

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant Held For Future Use
As of December 31, 2006¹⁾
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Transmission	
1	Substations	\$ 1,140
2	Lines	16,494
3	Total	<u>17,634</u>
	Distribution	
4	Area - Substations	1,712
5	Lines	34
6	Other	266
7	Total	<u>2,012</u>
8	Total plant held for future use	<u>\$ 19,646</u>

1) Reflects only the future use property expected to be placed into service within 10 years.

PPL ELECTRIC UTILITIES CORPORATION

Cash Working Capital
As of December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Operation and maintenance expense (C-4, page 2)	\$16,318
2	Average prepayments (C-4, page 3)	2,441
3	Accrued taxes (C-4, page 4)	17,310
4	Interest payments (C-4, page 5)	(8,826)
5	Preferred and preference dividend payments (C-4, page 6)	<u>9</u>
6	Total cash working capital requirement	<u><u>\$27,252</u></u>

PPL ELECTRIC UTILITIES CORPORATION

Working Capital Required for Operation and Maintenance Expenses
As of December 31, 2006
(Thousands of Dollars)

Line No.	Description	Amount	Avg. Days	Weighted Amount
	Average Lag in Receipt of Operating Revenue			
1	Revenue from 15-day due date customers	\$339,887	34 (a)	\$11,556,158
2	Revenue from 20-day due date customers	460,220	57 (a)	26,232,540
3	Revenue from 30-day due date customers	224,499	38 (a)	8,530,962
4	Total Revenue (D-3)	<u>\$1,024,606</u>		<u>\$46,319,660</u>
	Average Lag in Payment of Operation and Maintenance Expense			
5	Payroll	\$87,338	12	\$1,048,056
6	Employee benefits	28,838	35	1,009,330
7	Affiliate support costs	94,519	35	3,308,165
8	Other operating expenses	345,849	40	13,833,960
9	Total pro forma O&M expense (b)	<u>\$556,544</u>		<u>\$19,199,511</u>
10	Average lag in receipt of revenue			45.2
11	Average lag in payment of operating expense			34.5
12	Average lag in days between payment of operating expense and receipt of revenue (line 10 - line 11)			<u>10.7</u>
13	Operating expense per day (line 9 + 365 days)			\$1,525
14	Working capital requirement (line 13 x line 12)			\$16,318

	Customer Due Date		
	15 days	20 Days	30 Days
(a) Midpoint of 30-day service period	15	15	15
Lag between meter reading and billing date	1	1	1
Lag between billing date and payment date	18	41	22
	<u>34</u>	<u>57</u>	<u>38</u>
(b) Proforma operating and maintenance expense (D-1)			\$583,402
Less: Non-cash items			
Uncollectible accounts expense per books (B-4)			20,747
OnTrack uncollectible expense (D-8)			4,500
Amortization of Ice and Snow Storm costs (D-9)			1,611
Total pro forma O&M expense			<u>\$556,544</u>

PPL ELECTRIC UTILITIES CORPORATION

Average Prepayments
As of December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Insurance</u>	<u>PUC Annual Assessment</u>	<u>Postage</u>	<u>Other</u>	<u>Total</u>
1	December 2005	(\$204)	\$2,216	\$34	\$0	\$2,046
2	January 2006	12	1,847	24	0	1,883
3	February	45	1,522	65	0	1,633
4	March	41	1,142	47	0	1,229
5	April	36	761	37	0	834
6	May	32	380	29	0	441
7	June	27	4,275	59	0	4,361
8	July	23	3,919	49	0	3,990
9	August	18	3,563	38	0	3,619
10	September	13	3,062	22	0	3,098
11	October	8	3,235	23	0	3,266
12	November	4	2,831	34	0	2,869
13	December	0	2,426	16	22	2,464
14	Total Prepayments	\$55	\$31,179	\$477	\$22	\$31,733
15	Monthly Average	\$4	\$2,398	\$37	\$2	\$2,441

