,047
3	RTD	\$ 120,189	\$ -	\$ 20,194	\$ 13,245	\$ 62,878	\$ 203,884	\$ 420,490	\$ -	\$ 420,490
4	GS-1	\$ 61,238,261	\$ -	\$ 11,799,899	\$ 6,924,274	\$ 25,492,537	\$ 110,671,751	\$ 216,126,722	\$ -	\$ 216,126,722
5	GS-3	\$ 84,705,338	\$ (577,882)	\$ 38,388,926	\$ 26,199,364	\$ 96,684,740	\$ 406,352,257	\$ 651,752,743	\$ -	\$ 651,752,743
6	LP-4	\$ 22,987,928	\$ (1,323,812)	\$ 19,785,197	\$ 15,363,418	\$ 51,551,438	\$ 220,322,467	\$ 328,666,536	\$ -	\$ 328,666,536
7	IS-P	\$ 1,741,446	\$ -	\$ 1,496,979	\$ 81,432	\$ 3,312,885	\$ 13,610,867	\$ 20,223,610	\$ -	\$ 20,223,610
8	LP-5	\$ 1,754,746	\$ (147,992)	\$ 9,699,289	\$ 8,483,011	\$ 28,386,003	\$ 118,422,901	\$ 166,597,956	\$ -	\$ 166,597,956
9	IS-T	\$ 1,454,841	\$ -	\$ 7,066,121	\$ (1,167,754)	\$ 15,303,593	\$ 58,282,945	\$ 80,939,746	\$ -	\$ 80,939,746
10	LP-6	\$ 283,081	\$ -	\$ 1,574,063	\$ 142,517	\$ 6,232,521	\$ 20,287,679	\$ 28,519,862	\$ -	\$ 28,519,862
11	LPEP	\$ 313,191	\$ -	\$ 36,603	\$ 343,110	\$ 1,772,644	\$ 2,222,930	\$ 4,690,679	\$ -	\$ 4,690,679
12	ISA	\$ 649,289	\$ -	\$ 357,135	\$ (1,143,898)	\$ 2,716,035	\$ 3,018,551	\$ 5,597,112	\$ -	\$ 5,597,112
13	IS-1	\$ 55,282	\$ -	\$ 9,908	\$ (28,164)	\$ 60,261	\$ 51,252	\$ 148,538	\$ -	\$ 148,538
14	BL	\$ 221,858	\$ -	\$ 37,316	\$ 18,788	\$ 69,228	\$ 211,609	\$ 558,797	\$ -	\$ 558,797
15	SA	\$ 3,156,644	\$ -	\$ 81,045	\$ 12,114	\$ 278,625	\$ 731,818	\$ 4,260,246	\$ -	\$ 4,260,246
16	SM	\$ 725,304	\$ -	\$ 16,241	\$ (14,605)	\$ 73,226	\$ 169,813	\$ 969,979	\$ -	\$ 969,979
17	SHS	\$ 13,050,549	\$ -	\$ 200,392	\$ 81,970	\$ 638,480	\$ 3,627,517	\$ 17,598,908	\$ -	\$ 17,598,908
18	SE	\$ 734,049	\$ -	\$ 62,845	\$ -	\$ 87,259	\$ 38,155	\$ 922,307	\$ -	\$ 922,307
19	TS	\$ 22,332	\$ -	\$ 1,132	\$ (1,199)	\$ 5,237	\$ 13,890	\$ 41,393	\$ -	\$ 41,393
20	SI-1	\$ 15,958	\$ -	\$ 302	\$ (873)	\$ 1,964	\$ 3,809	\$ 21,160	\$ -	\$ 21,160
21	GH-1	\$ 5,066,082	\$ -	\$ 1,497,472	\$ 622,064	\$ 6,948,828	\$ 13,540,005	\$ 27,674,451	\$ -	\$ 27,674,451
22	GH-2	\$ 1,155,897	\$ -	\$ 338,448	\$ 84,558	\$ 1,516,625	\$ 2,977,254	\$ 6,072,781	\$ -	\$ 6,072,781
23	Standby(LP5-S)	\$ 36,455	\$ -	\$ 21,600	\$ (88,212)	\$ 275,764	\$ 871,695	\$ 1,137,301	\$ -	\$ 1,137,301
24	PRS	\$ 685,837	\$ -	\$ 60,274	\$ 8,458	\$ 76,119	\$ 5,603,137	\$ 6,433,825	\$ -	\$ 6,433,825
25	Rate Revenue	\$ 497,467,645	\$ (2,049,786)	\$ 142,109,896	\$ 85,014,452	\$ 380,169,813	\$ 1,570,565,304	\$ 2,673,277,323	\$ -	\$ 2,673,277,323
26										
27	Annualization Adjustment	\$ 4,128,235	\$ -	\$ 893,867	\$ (182,348)	\$ 1,396,463	\$ 6,511,570	\$ 12,547,787	\$ -	\$ 12,547,787
28										
29	Total PUC Tariff Revenue	\$ 501,595,879	\$ (2,049,786)	\$ 142,803,763	\$ 84,832,104	\$ 381,566,276	\$ 1,577,076,874	\$ 2,685,825,110	\$ -	\$ 2,685,825,110
30										
31	Other Electric Revenues									
32	Late Payment	\$ 5,885,745	\$ -	\$ 114,255	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000
33	Misc. Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Rent	\$ 16,908,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,908,000	\$ -	\$ 16,908,000
35	Other	\$ 885,000	\$ -	\$ 15,607,971	\$ -	\$ -	\$ -	\$ 16,492,971	\$ -	\$ 16,492,971
36	Total Other	\$ 23,676,745	\$ -	\$ 15,722,226	\$ -	\$ -	\$ -	\$ 36,398,971	\$ -	\$ 36,398,971
37										
38	Total Operating Revenue	\$ 525,272,624	\$ (2,049,786)	\$ 158,525,989	\$ 84,832,104	\$ 381,566,276	\$ 1,577,076,874	\$ 2,725,224,081	\$ -	\$ 2,725,224,081

Note 1: Col 5, page 3 x 1.0116
 Note 2: Col 6, page 2
 Note 3: Col 7, page 3 x 1.0116
 Note 4: Col 8, page 3 x 1.0116
 Note 5: Col 9, page 3 x 1.0116
 Note 6: Col 10, page 3 x 1.0116
 Note 7: STAS rolled in to Cols 3, 5, 6, 7 & 8