PPL ELECTRIC UTILITIES CORPORATION

Accrued Taxes
Year Ended December 31, 2006
(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)	\$69,462	-3.82%	(\$2,653)
2	PA income tax (D-1, line 7, col. 5 + col 7)	21,286	-1.74%	(370)
3	PA gross receipts tax (a)	54,417	35.76%	19,460
4	PA capital stock tax (b)	3,820	-1.74%	(66)
5	PA public utility reality tax (D-12, page 4)	4,039	23.26%	939
6	Total accrued taxes			<u>\$17,310</u>
(a) PA gross receipts tax				
	Amount per D-12, page 3	\$50,706		
	Amount due to proposed increase (D-13, page 5)	<u>3,711</u>		
	TOTAL	<u>\$54,417</u>		
(b) PA capital stock tax				
	Amount applicable to electric operations (D-12, page 2)	\$3,606		
	Amount applicable to proposed increase (D-13, page 5)	<u>214</u>		
	TOTAL	<u>\$3,820</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, 2006
(Thousands of Dollars)

Line No.	Description		Amount
1	Measures of value at December 31, 2006 (C-1)		\$2,539,786
2	Long-term debt ratio (B-9)		46.90%
3	Embedded cost of long-term debt (B-9)		6.05%
4	Pro forma interest (line 1 x line 2 x line 3)		<u>\$72,065</u>
5	Daily amount (line 4 ÷ 365)		<u>\$197</u>
6	Days to mid-point of interest payments	90.0	
7	Less: Revenue lag days (C-4, page 2)	<u>45.2</u>	
8	Interest payments lag days (line 6 - line 7)		<u>44.8</u>
9	Total interest payments (line 5 x line 8)		<u>\$8,826</u>

PPL ELECTRIC UTILITIES CORPORATION
Preferred and Preference Dividend Payments
As of December 31, 2006
(Thousands of Dollars)

<u>Line</u>	<u>No.</u>	<u>Description</u>	<u>Amount</u>
1		Measures of value at December 31, 2006 (C-1)	\$2,539,786
2		Preferred and preference stock ratio (B-9)	10.47%
3		Embedded cost of preferred and preference stock (B-9)	6.33%
4		Pro forma dividends (line 1 x line 2 x line 3)	<u>\$16,832</u>
5		Daily amount (line 4 ÷ 365)	<u>\$46</u>
6		Days to mid-point of dividend payments	45.0
7		Less: Revenue lag days (C-4, page 2)	<u>45.2</u>
8		Dividend payments lag days (line 6 - line 7)	<u>(0.2)</u>
9		Total preferred and preference dividend payments (line 5 x line 8)	<u>(\$9)</u>

PPL ELECTRIC UTILITIES CORPORATION

Average Percent of Federal Income Tax Available After Payout

Line No.	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Prior Year Available In Current Year														
1	Cumulative Collections		95.73%	98.20%	98.88%	99.30%	99.59%	99.80%	100.00%	100.00%	100.00%	100.00%	100.00%	
2	Cumulative Payments		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
3	Prior Year Available	-8.50%	-4.27%	-1.80%	-1.12%	-0.70%	-0.41%	-0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	
Current Year Available in Current Year														
4	Cumulative Collections		1.57%	8.33%	16.36%	24.32%	31.82%	39.26%	47.11%	55.64%	64.21%	72.34%	80.16%	88.26%
Cumulative Payments														
5	April 15 25%					12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
6	June 15 25%							12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
7	Sept 15 25%									12.50%	25.00%	25.00%	25.00%	25.00%
8	Dec 15 25%													12.50%
9	Current Year Available	54.38%	1.57%	8.33%	16.36%	11.82%	6.82%	1.76%	-2.89%	5.64%	1.71%	-2.66%	5.16%	0.76%
10	Total - Prior Year and Current Year Available	45.88%	-2.70%	6.53%	15.24%	11.12%	6.41%	1.56%	-2.89%	5.64%	1.71%	-2.66%	5.16%	0.76%
11	Average Percent Available	<u>3.82%</u>												

NOTE: Payments
 April 15 25%
 June 15 25%
 Sept 15 25%
 Dec 15 25%

PPL ELECTRIC UTILITIES CORPORATION

Average Percent of State Income Tax and PA Capital Stock Tax Available After Payout