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2004 Pro Forma Budget, STAS Roll-In, No Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Line Number	Rate Schedule	Distribution Present Rate Revenue	Distribution ED/IDI Credit	Transmission Present Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Present Rate Revenue	State Tax Adjustment Surcharge (STAS) 0.0% (Note 7)	Total Revenue	Shopping Factor
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)				(Note 8)
1	RS	\$ 293,799,928	\$ -	\$ 49,173,825	\$ 28,534,573	\$ 135,458,347	\$ 574,631,069	\$ 1,081,597,743	\$ -	\$ 1,081,597,743	0.2%
2	RTS	\$ 3,513,158	\$ -	\$ 481,520	\$ 546,263	\$ 3,164,277	\$ 15,863,174	\$ 23,568,392	\$ -	\$ 23,568,392	0.1%
3	RTD	\$ 120,189	\$ -	\$ 20,194	\$ 13,245	\$ 82,978	\$ 203,884	\$ 420,490	\$ -	\$ 420,490	0.0%
4	GS-1	\$ 61,238,261	\$ -	\$ 11,919,090	\$ 8,924,274	\$ 25,492,537	\$ 111,789,648	\$ 217,363,810	\$ -	\$ 217,363,810	1.0%
5	GS-3	\$ 84,705,338	\$ (577,882)	\$ 40,839,283	\$ 26,169,364	\$ 96,884,740	\$ 432,289,636	\$ 680,140,479	\$ -	\$ 680,140,479	6.0%
6	LP-4	\$ 22,967,928	\$ (1,323,912)	\$ 21,274,405	\$ 15,363,418	\$ 51,551,438	\$ 236,905,878	\$ 346,739,156	\$ -	\$ 346,739,156	7.0%
7	IS-P	\$ 1,741,446	\$ -	\$ 1,496,979	\$ 61,432	\$ 3,312,885	\$ 13,810,867	\$ 20,223,610	\$ -	\$ 20,223,610	0.0%
8	LP-5	\$ 1,754,746	\$ (147,992)	\$ 10,209,777	\$ 8,483,011	\$ 28,386,003	\$ 124,655,805	\$ 173,341,229	\$ -	\$ 173,341,229	5.0%
9	IS-T	\$ 1,454,841	\$ -	\$ 7,068,121	\$ (1,167,754)	\$ 15,303,593	\$ 58,282,945	\$ 80,939,748	\$ -	\$ 80,939,748	0.0%
10	LP-6	\$ 283,081	\$ -	\$ 1,574,063	\$ 142,517	\$ 6,232,521	\$ 20,287,679	\$ 28,519,862	\$ -	\$ 28,519,862	0.0%
11	LPEP	\$ 313,191	\$ -	\$ 38,603	\$ 343,110	\$ 1,772,844	\$ 2,222,930	\$ 4,690,679	\$ -	\$ 4,690,679	0.0%
12	ISA	\$ 649,289	\$ -	\$ 357,135	\$ (1,143,898)	\$ 2,718,035	\$ 3,018,551	\$ 5,597,112	\$ -	\$ 5,597,112	0.0%
13	IS-1	\$ 55,282	\$ -	\$ 9,908	\$ (28,164)	\$ 60,261	\$ 51,252	\$ 148,538	\$ -	\$ 148,538	0.0%
14	BL	\$ 221,858	\$ -	\$ 37,316	\$ 18,788	\$ 69,228	\$ 211,609	\$ 558,797	\$ -	\$ 558,797	0.0%
15	SA	\$ 3,156,644	\$ -	\$ 81,045	\$ 12,114	\$ 278,825	\$ 731,818	\$ 4,260,246	\$ -	\$ 4,260,246	0.0%
16	SM	\$ 725,304	\$ -	\$ 16,241	\$ (14,606)	\$ 73,228	\$ 169,813	\$ 969,979	\$ -	\$ 969,979	0.0%
17	SHS	\$ 13,050,549	\$ -	\$ 200,392	\$ 81,970	\$ 638,480	\$ 3,627,517	\$ 17,598,908	\$ -	\$ 17,598,908	0.0%
18	SE	\$ 734,049	\$ -	\$ 82,971	\$ -	\$ 87,259	\$ 38,231	\$ 922,509	\$ -	\$ 922,509	0.2%
19	TS	\$ 22,332	\$ -	\$ 1,132	\$ (1,199)	\$ 5,237	\$ 13,890	\$ 41,393	\$ -	\$ 41,393	0.0%
20	SI-1	\$ 15,958	\$ -	\$ 302	\$ (873)	\$ 1,964	\$ 3,809	\$ 21,160	\$ -	\$ 21,160	0.0%
21	GH-1	\$ 5,066,982	\$ -	\$ 1,588,308	\$ 622,084	\$ 6,948,828	\$ 14,343,226	\$ 28,566,505	\$ -	\$ 28,566,505	5.6%
22	GH-2	\$ 1,155,897	\$ -	\$ 341,867	\$ 84,558	\$ 1,516,625	\$ 3,007,327	\$ 6,106,273	\$ -	\$ 6,106,273	1.0%
23	Standby(LP5-S)	\$ 36,455	\$ -	\$ 21,600	\$ (68,212)	\$ 275,764	\$ 871,695	\$ 1,137,301	\$ -	\$ 1,137,301	0.0%
24	PRS	\$ 685,837	\$ -	\$ 60,274	\$ 8,458	\$ 78,119	\$ 5,603,137	\$ 6,433,825	\$ -	\$ 6,433,825	
25	Rate Revenue	\$ 497,467,645	\$ (2,049,786)	\$ 146,870,348	\$ 85,014,452	\$ 380,169,813	\$ 1,622,435,270	\$ 2,729,907,741	\$ -	\$ 2,729,907,741	
26											
27	Annualization Adjustment	\$ 4,128,235	\$ -	\$ 860,596	\$ (182,348)	\$ 1,396,463	\$ 6,175,293	\$ 12,178,239	\$ -	\$ 12,178,239	
28											
29	Total PUC Tariff Revenue	\$ 501,595,879	\$ (2,049,786)	\$ 147,530,944	\$ 84,832,104	\$ 381,566,276	\$ 1,628,610,562	\$ 2,742,085,980	\$ -	\$ 2,742,085,980	
30											
31	Other Electric Revenues										
32	Late Payment	\$ 5,885,745	\$ -	\$ 114,255	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000	
33	Misc. Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
34	Rent	\$ 18,908,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,906,000	\$ -	\$ 16,906,000	
35	Other	\$ 885,000	\$ -	\$ 15,607,971	\$ -	\$ -	\$ -	\$ 16,492,971	\$ -	\$ 16,492,971	
36	Total Other	\$ 23,678,745	\$ -	\$ 15,722,226	\$ -	\$ -	\$ -	\$ 39,398,971	\$ -	\$ 39,398,971	
37											
38	Total Operating Revenue	\$ 525,272,624	\$ (2,049,786)	\$ 163,253,170	\$ 84,832,104	\$ 381,566,276	\$ 1,628,610,562	\$ 2,781,484,951	\$ -	\$ 2,781,484,951	

Note 1: Col 3, page 4
 Note 2: Col 6, page 2
 Note 3: Col 5, page 4 / (1-Col 12)
 Note 4: Col 6, page 4
 Note 5: Col 7, page 4
 Note 6: Col 8, page 4 / (1-Col 12)
 Note 7: STAS rolled in to Cols 3, 5, 6, 7 & 8
 Note 8: Percent customer shopping usage.

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2004 Proposed Budget, No Shopping, With Present Transmission Revenues

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line Number	Rate Schedule	Proposed Distribution Rate Revenue	Distribution EDI/IDI Credit	Present Transmission Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Total Proposed Rate Revenue	State Tax Adjustment Surcharge (STAS) 0.0%	Total Revenue	Total Revenue Change	Total Percent Change
			(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)				(Note 6)	(Note 7)
1	RS	\$ 374,730,619	\$ -	\$ 49,173,825	\$ 28,534,573	\$ 135,458,347	\$ 574,631,069	\$ 1,162,528,434	\$ -	\$ 1,162,528,434	\$ 80,930,891	7.48%
2	RTS	\$ 4,081,382	\$ -	\$ 481,520	\$ 546,283	\$ 3,164,277	\$ 15,863,174	\$ 24,136,615	\$ -	\$ 24,136,615	\$ 568,224	2.41%
3	RTD	\$ 152,316	\$ -	\$ 20,194	\$ 13,245	\$ 62,978	\$ 203,884	\$ 452,617	\$ -	\$ 452,617	\$ 32,127	7.64%
4	GS-1	\$ 83,199,865	\$ -	\$ 11,919,090	\$ 8,924,274	\$ 25,492,537	\$ 111,789,648	\$ 239,322,414	\$ -	\$ 239,322,414	\$ 21,958,604	10.10%
5	GS-3	\$ 127,214,961	\$ -	\$ 40,839,283	\$ 28,199,384	\$ 98,884,740	\$ 432,289,836	\$ 723,227,984	\$ -	\$ 723,227,984	\$ 43,087,505	6.34%
6	LP-4	\$ 32,394,500	\$ -	\$ 21,274,405	\$ 15,363,418	\$ 51,561,438	\$ 236,905,878	\$ 357,488,640	\$ -	\$ 357,488,640	\$ 10,750,484	3.10%
7	IS-P	\$ 2,124,873	\$ -	\$ 1,496,979	\$ 61,432	\$ 3,312,885	\$ 13,610,867	\$ 20,607,036	\$ -	\$ 20,607,036	\$ 383,427	1.90%
8	LP-5	\$ 1,625,487	\$ -	\$ 10,209,777	\$ 8,483,011	\$ 28,386,003	\$ 124,655,685	\$ 173,359,963	\$ -	\$ 173,359,963	\$ 18,733	0.01%
9	IS-T	\$ 889,945	\$ -	\$ 7,066,121	\$ (1,167,754)	\$ 15,303,593	\$ 58,282,945	\$ 80,374,849	\$ -	\$ 80,374,849	\$ (564,896)	-0.70%
10	LP-6	\$ 185,273	\$ -	\$ 1,574,063	\$ 142,517	\$ 6,232,521	\$ 20,287,879	\$ 28,422,054	\$ -	\$ 28,422,054	\$ (97,808)	-0.34%
11	LPEP	\$ 403,993	\$ -	\$ 38,803	\$ 343,110	\$ 1,772,844	\$ 2,222,930	\$ 4,781,481	\$ -	\$ 4,781,481	\$ 90,802	1.94%
12	ISA	\$ 649,373	\$ -	\$ 357,135	\$ (1,143,898)	\$ 2,716,035	\$ 3,018,551	\$ 5,597,196	\$ -	\$ 5,597,196	\$ 84	0.00%
13	IS-1	\$ 67,982	\$ -	\$ 9,908	\$ (28,184)	\$ 60,261	\$ 51,252	\$ 161,239	\$ -	\$ 161,239	\$ 12,701	8.55%
14	BL	\$ 278,848	\$ -	\$ 37,316	\$ 18,786	\$ 69,228	\$ 211,609	\$ 615,787	\$ -	\$ 615,787	\$ 56,990	10.20%
15	SA	\$ 3,529,361	\$ -	\$ 81,045	\$ 12,114	\$ 278,625	\$ 731,818	\$ 4,632,963	\$ -	\$ 4,632,963	\$ 372,717	8.75%
16	SM	\$ 809,059	\$ -	\$ 16,241	\$ (14,605)	\$ 73,226	\$ 169,813	\$ 1,053,734	\$ -	\$ 1,053,734	\$ 83,755	8.63%
17	SHS	\$ 14,645,231	\$ -	\$ 200,392	\$ 81,970	\$ 838,480	\$ 3,827,517	\$ 19,193,590	\$ -	\$ 19,193,590	\$ 1,594,681	9.06%
18	SE	\$ 777,917	\$ -	\$ 62,971	\$ -	\$ 87,259	\$ 38,231	\$ 966,077	\$ -	\$ 966,077	\$ 43,588	4.72%
19	TS	\$ 25,589	\$ -	\$ 1,132	\$ (1,199)	\$ 5,237	\$ 13,890	\$ 44,650	\$ -	\$ 44,650	\$ 3,257	7.87%
20	SI-1	\$ 17,828	\$ -	\$ 302	\$ (873)	\$ 1,964	\$ 3,809	\$ 23,030	\$ -	\$ 23,030	\$ 1,870	8.84%
21	GH-1	\$ 7,502,159	\$ -	\$ 1,586,306	\$ 822,084	\$ 6,948,828	\$ 14,343,226	\$ 31,002,583	\$ -	\$ 31,002,583	\$ 2,436,077	8.53%
22	GH-2	\$ 1,690,637	\$ -	\$ 341,867	\$ 84,558	\$ 1,518,625	\$ 3,007,327	\$ 6,641,014	\$ -	\$ 6,641,014	\$ 534,741	8.76%
23	Standby(LP5-S)	\$ 83,151	\$ -	\$ 21,600	\$ (68,212)	\$ 275,764	\$ 871,895	\$ 1,183,997	\$ -	\$ 1,183,997	\$ 46,696	4.11%
24	PRS	\$ 885,837	\$ -	\$ 60,274	\$ 8,458	\$ 76,119	\$ 5,603,137	\$ 6,433,825	\$ -	\$ 6,433,825	\$ -	0.00%
25	Rate Revenue	\$ 657,762,887	\$ -	\$ 148,870,348	\$ 85,014,452	\$ 380,169,813	\$ 1,822,435,270	\$ 2,892,252,770	\$ -	\$ 2,892,252,770	\$ 162,345,029	5.95%
26												
27	Annualization Adjustment	\$ 5,651,009	\$ -	\$ 600,598	\$ (182,348)	\$ 1,396,463	\$ 6,175,293	\$ 13,701,013	\$ -	\$ 13,701,013	\$ 1,522,774	12.50%
28												
29	Total PUC Tariff Revenue	\$ 863,413,996	\$ -	\$ 147,530,944	\$ 84,832,104	\$ 381,566,276	\$ 1,828,610,562	\$ 2,905,953,783	\$ -	\$ 2,905,953,783	\$ 163,867,803	6.11%
30												
31	Other Electric Revenues											
32	Late Payment	\$ 6,454,708	\$ -	\$ 114,255	\$ -	\$ -	\$ -	\$ 6,568,963	\$ -	\$ 6,568,963	\$ 568,963	9.48%
33	Misc. Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
34	Rent	\$ 16,906,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,906,000	\$ -	\$ 16,906,000	\$ -	0.00%
35	Other	\$ 885,000	\$ -	\$ 15,607,971	\$ -	\$ -	\$ -	\$ 16,492,971	\$ -	\$ 16,492,971	\$ -	0.00%
36	Total Other	\$ 24,245,708	\$ -	\$ 15,722,226	\$ -	\$ -	\$ -	\$ 39,967,934	\$ -	\$ 39,967,934	\$ 568,963	1.44%
37												
38	Total Operating Revenue	\$ 887,659,604	\$ -	\$ 163,253,170	\$ 84,832,104	\$ 381,566,276	\$ 1,828,610,562	\$ 2,945,921,717	\$ -	\$ 2,945,921,717	\$ 164,436,766	5.91%

Note 1: EDI/IDI credits eliminated in proposed budget.

Note 2: Col 5, page 5

Note 3: Col 6, page 5

Note 4: Col 7, page 5

Note 5: Col 8, page 5

Note 6: Col 11 - Col 11, page 5

Note 7: Col 12 / Col 11, page 5 (%)

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2004 Proposed Budget, No Shopping, With Proposed Transmission Revenues

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line Number	Rate Schedule	Total Revenue	Present Transmission Rate Revenue	Proposed Transmission Rate Revenue	Change In Transmission Rate Revenue	Total Proposed Revenue	Total Revenue Change	Total Percent Change
		(Note 1)	(Note 2)	(Note 3)	(Note 4)		(Note 5)	(Note 6)
1	RS	\$ 1,182,528,434	\$ 49,173,825	\$ 72,725,478	\$ 23,551,651	\$ 1,186,080,085	\$ 104,482,342	9.66%
2	RTS	\$ 24,138,615	\$ 481,520	\$ 2,255,994	\$ 1,774,475	\$ 25,911,090	\$ 2,342,698	9.94%
3	RTD	\$ 452,617	\$ 20,194	\$ 29,864	\$ 9,670	\$ 462,287	\$ 41,797	9.94%
4	GS-1	\$ 238,322,414	\$ 11,919,090	\$ 11,438,031	\$ (483,060)	\$ 238,839,354	\$ 21,475,544	9.88%
5	GS-3	\$ 723,227,984	\$ 40,839,283	\$ 49,238,413	\$ 8,399,129	\$ 731,627,113	\$ 51,488,634	7.57%
6	LP-4	\$ 357,489,840	\$ 21,274,405	\$ 31,224,249	\$ 9,949,844	\$ 367,439,484	\$ 20,700,328	5.97%
7	IS-P	\$ 20,607,036	\$ 1,496,979	\$ 2,316,858	\$ 819,879	\$ 21,426,915	\$ 1,203,305	5.95%
8	LP-5	\$ 173,359,963	\$ 10,209,777	\$ 18,884,764	\$ 8,474,986	\$ 181,834,949	\$ 8,493,720	4.90%
9	IS-T	\$ 80,374,849	\$ 7,068,121	\$ 11,127,614	\$ 4,061,494	\$ 84,436,343	\$ 3,496,597	4.32%
10	LP-6	\$ 28,422,054	\$ 1,574,063	\$ 2,888,817	\$ 1,312,754	\$ 29,734,808	\$ 1,214,948	4.26%
11	LPEP	\$ 4,781,481	\$ 38,603	\$ 408,080	\$ 367,477	\$ 5,148,958	\$ 458,279	9.77%
12	ISA	\$ 5,597,196	\$ 357,135	\$ 357,135	\$ -	\$ 5,597,196	\$ 84	0.00%
13	IS-1	\$ 181,239	\$ 9,908	\$ 11,957	\$ 2,049	\$ 183,288	\$ 14,750	9.93%
14	BL	\$ 615,787	\$ 37,316	\$ 35,870	\$ (1,446)	\$ 614,341	\$ 55,544	9.94%
15	SA	\$ 4,632,963	\$ 81,045	\$ 131,835	\$ 50,790	\$ 4,683,753	\$ 423,507	9.94%
16	SM	\$ 1,053,734	\$ 18,241	\$ 28,911	\$ 12,689	\$ 1,066,403	\$ 96,424	9.94%
17	SHS	\$ 19,193,590	\$ 200,392	\$ 355,021	\$ 154,629	\$ 19,348,219	\$ 1,749,311	9.94%
18	SE	\$ 966,077	\$ 82,971	\$ 111,102	\$ 48,132	\$ 1,014,209	\$ 91,700	9.94%
19	TS	\$ 44,650	\$ 1,132	\$ 1,991	\$ 859	\$ 45,509	\$ 4,116	9.94%
20	SI-1	\$ 23,030	\$ 302	\$ 538	\$ 233	\$ 23,263	\$ 2,103	9.94%
21	GH-1	\$ 31,002,583	\$ 1,588,306	\$ 1,918,322	\$ 332,016	\$ 31,334,599	\$ 2,768,094	9.69%
22	GH-2	\$ 8,841,014	\$ 341,867	\$ 411,847	\$ 69,780	\$ 8,710,794	\$ 604,521	9.90%
23	Standby(LP5-S)	\$ 1,183,997	\$ 21,600	\$ 39,615	\$ 18,016	\$ 1,202,013	\$ 64,712	5.69%
24	PRS	\$ 6,433,825	\$ 80,274	\$ 80,274	\$ -	\$ 6,433,825	\$ -	0.00%
25	Rate Revenue	\$ 2,892,252,770	\$ 148,870,348	\$ 205,796,378	\$ 58,926,028	\$ 2,951,178,798	\$ 221,271,057	8.11%
26								
27	Annualization Adjustment	\$ 13,701,013	\$ 680,596	\$ 716,574	\$ 55,977	\$ 13,758,991	\$ 1,578,752	12.96%
28								
29	Total PUC Tariff Revenue	\$ 2,905,953,783	\$ 147,530,944	\$ 206,512,950	\$ 58,982,006	\$ 2,964,935,789	\$ 222,849,809	8.32%
30								
31	Other Electric Revenues							
32	Late Payment	\$ 6,568,963	\$ 114,255	\$ 125,300	\$ 11,045	\$ 6,580,008	\$ 580,008	9.67%
33	Misc. Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
34	Rent	\$ 16,906,000	\$ -	\$ -	\$ -	\$ 16,906,000	\$ -	0.00%
35	Other	\$ 16,492,971	\$ 15,607,971	\$ 15,607,971	\$ -	\$ 16,492,971	\$ -	0.00%
36	Total Other	\$ 39,967,934	\$ 15,722,226	\$ 15,733,271	\$ 11,045	\$ 39,978,979	\$ 580,008	1.47%
37								
38	Total Operating Revenue	\$ 2,945,921,717	\$ 163,253,170	\$ 222,246,221	\$ 58,993,051	\$ 3,004,914,768	\$ 223,429,817	8.03%

Note 1: Col 11, Page 6
 Note 2: Col 5, page 6
 Note 3: Col 4, page 2 x 0.00564
 Note 4: Col 5 - Col 4
 Note 5: Col 7 - Col 11, page 5
 Note 6: Col 8 / Col 11, page 5 (%)

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2004 Proposed Budget, With Shopping, With Present Transmission Revenues