Line No.	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Prior Year Available In Current Year</u>													
1	Cumulative Collections	95.73%	98.20%	98.88%	99.30%	99.59%	99.80%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available	-8.50%	-4.27%	-1.80%	-1.12%	-0.70%	-0.41%	-0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Current Year Available in Current Year</u>													
4	Cumulative Collections	1.57%	8.33%	16.36%	24.32%	31.82%	39.26%	47.11%	55.64%	64.21%	72.34%	80.16%	88.26%
Cumulative Payments													
5	March 15 25%			12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
6	June 15 25%						12.50%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
7	Sept 15 25%									12.50%	25.00%	25.00%	25.00%
8	Dec 15 25%												12.50%
9	Current Year Available	29.38%	1.57%	8.33%	3.86%	-0.68%	6.82%	1.76%	-2.89%	5.64%	1.71%	-2.66%	5.16%
10	Total - Prior Year and Current Year Available	20.88%	-2.70%	6.53%	2.74%	-1.38%	6.41%	1.56%	-2.89%	5.64%	1.71%	-2.66%	5.16%
11	Average Percent Available	<u>1.74%</u>											

NOTE: Payments
 March 15 25%
 June 15 25%
 Sept 15 25%
 Dec 15 25%

PPL ELECTRIC UTILITIES CORPORATION

Average Percent of PA Gross Receipts Tax

Line No.	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Prior Year Available In Current Year</u>													
1	Cumulative Collections	95.73%	98.20%	98.88%	99.30%	99.59%	99.80%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available	-8.50%	-4.27%	-1.80%	-1.12%	-0.70%	-0.41%	-0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Current Year Available in Current Year</u>													
4	Cumulative Collections	1.57%	8.33%	16.36%	24.32%	31.82%	39.26%	47.11%	55.64%	64.21%	72.34%	80.16%	88.26%
5	Cumulative Payments March 15 100%			50.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6	Current Year Available	-420.62%	1.57%	8.33%	-33.64%	-75.68%	-68.18%	-60.74%	-52.89%	-44.36%	-35.79%	-27.66%	-19.84%
7	Total - Prior Year and Current Year Available	-429.12%	-2.70%	6.53%	-34.76%	-76.38%	-68.59%	-60.94%	-52.89%	-44.36%	-35.79%	-27.66%	-19.84%
8	Average Percent Available	<u>-35.76%</u>											

NOTE: Payments
March 15 100%

PPL ELECTRIC UTILITIES CORPORATION

Average Percent of PA Utility Realty Tax

Line No.	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Prior Year Available In Current Year													
1	Cumulative Collections		95.73%	98.20%	98.88%	99.30%	99.59%	99.80%	100.00%	100.00%	100.00%	100.00%	100.00%
2	Cumulative Payments		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	Prior Year Available	-8.50%	-4.27%	-1.80%	-1.12%	-0.70%	-0.41%	-0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
Current Year Available in Current Year													
4	Cumulative Collections		1.57%	8.33%	16.36%	24.32%	31.82%	39.26%	47.11%	55.64%	64.21%	72.34%	80.16%
5	Cumulative Payments May 1 100%						100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
6	Current Year Available	-270.62%	1.57%	8.33%	16.36%	24.32%	-68.18%	-60.74%	-52.89%	-44.36%	-35.79%	-27.66%	-19.84%
7	Total - Prior Year and Current Year Available	-279.12%	-2.70%	6.53%	15.24%	23.62%	-68.59%	-60.94%	-52.89%	-44.36%	-35.79%	-27.66%	-19.84%
8	Average Percent Available	<u>-23.26%</u>											