(1) Line Number	(2) Rate Schedule	(3) Proposed Distribution Rate Revenue	(4) Distribution EDI/IDI Credit	(5) Present Transmission Rate Revenue	(6) CTC Present Rate Revenue	(7) ITC Present Rate Revenue	(8) E&C Present Rate Revenue	(9) Total Proposed Rate Revenue	(10) State Tax Adjustment Surcharge (STAS) 0.0%	(11) Total Revenue	(12) Total Revenue Change	(13) Total Percent Change
			(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)				(Note 6)	(Note 7)
1	RS	\$ 374,730,819	\$ -	\$ 49,075,478	\$ 28,534,573	\$ 135,458,347	\$ 573,481,807	\$ 1,161,280,824	\$ -	\$ 1,161,280,824	\$ 80,930,691	7.49%
2	RTS	\$ 4,081,382	\$ -	\$ 481,038	\$ 546,263	\$ 3,164,277	\$ 15,847,311	\$ 24,120,271	\$ -	\$ 24,120,271	\$ 568,224	2.41%
3	RTD	\$ 152,318	\$ -	\$ 20,194	\$ 13,245	\$ 62,978	\$ 203,884	\$ 452,617	\$ -	\$ 452,617	\$ 32,127	7.64%
4	GS-1	\$ 83,196,865	\$ -	\$ 11,799,899	\$ 6,924,274	\$ 25,492,537	\$ 110,671,751	\$ 238,085,326	\$ -	\$ 238,085,326	\$ 21,958,804	10.16%
5	GS-3	\$ 127,214,961	\$ -	\$ 38,388,928	\$ 28,199,384	\$ 96,684,740	\$ 406,352,257	\$ 694,840,248	\$ -	\$ 694,840,248	\$ 43,087,505	6.61%
6	LP-4	\$ 32,394,500	\$ -	\$ 19,785,187	\$ 15,363,418	\$ 51,551,438	\$ 220,322,467	\$ 339,417,020	\$ -	\$ 339,417,020	\$ 10,750,484	3.27%
7	IS-P	\$ 2,124,873	\$ -	\$ 1,496,879	\$ 81,432	\$ 3,312,885	\$ 13,610,867	\$ 20,607,036	\$ -	\$ 20,607,036	\$ 383,427	1.90%
8	LP-5	\$ 1,625,485	\$ -	\$ 9,699,289	\$ 8,483,011	\$ 28,386,003	\$ 118,422,901	\$ 166,616,689	\$ -	\$ 166,616,689	\$ 18,733	0.01%
9	IS-T	\$ 889,947	\$ -	\$ 7,068,121	\$ (1,187,754)	\$ 15,303,593	\$ 58,282,945	\$ 80,374,849	\$ -	\$ 80,374,849	\$ (564,896)	-0.70%
10	LP-6	\$ 185,273	\$ -	\$ 1,574,083	\$ 142,517	\$ 6,232,521	\$ 20,287,879	\$ 26,422,054	\$ -	\$ 26,422,054	\$ (97,808)	-0.34%
11	LPEP	\$ 403,993	\$ -	\$ 38,603	\$ 343,110	\$ 1,772,844	\$ 2,222,930	\$ 4,781,481	\$ -	\$ 4,781,481	\$ 90,802	1.94%
12	ISA	\$ 849,373	\$ -	\$ 357,135	\$ (1,143,898)	\$ 2,718,035	\$ 3,018,551	\$ 5,597,196	\$ -	\$ 5,597,196	\$ 84	0.00%
13	IS-1	\$ 67,982	\$ -	\$ 9,908	\$ (28,164)	\$ 60,261	\$ 51,252	\$ 161,239	\$ -	\$ 161,239	\$ 12,701	8.55%
14	BL	\$ 278,848	\$ -	\$ 37,316	\$ 18,786	\$ 89,228	\$ 211,609	\$ 615,787	\$ -	\$ 615,787	\$ 58,990	10.20%
15	SA	\$ 3,529,381	\$ -	\$ 81,045	\$ 12,114	\$ 278,625	\$ 731,818	\$ 4,632,963	\$ -	\$ 4,632,963	\$ 372,717	8.75%
16	SM	\$ 809,059	\$ -	\$ 18,241	\$ (14,605)	\$ 73,226	\$ 169,813	\$ 1,053,734	\$ -	\$ 1,053,734	\$ 83,755	8.83%
17	SHS	\$ 14,845,231	\$ -	\$ 200,392	\$ 81,970	\$ 638,480	\$ 3,827,517	\$ 19,193,590	\$ -	\$ 19,193,590	\$ 1,594,681	9.06%
18	SE	\$ 777,617	\$ -	\$ 62,845	\$ -	\$ 87,259	\$ 38,155	\$ 965,875	\$ -	\$ 965,875	\$ 43,568	4.72%
19	TS	\$ 25,589	\$ -	\$ 1,132	\$ (1,199)	\$ 5,237	\$ 13,890	\$ 44,650	\$ -	\$ 44,650	\$ 3,257	7.87%
20	SI-1	\$ 17,828	\$ -	\$ 302	\$ (873)	\$ 1,964	\$ 3,809	\$ 23,030	\$ -	\$ 23,030	\$ 1,870	8.84%
21	GH-1	\$ 7,502,159	\$ -	\$ 1,497,472	\$ 822,084	\$ 6,948,828	\$ 13,540,005	\$ 30,110,529	\$ -	\$ 30,110,529	\$ 2,436,077	8.80%
22	GH-2	\$ 1,690,637	\$ -	\$ 338,448	\$ 84,558	\$ 1,518,625	\$ 2,977,254	\$ 6,607,522	\$ -	\$ 6,607,522	\$ 534,741	8.81%
23	Standby(LP5-S)	\$ 83,151	\$ -	\$ 21,600	\$ (68,212)	\$ 275,764	\$ 871,095	\$ 1,183,997	\$ -	\$ 1,183,997	\$ 46,896	4.11%
24	PRS	\$ 685,837	\$ -	\$ 60,274	\$ 8,458	\$ 78,119	\$ 5,603,137	\$ 6,433,825	\$ -	\$ 6,433,825	\$ -	0.00%
25	Rate Revenue	\$ 857,762,887	\$ -	\$ 142,109,896	\$ 85,014,452	\$ 380,188,813	\$ 1,570,585,304	\$ 2,835,622,352	\$ -	\$ 2,835,622,352	\$ 182,345,029	6.07%
26												
27	Annualization Adjustment	\$ 5,851,009	\$ -	\$ 693,867	\$ (182,348)	\$ 1,398,463	\$ 6,511,570	\$ 14,070,561	\$ -	\$ 14,070,561	\$ 1,522,774	12.14%
28												
29	Total PUC Tariff Revenue	\$ 863,613,896	\$ -	\$ 142,803,763	\$ 84,832,104	\$ 381,586,276	\$ 1,577,076,874	\$ 2,849,692,913	\$ -	\$ 2,849,692,913	\$ 183,867,803	6.10%
30												
31	Other Electric Revenues											
32	Late Payment	\$ 6,454,708	\$ -	\$ 114,255				\$ 6,568,963	\$ -	\$ 6,568,963	\$ 588,963	9.48%
33	Misc. Revenue											
34	Rent	\$ 16,906,000	\$ -	\$ -				\$ 16,906,000	\$ -	\$ 16,906,000	\$ -	0.00%
35	Other	\$ 885,000	\$ -	\$ 15,807,971				\$ 16,492,971	\$ -	\$ 16,492,971	\$ -	0.00%
36	Total Other	\$ 24,245,708	\$ -	\$ 15,722,226	\$ -	\$ -	\$ -	\$ 39,967,934	\$ -	\$ 39,967,934	\$ 588,963	1.44%
37												
38	Total Operating Revenue	\$ 887,859,604	\$ -	\$ 158,525,989	\$ 84,832,104	\$ 381,586,276	\$ 1,577,076,874	\$ 2,889,660,847	\$ -	\$ 2,889,660,847	\$ 184,436,766	6.03%

Note 1: EDI/IDI credits eliminated in proposed budget.

Note 2: Col 5, page 4

Note 3: Col 6, page 4

Note 4: Col 7, page 4

Note 5: Col 8, page 4

Note 6: Col 11 - Col 11, page 4

Note 7: Col 12 / Col 11, page 4 (4%)

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2004 Proposed Budget, With Shopping, With Proposed Transmission Revenues