NOTE: Payments
May 1 100%

PPL ELECTRIC UTILITIES CORPORATION

Revenues - Percent Weighted Amount Collected and Available

	<u>Total (a)</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Prior Year Revenues Collected and Available in Current Year													
January	9.55%	9.55%	9.55%	9.55%	9.55%	9.55%	9.55%	9.55%	9.55%	9.55%	9.55%	9.55%	9.55%
February	8.51%	8.51%	8.51%	8.51%	8.51%	8.51%	8.51%	8.51%	8.51%	8.51%	8.51%	8.51%	8.51%
March	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%	8.52%
April	7.52%	7.52%	7.52%	7.52%	7.52%	7.52%	7.52%	7.52%	7.52%	7.52%	7.52%	7.52%	7.52%
May	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%	7.47%
June	8.01%	8.01%	8.01%	8.01%	8.01%	8.01%	8.01%	8.01%	8.01%	8.01%	8.01%	8.01%	8.01%
July	8.69%	8.51%	8.69%	8.69%	8.69%	8.69%	8.69%	8.69%	8.69%	8.69%	8.69%	8.69%	8.69%
August	8.77%	8.54%	8.59%	8.77%	8.77%	8.77%	8.77%	8.77%	8.77%	8.77%	8.77%	8.77%	8.77%
September	8.00%	7.72%	7.79%	7.83%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
October	7.70%	7.32%	7.43%	7.50%	7.54%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%	7.70%
November	7.86%	7.24%	7.47%	7.58%	7.65%	7.70%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%
December	9.40%	6.82%	8.65%	8.93%	9.07%	9.15%	9.20%	9.40%	9.40%	9.40%	9.40%	9.40%	9.40%
Total	100.00%	95.73%	98.20%	98.88%	99.30%	99.59%	99.80%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Revenues Collected and Available in Current Year													
January	9.55%	1.57%	6.93%	8.79%	9.07%	9.21%	9.30%	9.35%	9.55%	9.55%	9.55%	9.55%	9.55%
February	8.51%		1.40%	6.17%	7.83%	8.08%	8.21%	8.28%	8.33%	8.51%	8.51%	8.51%	8.51%
March	8.52%			1.40%	6.18%	7.84%	8.09%	8.22%	8.29%	8.34%	8.52%	8.52%	8.52%
April	7.52%				1.24%	5.46%	6.92%	7.14%	7.26%	7.32%	7.36%	7.52%	7.52%
May	7.47%					1.23%	5.42%	6.88%	7.10%	7.21%	7.27%	7.31%	7.47%
June	8.01%						1.32%	5.81%	7.37%	7.61%	7.73%	7.80%	7.84%
July	8.69%							1.43%	6.30%	8.00%	8.26%	8.38%	8.46%
August	8.77%								1.44%	6.36%	8.07%	8.33%	8.46%
September	8.00%									1.31%	5.80%	7.36%	7.60%
October	7.70%										1.27%	5.59%	7.09%
November	7.86%											1.29%	5.70%
December	9.40%												1.54%
Total	100.00%	1.57%	8.33%	16.36%	24.32%	31.82%	39.26%	47.11%	55.64%	64.21%	72.34%	80.16%	88.26%

(a) Total from Schedule C-4, page 12.

PPL ELECTRIC UTILITIES CORPORATION

Monthly Revenues as a Percent of Annual Revenues
2003 to 2005 Inclusive
(Thousands of Dollars)

	2003		2004		2005		Three Year Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
January	\$ 235,505	9.73%	\$ 251,636	10.08%	\$ 251,325	8.93%	\$ 738,466	9.55%
February	205,949	8.51%	216,184	8.66%	235,760	8.38%	657,893	8.51%
March	210,442	8.70%	208,282	8.35%	239,607	8.51%	658,331	8.52%
April	188,572	7.79%	188,241	7.54%	204,504	7.26%	581,317	7.52%
May	174,923	7.23%	195,792	7.84%	206,869	7.35%	577,584	7.47%
June	190,078	7.85%	196,413	7.87%	233,021	8.28%	619,512	8.01%
July	207,877	8.59%	212,680	8.52%	251,408	8.93%	671,965	8.69%
August	212,096	8.77%	210,597	8.44%	255,267	9.07%	677,960	8.77%
September	191,904	7.93%	194,530	7.79%	232,102	8.25%	618,536	8.00%
October	186,729	7.72%	191,096	7.66%	217,013	7.71%	594,838	7.70%
November	189,657	7.84%	194,885	7.81%	222,852	7.92%	607,394	7.86%
December	225,961	9.34%	235,493	9.44%	264,945	9.41%	726,399	9.40%
Total	\$ 2,419,693	100.00%	\$ 2,495,829	100.00%	\$ 2,814,673	100.00%	\$ 7,730,195	100.00%

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies
As of December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Plant materials and operating supplies	\$ 28,877
2	Stores expense undistributed	<u>2,529</u>
3	Total materials and operating supplies	<u>\$ 31,406</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies
As of December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2005	\$ 27,872
2	January 2006	28,609
3	February	28,873
4	March	28,987
5	April	28,869
6	May	28,521
7	June	28,864
8	July	28,810
9	August	28,935
10	September	29,020
11	October	29,439
12	November	29,580
13	December	<u>29,019</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 375,398</u>
15	13-Month Average	<u>\$ 28,877</u>