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Line Number	Rate Schedule	Total Revenue	Present Transmission Rate Revenue	Proposed Transmission Rate Revenue	Change in Transmission Rate Revenue	Total Proposed Revenue	Total Revenue Change	Total Percent Change	Shopping Factor
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	(Note 8)
1	RS	\$ 1,161,280,824	\$ 48,075,478	\$ 72,580,025	\$ 23,504,548	\$ 1,184,785,372	\$ 104,435,239	9.67%	0.2%
2	RTS	\$ 24,120,271	\$ 481,038	\$ 2,253,738	\$ 1,772,700	\$ 25,892,971	\$ 2,340,924	9.94%	0.1%
3	RTD	\$ 452,617	\$ 20,194	\$ 29,884	\$ 9,670	\$ 462,287	\$ 41,797	9.94%	0.0%
4	GS-1	\$ 238,085,326	\$ 11,799,899	\$ 11,321,870	\$ (478,229)	\$ 237,607,097	\$ 21,480,375	9.94%	1.0%
5	GS-3	\$ 694,840,248	\$ 38,388,926	\$ 46,284,108	\$ 7,895,182	\$ 702,735,430	\$ 50,982,687	7.82%	6.0%
6	LP-4	\$ 339,417,020	\$ 19,785,197	\$ 29,036,552	\$ 8,253,355	\$ 348,670,375	\$ 20,003,899	8.09%	7.0%
7	IS-P	\$ 20,607,036	\$ 1,496,979	\$ 2,316,858	\$ 819,879	\$ 21,426,915	\$ 1,203,305	5.95%	0.0%
8	LP-5	\$ 166,616,889	\$ 9,099,289	\$ 17,750,528	\$ 8,051,237	\$ 174,667,927	\$ 8,069,970	4.84%	5.0%
9	IS-T	\$ 80,374,849	\$ 7,066,121	\$ 11,127,614	\$ 4,061,494	\$ 84,436,343	\$ 3,496,597	4.32%	0.0%
10	LP-6	\$ 28,422,054	\$ 1,574,063	\$ 2,886,817	\$ 1,312,754	\$ 29,734,808	\$ 1,214,946	4.26%	0.0%
11	LPEP	\$ 4,781,481	\$ 38,603	\$ 406,080	\$ 387,477	\$ 5,148,958	\$ 458,279	9.77%	0.0%
12	ISA	\$ 5,597,196	\$ 357,135	\$ 357,135	\$ -	\$ 5,597,196	\$ 84	0.00%	0.0%
13	IS-1	\$ 161,239	\$ 9,908	\$ 11,957	\$ 2,049	\$ 183,288	\$ 14,750	9.93%	0.0%
14	BL	\$ 615,787	\$ 37,318	\$ 35,870	\$ (1,446)	\$ 614,341	\$ 55,544	9.84%	0.0%
15	SA	\$ 4,832,963	\$ 81,045	\$ 131,835	\$ 50,790	\$ 4,883,753	\$ 423,507	9.94%	0.0%
16	SM	\$ 1,053,734	\$ 16,241	\$ 28,911	\$ 12,669	\$ 1,066,403	\$ 96,424	9.94%	0.0%
17	SHS	\$ 19,193,590	\$ 200,392	\$ 355,021	\$ 154,829	\$ 19,348,219	\$ 1,749,311	9.94%	0.0%
18	SE	\$ 965,875	\$ 62,845	\$ 110,880	\$ 48,036	\$ 1,013,910	\$ 91,803	9.93%	0.2%
19	TS	\$ 44,650	\$ 1,132	\$ 1,991	\$ 859	\$ 45,509	\$ 4,116	9.94%	0.0%
20	SI-1	\$ 23,030	\$ 302	\$ 536	\$ 233	\$ 23,263	\$ 2,103	9.94%	0.0%
21	GH-1	\$ 30,110,529	\$ 1,497,472	\$ 1,810,896	\$ 313,423	\$ 30,423,952	\$ 2,749,501	9.94%	5.6%
22	GH-2	\$ 6,807,522	\$ 338,448	\$ 407,530	\$ 89,082	\$ 6,876,604	\$ 603,823	9.94%	1.0%
23	Standby(LP5-S)	\$ 1,183,997	\$ 21,600	\$ 39,815	\$ 18,016	\$ 1,202,013	\$ 64,712	5.69%	0.0%
24	PRS	\$ 6,433,825	\$ 60,274	\$ 60,274	\$ -	\$ 6,433,825	\$ -	0.00%	
25	Rate Revenue	\$ 2,835,622,352	\$ 142,109,896	\$ 199,348,304	\$ 57,238,408	\$ 2,892,860,760	\$ 219,583,437	8.21%	
26									
27	Annualization Adjustment	\$ 14,070,561	\$ 693,867	\$ 779,345	\$ 85,479	\$ 14,156,040	\$ 1,608,253	12.82%	
28									
29	Total PUC Tariff Revenue	\$ 2,849,692,913	\$ 142,803,763	\$ 200,127,649	\$ 57,323,887	\$ 2,907,016,800	\$ 221,191,690	8.24%	
30									
31	Other Electric Revenues								
32	Late Payment	\$ 6,568,963	\$ 114,255	\$ 125,300	\$ 11,045	\$ 6,580,008	\$ 580,008	9.67%	
33	Misc. Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
34	Rent	\$ 16,906,000	\$ -	\$ -	\$ -	\$ 16,906,000	\$ -	0.00%	
35	Other	\$ 16,492,971	\$ 15,607,971	\$ 15,607,971	\$ -	\$ 16,492,971	\$ -	0.00%	
36	Total Other	\$ 39,967,934	\$ 15,722,226	\$ 15,733,271	\$ 11,045	\$ 39,978,979	\$ 580,008	1.47%	
37									
38	Total Operating Revenue	\$ 2,889,660,847	\$ 158,525,989	\$ 215,860,920	\$ 57,334,931	\$ 2,946,995,778	\$ 221,771,697	8.14%	

Note 1: Col 11, page 7
 Note 2: Col 5, page 7
 Note 3: Col 5, page 6A x (1- col 10)
 Note 4: Col 5 - Col 4
 Note 5: Col 3 + Col 6
 Note 6: Col 7 - Col 11, page 4
 Note 7: Col 8 / Col 11, page 4 (%)
 Note 8: Percent customer shopping usage.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Operating Revenues for Unbilled Revenue
Year Ended December 31, 2004
(Thousands of Dollars)

This adjustment was made to normalize distribution and transmission operating revenue for the test period by eliminating unbilled revenue.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Unbilled revenue- transmission	\$ 499
2	Unbilled revenue- distribution	1,896
3	Total decrease in transmission and distribution operating revenue	<u>\$ (2,395)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Wages and Benefits
Year Ended December 31, 2004
(Thousands of Dollars)

This adjustment was made to reflect the average number of transmission and distribution (T&D)-related employees and level of wages and benefits in effect at the end of the year.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Average monthly T&D-related wages to expense per employee	\$ 3,158
2	T&D-related personnel to be employed at the end of the year	2,167
3	Annualized T&D-related total wages to expense (line 1 x line 2 x 12)	82,121
4	Less: Actual T&D-related wages to expense for the year ended December 31, 2004	<u>86,345</u>
5	Decrease in wages to expense (line 3 - line 4)	(4,224)
6	Decrease in benefits expense (line 5 x 33.27%)	(1,405)
7	Decrease in payroll taxes (line 5 x 7.61%)	<u>(321)</u>
8	Decrease in T&D-related wages, taxes and benefits (line 5 + line 6 + line 7)	<u>\$ (5,950)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Rate Case Expense
Year Ended December 31, 2004
(Thousands of Dollars)

Rate case expenditures are charged to expense when incurred. The Company's claim for distribution rate case expense is based on a normalized amount as shown below.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Total distribution rate case expense	\$ <u>2,000</u>
2	Normalized amount (line 1 / 2 years)	\$ 1,000
3	Less: Distribution rate case expense per budget	<u>1,000</u>
4	Increase in distribution operating expense	\$ <u>0</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Interest Expense on Customer Deposits
Year Ended December 31, 2004
(Thousands of Dollars)

The Commission, in its Final Order at Docket No. R-80031114, determined that it was appropriate to include the interest expense on customer deposits in PPL Electric's operation and maintenance expense when the deposits are used as a reduction to rate base. The interest on these deposits is computed at an interest rate calculated in accordance with Rule 2 - Requirement for Service set forth in the Company's Tariff- Electric Pa. P.U.C. No. 201.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Customer deposits	\$ 20,463 (1)
2	Interest rate	<u>1.280%</u>
3	Increase in transmission and distribution operating expense (line 1 x line 2)	<u>\$ 262</u>

(1) As discussed in Statement No. 5-R.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Increased Cost of Social Programs
Year Ended December 31, 2004
(Thousands of Dollars)

This adjustment was made to increase distribution operating expense to reflect the Company's proposed level of spending on social programs.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	On Track	\$ 14,700
2	WRAP	6,700
3	Community Betterment Initiative	1,000 (1)
4	Demand Side Response Programs	200
5	Sustainable Energy Fund	3,689
6	Total amount of distribution expense	<u>26,289</u>
7	Less: Amount in budget	21,513
8	Increase in distribution operating expense	<u>\$ 4,776</u>

(1) The Company proposes funding the Community Betterment Initiative at \$2 million with the cost shared equally between ratepayers and shareowners.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for AMR Displacement Costs
Year Ended December 31, 2004
(Thousands of Dollars)

In September 2003, PPL Electric recorded a \$8.8 million charge to cover the anticipated displacement costs of 94 employees to be separated as part of the automated meter reader (AMR) implementation project. These costs are based on an actuarial study for those employees separated in 2003 and throughout 2004. The savings to customers as a result of this displacement program is included in the \$6.0 million shown on Schedule D-5. The Company proposes to recover these displacement costs over a 5- year period.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Total AMR displacement costs	<u>\$ 8,818</u>
2	Increase in distribution operating expense (Line 1/5 years)	\$ 1,764
3	Less: Amount per budget	0
4	Increase in distribution operating expense	<u>\$ 1,764</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Hurricane Isabel Deferred Costs
Year Ended December 31, 2004
(Thousands of Dollars)

On January 16, 2004, the Commission granted the Company's petition to defer for accounting and financial reporting purposes the distribution operating expenses incurred to restore service to customers as a result of Hurricane Isabel. Pursuant to this decision, the Company established a regulatory asset of \$15.0 million, which it proposes to amortize over a 5- year period.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Total Hurricane Isabel regulatory asset	<u>\$ 14,876</u> (1)
2	Increase in distribution operating expense (Line 1/ 5 years)	\$ 2,975
3	Less: Amount per budget	0
4	Increase in distribution operating expense	<u>\$ 2,975</u>

(1) Balance of regulatory asset as of June 30, 2004.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annual Depreciation Expense
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Depreciation - Electric Plant In Service (1)</u>	<u>Amount</u>
1	Intangible Plant	\$ 4,318
2	Transmission Plant	17,779
3	Distribution Plant	78,448
4	General Plant	12,257
5	Total as filed	<u>112,802</u>
6	Less: Adjustment for Amortization of PMS Software (2)	(530)
7	Adjusted Total	<u>112,272</u>
8	Less: Depreciation expense per budget	108,619
9	Increase in depreciation expense	<u><u>\$ 3,653</u></u>

(1) Includes negative net salvage of \$6,066

(2) As discussed in Statement No. 2-R.

Adjustment to Taxes Other Than Income
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>PA Capital Stock Tax</u>	
	Adjustment to reflect current taxable value	
1	Estimated Tax applicable to T&D operations at 6.99 mills (D-12, page 2)	\$ 7,060
2	Less: Capital stock tax on T&D operations per budget	<u>6,680</u>
3	Increase in expense	<u>\$ 380</u>
	 <u>PA Gross Receipts Tax</u>	
	Adjustment to provide for gross receipts tax on pro forma revenue at present rates	
4	Gross receipts tax recoverable through base rates (D-12, page 3)	\$ 38,289
5	Less: Gross receipts tax on T&D operations per budget	<u>38,122</u>
6	Increase in expense	<u>\$ 167</u>
	 <u>PA Public Utility Realty</u>	
	Adjustment to reflect current taxable value	
7	Public utility realty tax recoverable through base rates (D-12, page 4)	\$ 3,251
8	Less: Public utility realty tax on T&D operations per budget	<u>4,000</u>
9	Decrease in expense	<u>\$ (749)</u>

Capital Stock Tax at Present Rates

Year Ended December 31, 2004*(Thousands of Dollars)*

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	PA Capital Stock Tax=50%((5 Year Average Net Income/.095)+(75%(Net Worth))	
	Net Income	
2	2000	\$ 277,364
3	2001	124,282
4	2002	43,633
5	2003	28,470
6	2004	<u>45,551</u>
7	Total	<u>\$ 519,300</u>
8	Average	<u>\$ 103,860</u>
9	Net worth at December 31, 2004	<u>\$ 1,287,339</u>
10	PA Capital stock value = .5(((\$103,860/.095) + (.75 x \$1,287,339)) =	\$ 1,029,384
11	Statutory Exemption	<u>125</u>
12	Value of Capital Stock less Statutory Exemption	1,029,259
13	Apportionment Percentage	<u>0.995148</u>
14	PA Capital Stock Taxable Value	<u>\$ 1,024,265</u>
15	PA Capital Stock Tax at 6.99 mills	\$ 7,160
16	Less PA Education tax credit	<u>(100)</u>
17	Pa Capital Stock Tax	<u>\$ 7,060</u>

PPL ELECTRIC UTILITIES CORPORATION

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Gross Receipts Tax (GRT) at Present Rates

J.M. Kleha

Year Ended December 31, 2004

Revised 7-27-04

(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Pro Forma Revenue</u>	<u>Applicable GRT Rate (Mills)</u>	<u>Amount</u>
	Tariff Revenue			
1	Total Tariff Revenue (D-3, page 1, line 7)	\$ 642,622	59	\$ 37,915
	Other Electric Revenue			
2	Late payment	6,336	59	374
3	Other electric revenue	33,399	-	
4	Total Other	<u>\$ 39,735</u>		
5	Total gross receipts tax on pro forma revenue at present rates			<u>\$ 38,289</u>

Public Utility Realty Tax (PURTA) at Present Rates
Year Ended December 31, 2004
(Thousands of Dollars)

J.M. Kleha
 Revised 7-27-04

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	State Taxable Value (per Notice of Determination dated August 1, 2003)	\$ 105,090
2	Rate @ 30.9390 mills (per Notice of Determination dated August 1, 2003)	<u>0.030939</u>
3	Tax Amount	<u>\$ 3,251</u>

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2004
(Thousands of Dollars)

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Page 1 of 4
J. M. Kleha
Revised 7-27-04

Line No.	Description	Total Amount Per Budget	Less: CTC and POLR	T&D Operations Per Budget	Pro forma Adjustments	T&D Pro forma at Present Rates
1	Operating Revenues	\$ 2,515,735	\$ (1,836,195)	\$ 679,540	\$ 2,817	\$ 682,357
	Operating Expenses					
2	Operation and maintenance	2,072,084	(1,669,312)	402,772	1,122	403,894
3	Depreciation	108,619	-	108,619	3,653	112,272
4	Regulatory Debits and Credits	4,750	(4,750)	-	-	-
5	Taxes Other than Income	176,974	(120,681)	56,293	(523)	55,770
6	Income Taxes - Federal	(9,086)	(16,229)	(25,315)	3,818	(21,497)
7	Income Taxes - State	5,678	(5,146)	532	1,211	1,743
8	Deferred Income Taxes	28,913	4,070	32,983	(1,173)	31,810
9	Investment Tax Credit - Amortization	(2,745)	-	(2,745)	-	(2,745)
10	Gains and Losses on Property Dispositions	-	-	-	-	-
11	Total Operating Expense	<u>2,385,187</u>	<u>(1,812,048)</u>	<u>573,139</u>	<u>8,108</u>	<u>581,247</u>
12	Operating Income	130,548	(24,147)	106,401	(5,291)	101,110
13	Less: Interest Expense	89,084	-	89,084	(9,902)	79,182
14	Net Operating Income	<u>41,464</u>	<u>(24,147)</u>	<u>17,317</u>	<u>4,611</u>	<u>21,928</u>
	Income Tax Adjustments					
15	Federal Income Tax	(9,086)	(16,229)	(25,315)	3,818	(21,497)
16	State Income Tax	5,678	(5,146)	532	1,211	1,743
17	Deferred Income Taxes	28,913	4,070	32,983	(1,173)	31,810
18	Pension and supplemental retirements	2,458	-	2,458	-	2,458
19	Health care cost PMC amortization	5,203	(5,203)	-	-	-
20	Contributions in aid of construction	23,017	-	23,017	-	23,017
21	Environmental Clean-up	(1,006)	-	(1,006)	-	(1,006)
	Clearing Accounts	-	-	-	-	-
	Depreciation Charged to Clearing	574	-	574	-	574
24	Amortization leased equipment	16,281	-	16,281	-	16,281
25	Book Depreciation	108,619	-	108,619	3,653	112,272
26	Tax Depreciation	(228,398)	-	(228,398)	-	(228,398)
27	Investment tax credit amortization	(2,745)	-	(2,745)	-	(2,745)
28	Removal costs	(8,686)	-	(8,686)	-	(8,686)
29	Adjust-Sales of Property	(138)	-	(138)	-	(138)
30	ESOP dividend paid in cash	(4,533)	-	(4,533)	-	(4,533)
31	Required debt costs	(198)	-	(198)	-	(198)
32	Post - retirement/employment benefits	(2,044)	-	(2,044)	-	(2,044)
33	Business Meals Not Deductible	487	-	487	-	487
34	Adjust Gross receipts Tax- Cash basis	-	-	-	-	-
35	Adjust Other Taxes	(774)	774	-	-	-
36	Vacation Pay	846	-	846	-	846
37	Competitive Transition Charge	5,378	(5,378)	-	-	-
38	Bad debts & Property damage	(1,865)	-	(1,865)	-	(1,865)
39	Taxes Capitalized	(814)	-	(814)	-	(814)
40	Obsolete Inventory	(88)	-	(88)	-	(88)
41	Fin45 Rent Amortization	806	-	806	-	806
42	Consumer Education	(315)	-	(315)	-	(315)
43	Administrative & General Capitalized	970	-	970	-	970
44	Severance Pay	(135)	-	(135)	-	(135)
45	Section 481 Adjustment- Ash Basin	-	-	-	-	-
46	FAS 150 Preferred Stock S/F Interest	256	(256)	-	-	-
47	Hurricane Isabel Deferral	-	-	-	-	-
48	Software Amortization	-	-	-	-	-
49	Income Tax Adjustments	<u>(61,339)</u>	<u>(27,368)</u>	<u>(88,707)</u>	<u>7,509</u>	<u>(81,198)</u>
	Taxable Net Income Before Special Deductions	<u>\$ (19,875)</u>	<u>\$ (51,515)</u>	<u>\$ (71,390)</u>	<u>\$ 12,120</u>	<u>\$ (59,270)</u>

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2004
(Thousands of Dollars)

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<u>Line No.</u>	<u>Description</u>	<u>Total Amount Per Budget</u>	<u>Less: CTC and POLR</u>	<u>T&D Operations Per Budget</u>	<u>Pro forma Adjustments</u>	<u>T&D Pro forma at Present Rates</u>
<u>PA Corporate Net Income Tax Calculation</u>						
1	Taxable Net Income Before Special Deductions	\$ (19,875)	\$ (51,515)	\$ (71,390)	\$ 12,120	\$ (59,270)
<u>PA Special Deductions</u>						
2	Tax Preference Income	(184)	-	(184)	-	(184)
3	Dividends Paid Credit	(408)	-	(408)	-	(408)
4	Bonus Depreciation Adjustment	77,308	-	77,308	-	77,308
5	PA Taxable Income	56,841	(51,515)	5,326	12,120	17,446
6	PA Tax @ 9.99%	5,678	(5,146)	532	1,211	1,743
7	PA Education Credit	-	-	-	-	-
8	Accrual for Potential Deficiency	-	-	-	-	-
9	Total PA Income Tax	<u>\$ 5,678</u>	<u>\$ (5,146)</u>	<u>\$ 532</u>	<u>\$ 1,211</u>	<u>\$ 1,743</u>
<u>Federal Income Tax Calculation</u>						
10	Taxable Net Income Before Special Deductions	\$ (19,875)	\$ (51,515)	\$ (71,390)	\$ 12,120	\$ (59,270)
<u>Federal Special Deductions</u>						
11	PA Income Tax Less Education Credit	(5,678)	5,146	(532)	(1,211)	(1,743)
12	Dividends Paid Credit	(408)	-	(408)	-	(408)
13	Federal Taxable Income	(25,961)	(46,369)	(72,330)	10,909	(61,421)
	Federal Tax @ 35%	(9,086)	(16,229)	(25,315)	3,818	(21,497)
	Accrual for Potential Deficiency	-	-	-	-	-
16	Total Federal Income Tax	<u>\$ (9,086)</u>	<u>\$ (16,229)</u>	<u>\$ (25,315)</u>	<u>\$ 3,818</u>	<u>\$ (21,497)</u>

PPL ELECTRIC UTILITIES CORPORATION
Adjustment to Interest Deduction for Income Tax Purposes
Year Ended December 31, 2004
(Thousands of Dollars)

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J. M. Kleha
Revised 7-27-04

This adjustment provides for the annualized interest on claimed measures of value at December 31, 2004.