PPL ELECTRIC UTILITIES CORPORATION

Stores Expense Undistributed
As of December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2005	\$ 3,504
2	January 2006	2,958
3	February	2,828
4	March	2,597
5	April	2,054
6	May	1,337
7	June	3,500
8	July	3,121
9	August	2,635
10	September	1,789
11	October	1,276
12	November	2,436
13	December	<u>2,846</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 32,881</u>
15	13-Month Average	<u>\$ 2,529</u>

PPL ELECTRIC UTILITIES CORPORATION

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J. M. Kleha

Accumulated Deferred Taxes on Income
As of December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>
	Contributions In Aid Of Construction (B-1)		
1	Transmission	\$ (20,497)	
2	Distribution	(59,458)	
3	Balance at December 31, 2006		\$ (79,955)
	Accelerated Cost Recovery System (ACRS) (B-1)		
4	Transmission	46,658	
5	Distribution	362,558	
6	General	34,825	
7	Balance at December 31, 2006		444,041
	Other 263A and Repair Allowance (B-1)		
8	Transmission	(671)	
9	Distribution	7,854	
10	General	41,733	
11	Balance at December 31, 2006		<u>48,916</u>
12	Total accumulated deferred taxes on income		<u>\$ 413,002</u>

PPL ELECTRIC UTILITIES CORPORATION

D – Operating Income Index

Section D – Operating Income

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PPL ELECTRIC UTILITIES CORPORATION

Operating Income
Pro Forma at Present and Proposed Rates
Year Ended December 31, 2006
(Thousands of Dollars)

Line No.		(1)	(2)	(3)	(4)	(5)	(6) PPUC Jurisdictional		(8)
		Total Amount Per Books	Less: CTC and POLR	T & D Operations Per Books	Pro Forma Adjustments (D-2)	T & D Pro Forma at Present Rates	Pro Forma at Present Rates (Exhibit JMK 1)	Rate Increase (D-13, Pg. 5)	Pro Forma at Proposed Rates
1	Operating Revenues	\$ 3,063,338	\$ (2,043,674)	\$ 1,019,664	\$ 5,425	\$ 1,025,089	\$ 669,974	\$ 62,898	\$ 732,872
	Operating Expenses								
2	Operation and Maintenance	2,377,053	(1,803,581)	573,472	9,930	583,402	348,906	503	349,409
3	Depreciation	118,078	0	118,078	1,501	119,579	95,914	0	95,914
4	Regulatory Debits/Credits	11,724	(11,724)	0	0	0	0	0	0
	Provision for Taxes								
5	Taxes Other Than Income	195,630	(130,291)	65,339	(251)	65,088	49,581	3,925	53,506
	Income Taxes								
6	Federal	72,604	(18,531)	54,073	(3,031)	51,042	30,744	18,420	49,164
7	State	14,165	(5,877)	8,288	7,157	15,445	9,031	5,841	14,872
8	Deferred Income Taxes	21,860	(8,574)	13,286	(1,221)	12,065	10,029	0	10,029
9	Investment Tax Credit	(2,446)	0	(2,446)	0	(2,446)	(1,713)	0	(1,713)
10	Total Taxes	301,813	(163,273)	138,540	2,654	141,194	97,672	28,186	125,858
11	(Gain)/Loss from Disposition of Utility Plant	(122)	122	0	0	0	0	0	0
12	Total Operating Expenses	2,808,546	(1,978,456)	830,090	14,085	844,175	542,492	28,689	571,181
13	Operating Income	\$ 254,792	\$ (65,218)	\$ 189,574	\$ (8,660)	\$ 180,914	\$ 127,482	\$ 34,209	\$ 161,691