Line No.	<u>Description</u>	<u>Amount</u>
1	Measures of value at December 31, 2004 (C-1)	\$ 2,396,762
2	Long-term debt ratio (B-9)	51.30%
3	Embedded cost of long-term debt (B-9)	6.44%
4	Annualized interest (line 1 x line 2 x line 3)	79,182
5	Less: Interest expense on T&D operations per budget (D-13, page 1)	<u>89,084</u>
6	Decrease in interest deduction (line 4 - line 5)	<u><u>\$ (9,902)</u></u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Revenue and Applicable Tax
Related to Proposed Rate Increase
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Additional operating revenue from proposed rate increase	\$ 159,443
	Less:	
2	PA gross receipts tax (line 1 x 59 mills)	9,407
3	PA Capital stock tax (line 8 x 6.99 mills)	<u>640</u>
4	Taxable income for PA Corporate net income tax	149,396
5	PA corporate net income tax (line 4 x 9.99%)	<u>14,925</u>
6	Taxable income for Federal income tax	134,471
	Federal income tax (line 6 x 35%)	<u>47,065</u>
8	Operating income	<u>\$ 87,406</u>

PPL ELECTRIC UTILITIES CORPORATION

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Page 1 of 2
J. M. KlehaAdjustment to Deferred Income Taxes
As of December 31, 2004
(Thousands of Dollars)

<u>Provision</u>	<u>Debit</u>	<u>Credit</u>	<u>Net</u>	<u>Adjustment</u>	<u>Adjusted</u>
ACRS & MACRS:					
Transmission Property	\$ 5,527	\$ 0	\$ 5,527	\$ (10)	\$ 5,517
Distribution Property	35,480		35,480	595	36,075
General Property	2,484		2,484	(1,025)	1,459
Prior Year Tax Return Adjustments					
Class Life:					
Transmission Property		(335)	(335)		(335)
Distribution Property		(1,009)	(1,009)		(1,009)
Removal Costs:					
Transmission Property		(60)	(60)		(60)
Distribution Property		(116)	(116)		(116)
Repair Allowance:					
Transmission Property		(37)	(37)		(37)
Distribution Property		(591)	(591)		(591)
Contributions in Aid Of Construction:					
Transmission Property	94	(4,035)	(3,941)		(3,941)
Distribution Property	364	(5,516)	(5,152)		(5,152)
Prior Year Tax Return Adjustments					
Total					
Transmission Property	5,621	(4,467)	1,154	(10)	1,144
Distribution Property	35,844	(7,232)	28,612	595	29,207
General Property	2,484		2,484	(1,025)	1,459
Prior Year Tax Return Adjustments					
Total	<u>\$ 43,949</u>	<u>\$ (11,699)</u>	<u>\$ 32,250</u>	<u>\$ (440)</u>	<u>31,810</u>
Less: Deferred income taxes on T&D operations per budget					<u>32,983</u>
Increase in deferred income taxes					<u>\$ (1,173)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Provision For Deferred Income Taxes
As of December 31, 2004
(Thousands of Dollars)

This adjustment provides for the annual provision for deferred income taxes due to the (1) Accelerated Cost Recovery System (ACRS) of the Economic Recovery Act of 1981 and (2) Modified Accelerated Cost Recovery System (MACRS) of the Tax Reform Act of 1986.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Transmission Property	
1	Tax depreciation computed under ACRS and MACRS	\$ 25,948
2	Tax depreciation computed on a straight-line tax basis	<u>9,924</u>
3	Excess ACRS and MACRS/(straight-line) tax depreciation	<u>16,024</u>
	Distribution Property	
4	Tax depreciation computed under ACRS and MACRS	159,818
5	Tax depreciation computed on a straight-line tax basis	<u>56,066</u>
6	Excess ACRS and MACRS/(straight-line) tax depreciation	<u>103,752</u>
	General Property	
7	Tax depreciation computed under ACRS and MACRS	29,400
8	Tax depreciation computed on a straight-line tax basis	<u>25,188</u>
9	Excess ACRS and MACRS/(straight-line) tax depreciation	<u>4,212</u>
10	Net excess ACRS and MACRS/(straight-line) tax depreciation	<u>\$ 123,988</u>
11	Tax Rate Provisions - 35% Reversals - Average Rate Assumption Method	
12	Net annual deferred tax debit / (credit)	<u>\$ 43,051</u>
	Less: Net provision per T&D operations per budget	
13	Provision for deferred taxes - debit	43,491
14	Provision for deferred taxes - credit	<u>0</u>
15		<u>43,491</u>
16	Decrease in deferred income tax provision	<u>\$ (440)</u>

PPL ELECTRIC UTILITIES CORPORATION

D-15
Page 1 of 1
J. M. Kleha

Adjustment to Amortization of
Deferred Investment Tax Credit
Year Ended December 31, 2004
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>4% Investment Tax Credit</u>	<u>10% Investment Tax Credit</u>	<u>Total</u>
Transmission Property:				
1	1972	43	0	\$ 43
2	1973	55	0	55
3	1974	14	0	14
4	1975	38	24	62
5	1976	19	89	108
6	1977	0	33	33
7	1978	0	26	26
8	1979	0	33	33
9	1980	0	118	118
10	1981	0	211	211
11	1982	0	61	61
12	1983	0	2	2
13	1984	0	24	24
14	1985	0	17	17
15	1986	0	13	13
16	1987	0	9	9
17	1988	0	2	2
18	1989	0	0	0
19	1990	0	0	0
Total Transmission Property				<u>831</u>
Distribution Property:				
20	1972	99	0	99
21	1973	102	0	102
22	1974	40	0	40
23	1975	87	57	144
24	1976	39	180	219
25	1977	0	117	117
26	1978	0	114	114
27	1979	0	163	163
28	1980	0	160	160
29	1981	0	161	161
30	1982	0	147	147
31	1983	0	79	79
32	1984	0	84	84
33	1985	0	117	117
34	1986	0	120	120
35	1987	0	28	28
36	1988	0	12	12
37	1989	0	3	3
38	1990	0	5	5
Total Distribution Property				<u>1,914</u>
39	Total Amount of Amortization			2,745
40	Less: Amortization on T&D operations per budget			2,745
41	Decrease in Amortization			<u>\$ -</u>

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **“PPL Electric Utilities Corporation’s Rebuttal Testimony”** upon the participant(s), listed below, in accordance with the requirements of §1.54 (relating to service by a participant):

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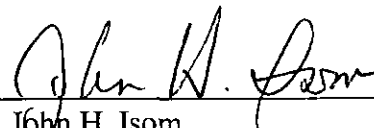
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Martha Wells
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Date: July 27, 2004



John H. Isom

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July 27, 2004

VIA EMAIL & FIRST CLASS MAIL

Hon. Allison K. Turner
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DOCKETED
AUG 12 2004

SECRETARY'S BUREAU

04 JUL 28 AM 8:41

Re: Pennsylvania Public Utility Commission v. PPL Electric
Utilities Corporation; Docket No. R-00049255

Dear Judge Turner:

Please be advised that neither the Mid-Atlantic Power Supply Association ("MAPSA") nor Strategic Energy L.L.C. will be filing rebuttal testimony in the above-referenced matter, but reserve the right to file surrebuttal testimony.

Sincerely,



Kevin J. Moody

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

KJM/jls

cc: Parties of Record
James McNulty, Secretary

**DOCUMENT
FOLDER**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

V.

PPL ELECTRIC UTILITIES CORP.

:
:
:
:
:

DOCKET NO. R-00049255

SECRETARY'S BUREAU

04 JUL 28 AM 8:42

20150728

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

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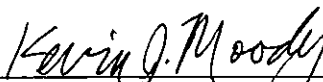
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Date: July 27, 2004



Kevin J. Moody, Esquire

July 27, 2004

VIA-EMAIL AND FIRST CLASS MAIL

Honorable Allison K. Turner
Administrative Law Judge
Pennsylvania Public Utility Commission
1400 West Spring Garden Street
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Philadelphia, PA 19130

**DOCUMENT
FOLDER**

SECRETARY'S BUREAU
01 JUL 28 AM 9:10

Re: Pennsylvania Public Utility Commission *et al.* v. PPL Electric Utilities Corporation; Docket No. R-00049255 *et al.*; **PPL PLUG REBUTTAL STATEMENTS NO. 1**

Dear Judge Turner:

Enclosed please find a copy of the prepared REBUTTAL TESTIMONY of the PPL Public Lighting Users Group witnesses in the above-referenced matter:

John E. Bradley PPL PLUG Statement No. 1-R

As indicated on the Certificate of Service, a copy of the Statements have been served on all parties of record. Please do not hesitate to contact me if you have any questions.

Very truly yours,


Louise A. Knight

c: James J. McNulty, Secretary (cover letter and COS only)
As Per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ADMINISTRATIVE LAW JUDGE ALLISON K. TURNER

Pennsylvania Public Utility Commission
et al.,

Complainants

v.

PPL Electric Utilities Corporation,
Respondent

Docket No. R-00049255 *et al.*

DOCKETED
AUG 12 2004

PREPARED REBUTTAL TESTIMONY OF
JOHN E. BRADLEY, MANAGER,
HAMPDEN TOWNSHIP, CUMBERLAND COUNTY

**DOCUMENT
FOLDER**

Date Served: July 27, 2004

Date Admitted: _____

PPL PLUG Statement No. 1-R

**PREPARED REBUTTAL TESTIMONY OF
JOHN E. BRADLEY**

Q. State your name and business address.

A. My name is John E. Bradley and my business address is 320 S. Sporting Hill Road, Mechanicsburg, PA 17050-3087.

Q. Are you the same John E. Bradley who previously submitted testimony on behalf of PPL PLUG?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony?

A. The purpose is to respond on behalf of PPL PLUG to testimony on the revenue allocation proposed by the OSBA and PPLICA, in particular, the testimony of Messers Robert D. Knecht and Mark D. Ewen, and Mr. Stephen J. Baron.

Q. What are OSBA witnesses Knecht's and Ewen's opinions with respect to revenue allocation?

A. The OSBA witnesses oppose the revenue allocation proposed by PPL which would result in a 11.9% rate increase for distribution rates for the SL/AL class. Rather they advocate increasing the rate by 16%. (OSBA Statement No. 1, p.29) The OSBA is advocating that higher increase even though its testimony also concludes that the SL/AL class is paying a higher rate of return at present rates than PPL's calculations showed. Messers. Knecht and Ewen claim that price signals that coincide with the cost of a particular item or service promotes economic efficiency.