PPL ELECTRIC UTILITIES CORPORATION

D-2
Page 1 of 1
J.M. Kleha
D.A. Cunningham

Adjustments to Income
Year Ended December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Reference</u>	<u>Description</u>	<u>Amount</u>
		<u>Operating Revenues</u>	
1	D-3, page 1	Operating Revenue	\$ 5,425
		<u>Operation and Maintenance Expenses</u>	
2	D-5	Employee wages and benefits	(1,995)
3	D-6	Rate case expense	700
4	D-7	Interest expense on customer deposits	796
5	D-8	Social programs	5,608
6	D-9	January 2005 ice storm deferred costs	1,611
7	D-10	Storm insurance	3,210
8		Total operation and maintenance expense	9,930
		<u>Depreciation</u>	
9	D-11	Annual depreciation expense	1,501
		<u>Provision for Taxes</u>	
		Taxes other than income	
10	D-12	Capital stock	(313)
11	D-12	Gross receipts	320
12	D-12	Public utility realty	(138)
13	D-5	Payroll taxes	(120)
		Income taxes	
14	D-13	Federal	(3,031)
15	D-13	State	7,157
16	D-14	Deferred income taxes	(1,221)
17	D-15	Investment tax credit - amortization	0
18		Total Taxes	2,654
19		Gain and losses on property dispositions	0
20		Total Operating Expenses	14,085
21		Total Adjustments to Income	\$ (8,660)

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Operating Revenue
Year Ended December 31, 2006
 (Thousands of Dollars)

Line No.	Description	(1) Total Per Books	(2) Less: CTC and POLR	(3) T&D Operations Per Books	(4) Pro Forma Adjustments	(5) T&D Pro forma at Present Rates
1	Transmission revenue	\$ 219,934	\$ 0	\$ 219,934	\$ 2,917	\$ 222,851
2	Distribution revenue	625,312	0	625,312	(19,507)	605,805
3	USR revenue	0	0	0	20,670	20,670
4	CTC revenue	101,546	(101,546)	0	0	0
5	Capacity and energy revenue	1,782,708	(1,782,708)	0	0	0
6	Tax surcharge revenue	(1,605)	1,121	(484)	484	0
7	Sales to affiliate	156,829	(156,829)	0	0	0
8	Provision for Rate Refund - Isabel	(1,124)	0	(1,124)	0	(1,124)
9	Total Rate Revenue	<u>2,883,600</u>	<u>(2,039,962)</u>	<u>843,638</u>	<u>4,564</u>	<u>848,202</u>
	Other Electric Revenue					
10	Late Payment	10,107	0	10,107	0	10,107
11	Misc. Revenue	369	0	369	0	369
12	Rent	32,041	0	32,041	0	32,041
13	Other	134,370	0	134,370	0	134,370
14	Total Other	<u>176,887</u>	<u>0</u>	<u>176,887</u>	<u>0</u>	<u>176,887</u>
15	Operating Revenue (excl. unbilled)	3,060,487	(2,039,962)	1,020,525	4,564	1,025,089
16	Unbilled Revenue	2,851	(3,712)	(861)	861	0
17	Total Operating Revenue	<u>\$ 3,063,338</u>	<u>\$ (2,043,674)</u>	<u>\$ 1,019,664</u>	<u>\$ 5,425</u>	<u>\$ 1,025,089</u>

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2006 Actual

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Line Number	Rate Schedule	Number of Customers	Sales (KWH)	Distribution Present Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	Transmission Present Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Total Present Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution	State Tax Adjustment Surcharge (STAS) Other	Total Revenue
1	RS	1,189,640	13,330,389,013	\$ 376,940,663	\$ -	\$ -	\$ 60,313,980	\$ 27,836,150	\$ 132,369,661	\$ 657,794,962	\$ 1,275,255,416	\$ (225,420)	\$ (409,429)	\$ 1,274,620,567
2	RTS	13,882	363,491,518	\$ 3,743,951	\$ -	\$ -	\$ 2,186,776	\$ 418,291	\$ 2,778,007	\$ 15,857,560	\$ 24,984,585	\$ (2,268)	\$ (10,156)	\$ 24,972,161
3	RTD	262	4,755,628	\$ 134,549	\$ -	\$ -	\$ 28,620	\$ 10,859	\$ 56,747	\$ 209,459	\$ 440,233	\$ (78)	\$ (141)	\$ 440,014
4	GS-1	145,650	1,934,890,488	\$ 75,555,853	\$ -	\$ -	\$ 11,559,296	\$ 6,496,419	\$ 24,417,970	\$ 117,802,020	\$ 235,831,558	\$ (49,882)	\$ (68,444)	\$ 235,693,132
5	GS-3	22,328	6,600,812,525	\$ 115,358,421	\$ -	\$ -	\$ 51,230,263	\$ 18,515,028	\$ 94,194,243	\$ 460,197,895	\$ 739,493,851	\$ (74,837)	\$ (320,103)	\$ 739,099,911
6	LP-4	1,025	5,805,832,886	\$ 31,489,139	\$ -	\$ -	\$ 34,881,795	\$ 17,100,970	\$ 48,949,468	\$ 269,010,187	\$ 401,431,560	\$ (16,205)	\$ (192,909)	\$ 401,222,446
7	IS-P	27	325,836,826	\$ 1,909,070	\$ -	\$ -	\$ 1,962,154	\$ (139,918)	\$ 2,758,117	\$ 12,125,303	\$ 18,514,726	\$ (1,109)	\$ (8,505)	\$ 18,505,112
8	LP-5	107	3,062,466,595	\$ 1,969,833	\$ -	\$ -	\$ 18,420,782	\$ 8,845,707	\$ 25,148,498	\$ 129,104,634	\$ 183,389,454	\$ (1,066)	\$ (95,771)	\$ 183,292,597
9	IS-T	26	1,995,449,435	\$ 1,312,570	\$ -	\$ -	\$ 12,014,723	\$ (290,969)	\$ 13,763,977	\$ 60,508,143	\$ 87,306,442	\$ (904)	\$ (44,939)	\$ 87,260,599
10	LP-6	4	427,174,000	\$ 177,316	\$ -	\$ -	\$ 2,583,906	\$ (3,363,891)	\$ 6,453,523	\$ 18,505,812	\$ 26,356,688	\$ (122)	\$ (15,335)	\$ 26,341,211
11	LPEP	1	62,010,000	\$ 463,457	\$ -	\$ -	\$ 374,834	\$ 525,885	\$ 1,597,650	\$ 2,472,301	\$ 5,434,027	\$ (287)	\$ (2,750)	\$ 5,430,990
12	ISA	1	278,533,150	\$ 564,478	\$ -	\$ -	\$ 1,673,027	\$ 752,637	\$ 2,191,090	\$ 9,023,911	\$ 14,205,143	\$ (393)	\$ (7,512)	\$ 14,197,238
13	IS-1	3	1,664,560	\$ 30,600	\$ -	\$ -	\$ 10,005	\$ (37,198)	\$ 60,928	\$ 43,406	\$ 107,741	\$ (18)	\$ (38)	\$ 107,585
14	BL	54	8,164,221	\$ 269,184	\$ -	\$ -	\$ 37,573	\$ 16,817	\$ 62,735	\$ 246,529	\$ 632,837	\$ (181)	\$ (204)	\$ 632,452
15	SA	0	23,106,960	\$ 3,472,345	\$ -	\$ -	\$ 139,828	\$ (7,345)	\$ 274,298	\$ 961,185	\$ 4,840,311	\$ (2,177)	\$ (829)	\$ 4,837,305
16	SM	99	4,562,798	\$ 711,868	\$ -	\$ -	\$ 27,048	\$ (19,739)	\$ 67,140	\$ 204,052	\$ 990,389	\$ (571)	\$ 32	\$ 989,830
17	SHS	1,164	49,912,208	\$ 11,769,365	\$ -	\$ -	\$ 297,410	\$ (83,604)	\$ 605,005	\$ 3,094,943	\$ 16,283,119	\$ (7,052)	\$ (1,861)	\$ 16,274,206
18	SE	92	34,721,839	\$ 1,567,703	\$ -	\$ -	\$ 208,831	\$ 5,627	\$ 112,617	\$ 181,973	\$ 2,076,752	\$ (898)	\$ (263)	\$ 2,075,591
19	TS	9	319,584	\$ 22,725	\$ -	\$ -	\$ 1,934	\$ (1,725)	\$ 5,115	\$ 14,593	\$ 42,642	\$ (13)	\$ (10)	\$ 42,619
20	SI-1	3	82,588	\$ 15,456	\$ -	\$ -	\$ 521	\$ (380)	\$ 1,907	\$ 4,715	\$ 22,218	\$ (9)	\$ (3)	\$ 22,206
21	OH-1	933	293,404,603	\$ 5,713,453	\$ -	\$ -	\$ 1,637,354	\$ (155,111)	\$ 6,068,687	\$ 12,788,657	\$ 26,053,040	\$ (3,359)	\$ (10,209)	\$ 26,039,472
22	OH-2	2,414	82,283,729	\$ 1,338,154	\$ -	\$ -	\$ 372,221	\$ (13,824)	\$ 1,323,554	\$ 2,844,319	\$ 5,864,424	\$ (793)	\$ (2,148)	\$ 5,861,483
23	Standby(LP5-S)	6	4,839,000	\$ 49,133	\$ -	\$ -	\$ 27,983	\$ (3,145)	\$ 147,851	\$ 613,180	\$ 835,003	\$ (34)	\$ (448)	\$ 834,521
24	PRS		141,624,168	\$ 421,281	\$ -	\$ -	\$ (56,906)	\$ -	\$ -	\$ 8,508,065	\$ 8,870,440	\$ 409	\$ (5,861)	\$ 8,865,188
25	Rate Revenue	1,377,760	36,620,928,922	\$ 634,788,567	\$ -	\$ -	\$ 219,933,758	\$ 76,407,642	\$ 365,408,789	\$ 1,782,713,806	\$ 3,079,262,661	\$ (387,388)	\$ (1,217,635)	\$ 3,077,657,538
26														
27	Annualization Adjustment		0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28														
29	Total PUC Tariff Revenue		36,620,928,922	\$ 634,788,567	\$ -	\$ -	\$ 219,933,758	\$ 76,407,642	\$ 365,408,789	\$ 1,782,713,806	\$ 3,079,262,661	\$ (387,388)	\$ (1,217,635)	\$ 3,077,657,538
30														
31	Other Electric Revenues													
32	Late Payment			\$ 10,107,025			\$ -				\$ 10,107,025			\$ 10,107,025
33	Misc. Revenue			\$ 369,431			\$ -				\$ 369,431			\$ 369,431
34	Rent			\$ 30,731,294			\$ 1,310,014				\$ 32,041,308			\$ 32,041,308
35	Other			\$ 3,731,433			\$ 130,637,956				\$ 134,369,389			\$ 134,369,389
36	Total Other			\$ 44,939,184			\$ 131,947,969				\$ 176,887,153			\$ 176,887,153
37														
38	Total Operating Revenue			\$ 679,727,751			\$ 351,881,727	\$ 76,407,642	\$ 365,408,789	\$ 1,782,713,806	\$ 3,256,149,714	\$ (387,388)	\$ (1,217,635)	\$ 3,254,544,691