Q. And what is PPLICA witness Baron's opinion ?

A. His opinion is that a rate increase for the SL/AL class of 43% is warranted (PPLICA Statement No. 1 , p.42). He proposes a phase-in of his proposed rate increase, with 50% of the increase in the first year, and 25% in each of the next two years. His ultimate goal is to bring relative rates of return to 100% for all

classes by the end of year 3, thereby ending virtually all cross-subsidies in distribution rates.

Q. How does PPL PLUG's respond to the positions taken by the OSBA and PPLICIA with respect to revenue allocation applied to the SL/AL class?

A. PPL PLUG opposes the OSBA's and PPLICIA's positions for several reasons. First, this case is PPL's first rate case that is based on the unbundled components of its rates, and the only unbundled rates that are at issue, at least insofar as any class cross-subsidies are concerned, are distribution rates. When PPL's rates were bundled, the total rate was composed of various functional elements of service: generation (energy and capacity), transmission, and distribution, and the determination of whether those bundled rates resulted in any class cross-subsidies was based on all of those elements, taken together. There was no purpose to be served by dissecting the cross-subsidies within each of those functional elements of service. As a result of restructuring, PPL's rates have been unbundled into six components, distribution, transmission, capacity, energy, and PPL's "stranded costs," comprised of competitive transition charges (CTCs), and intangible transition charges (ITCs). When the bundled rates were unbundled, there was no attempt either to identify or eliminate class cross-subsidies within each of the unbundled components. And there has been no attempt here, except for one of the six components, distribution. Unless and until all six components are examined together, no one can reasonably conclude that a particular customer class is subsidizing another one in the purchase of electricity on PPL's system.

Q. Do the other litigants recognize that embedded cross-subsidies may exist that are not being addressed in this case?

A. Yes. For example, Messers. Knecht and Ewen state on page 9 of OSBA Statement No. 1:

This [PPL's generation rates being capped and stranded cost recovery continuing through December 31, 2009] is

relevant because the capped rates were set based on the cost functionalization procedures that were approved in the restructuring proceeding. Because the rates remain capped, it would be inappropriate to change the functionalization procedures at this stage. ...

So while this case deals with distribution rates exclusively, our group submits that the facts that preexisting cross-subsidies in generation, stranded cost charges and distribution rates are ongoing should be a factor that tempers the judgment applied in determining revenue allocation for class distribution rates.

Q. What is PPL PLUG's second reason?

A. Municipalities and other street lighting customers like the Pennsylvania Turnpike Commission all have the same need to control costs that PPLICA's members complain of. Furthermore, PPL PLUG wants the other parties, as well as the presiding officer and the Commission, to recognize that street lighting fulfills a public function that *differentiates it from electricity used by other customer groups*. As I stated in my direct testimony, street lighting customers are buying electric to be used for the public good. Public lighting has a value to society as a whole. Street lights provide safety and security for the traveling public and in our neighborhoods. And never has security been more important than it is today.

The Legislature recognized this public end use of utility service and allowed for its subsidization when it passed Section 1328 of the Public Utility Code. Section 1328 provides that public fire hydrants may be charged only 25% of their allocated cost of service. In other words, public fire hydrants do not contribute a cent to the utility's system rate of return; that service is subsidized by other customers. *And the reason is clear: public fire hydrants provide a public service that justifies the subsidies.*

PPL PLUG submits that the analogy of public fire protection to street lighting is compelling. Municipalities do not derive any direct benefit from street lighting. The benefits flow to the public at large.

Q. Are there any other reasons why PPL PLUG disagrees with the OSBA's and PPLICA's positions?

A. Yes. PPL PLUG believes that there should be some recognition that the service received by street lighting customers is not firm in the same sense that most of PPL's services are, but is more like an interruptible service. I testified, in my prior statement, and PPL has acknowledged, that, on a continuous basis, there is a percentage of street lights out of service. PPL gives its SL/AL customers no monetary credit for such outages. If it is acceptable for some of my Township's street lighting service to be unavailable as a normal characteristic of that service, then rates should reflect that characteristic. In other words, the SL/AL class does not receive the same quality of service, day in and day out, as PPL's other customers do, and they currently receive no monetary recognition of the services limitations. At the very least, the class's contribution to PPL's rate of return should not be compared to the contribution expected of customers receiving a firm service.

Q. Do you have any other response to the positions of the other parties?

A. Yes. First the OSBA premises its analysis of revenue allocation on its acceptance of PPL's proposal for recovery of transmission costs. It then states that rates RS, RTS, and SL/AL "substantially under-recover transmission costs." (OSBA Statement No. 1, pp. 26 and 28) Our group does not oppose PPLICA's position on transmission rates which, according to PPLICA, is more demand-oriented and, therefore, more consistent with the distribution portion of the case.

- Q. In your opinion as a SL/AL customer, if the Commission were to adopt either the OSBA's or PPLICA's recommendations on rate allocation, would SL/AL customers experience "rate shock?"
- A. Absolutely. The increase proposed by PPL of 9.9% (11.9% in distribution rates) is a lot for governmental entities to absorb. But an increase of 16% for distribution as advocated by OSBA is extreme and the 43% increase advocated by PPLICA is unconscionable. These positions are anything but gradual.
- Q. So what are PPL PLUG's recommendations?
- A. PPL PLUG recommends that the Commission consider the following factors in allocating any revenue increase:
- The fact that in this case, PPL and the other parties are not taking into account all the cross-subsidies that exist in PPL's rates because generation and stranded cost charges are not at issue;
 - "correct price signals" are not a meaningful stimulus for SL/AL customers because street lighting is completely inelastic;
 - Street lighting benefits the public at large, not the ratepayer; street lighting protects the public health, welfare and security. In fact, those who supposedly pay the SL/AL subsidies are beneficiaries of the service;
 - There is an existing governmental policy that sanctions cross-subsidies for utility rates that serve the public health and welfare; that being Section 1328 of the Public Utility Code which may be applied by analogy to street lighting; and
 - The quality of service SL/AL customers are receiving.

We believe that, in view of all these factors, SL/AL street lighting rates should remain at existing levels. But if, despite our objections, our rates must increase, then they should increase by no more than what is proposed by PPL. And if total revenues granted by the Commission are less than PPL requested, our rates should be decreased on a proportional basis.

- Q. Does that conclude your rebuttal testimony?
- A. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a copy of PPL PLUG Rebuttal Statements Nos. 1-R through 3-R upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL and FIRST CLASS MAIL

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VIA E-MAIL AND FIRST CLASS MAIL

DOCUMENT
FOLDER

**RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation;
Docket No. R-00049255**

Dear Ms. Armstrong and Mr. Niesen:

Please find enclosed two (2) copies of PP&L Industrial Customer Alliance's ("PPLICA") Interrogatories, Set I, to Sustainable Energy Fund of Central Eastern Pennsylvania in the above-referenced proceeding.

Please endeavor to forward responses in an organized manner as they are completed; it is not necessary to await completion of all responses prior to forwarding those completed more quickly. Please forward one set of responses (including all attachments) to our office and one set of responses (including all attachments) to Mr. Stephen J. Baron of J. Kennedy and Associates, Inc.

Please communicate any objections or questions that you may have to these interrogatories as quickly as possible. Thank you for your attention to this matter.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

Pamela C. Polacek

Counsel to the PP&L Industrial Customer Alliance

PCP/mc

Enclosures

c: James J. McNulty, Secretary (transmittal letter only)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Certificate of Service
Page 3
Docket No. R-00049255

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Pamela C. Polacek
Pamela C. Polacek

Counsel to the PP&L Industrial
Customer Alliance

Dated this 28th day of July, 2004, at Harrisburg, Pennsylvania.



McNees Wallace & Nurick LLC
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July 28, 2004

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VIA E-MAIL AND FIRST CLASS MAIL

**DOCUMENT
FOLDER**

**RE: Pennsylvania Public Utility Commission v. PPL Electric Utilities Corporation;
Docket No. R-00049255**

Dear Mr. Kanaskie:


Please find enclosed two (2) copies of PP&L Industrial Customer Alliance's ("PPLICA") Interrogatories, Set I, to the Office of Trial Staff in the above-referenced proceeding.

Please endeavor to forward responses in an organized manner as they are completed; it is not necessary to await completion of all responses prior to forwarding those completed more quickly. Please forward one set of responses (including all attachments) to our office and one set of responses (including all attachments) to Mr. Stephen J. Baron of J. Kennedy and Associates, Inc.

Please communicate any objections or questions that you may have to these interrogatories as quickly as possible. Thank you for your attention to this matter.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Pamela C. Polacek

Counsel to the PP&L Industrial Customer Alliance

PCP/mc
Enclosures

c: James J. McNulty, Secretary (transmittal letter only)
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I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Certificate of Service
Page 3
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August 3, 2004

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**DOCUMENT
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AUG 03 2004
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: PPL Electric Utilities Corporation
Supplement No. 38 to Tariff -
Electric Pa. P.U.C. No. 201
Docket No. R-00049255**

Dear Mr. McNulty:

Attached for filing, pursuant to the Commission's regulations, 52 Pa. Code § 5.342(d), is a Certificate of Service identifying responses to interrogatories that PPL Electric Utilities Corporation served today on the active participants in this proceeding.

If you have any questions regarding these responses, please call.

Very truly yours,

Paul E. Russell

Attachment

cc: The Honorable Allison K. Turner

BTL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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AUG 08 2004
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL Electric Utilities Corporation :
Supplement No. 38 to Tariff – Electric :
Pa. P.U.C. No. 201 :

Docket No. R-00049255

CERTIFICATION OF SERVICE

I hereby certify that I have this day served a true copy of the responses of PPL Electric Utilities Corporation to Informal Data Requests of Eric Epstein, Set V, Questions 1 through 2, upon the participant(s) listed below, in accordance with the requirements of §1.54 (relating to service by a participant):

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Dated: August 3, 2004



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