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2006 Pro Forma

(1) Line Number	(2) Rate Schedule	(3) Number of Customers	(4) Sales (KWH)	(5) Distribution Present Rate Revenue	(6) USR (Universal Service Rider)	(7) EER (Energy Efficiency Rider)	(8) Transmission Present Rate Revenue	(9) CTC Present Rate Revenue	(10) ITC Present Rate Revenue	(11) E&C Present Rate Revenue	(12) Total Present Rate Revenue	(13) State Tax Adjustment Surcharge (STAS) Distribution -0.097%	(14) State Tax Adjustment Surcharge (STAS) Other -0.067%	(15) Total Revenue
1	RS	1,189,640	13,339,389,813	\$ 376,940,663			\$ 80,313,980	\$ 27,836,150	\$ 132,369,661	\$ 657,794,962	\$ 1,275,255,416	\$ (365,832)	\$ (601,871)	\$ 1,274,287,913
2	RTS	13,682	363,491,518	\$ 3,743,951			\$ 2,186,776	\$ 418,291	\$ 2,778,007	\$ 15,857,560	\$ 24,984,585	\$ (3,832)	\$ (14,231)	\$ 24,966,722
3	RTD	282	4,755,826	\$ 134,549			\$ 28,620	\$ 10,859	\$ 58,747	\$ 209,459	\$ 440,233	\$ (131)	\$ (205)	\$ 439,898
4	GS-1	145,650	1,934,890,488	\$ 75,555,853			\$ 11,559,296	\$ 6,496,419	\$ 24,417,970	\$ 117,802,020	\$ 235,831,558	\$ (73,289)	\$ (107,385)	\$ 235,650,884
5	GS-3	22,328	6,600,812,525	\$ 115,356,421			\$ 51,230,263	\$ 18,515,028	\$ 94,194,243	\$ 460,197,895	\$ 739,493,851	\$ (111,896)	\$ (418,172)	\$ 738,963,783
6	LP-4	1,025	5,805,632,886	\$ 31,489,139			\$ 34,881,785	\$ 17,100,870	\$ 48,949,468	\$ 289,010,187	\$ 401,431,560	\$ (30,544)	\$ (247,861)	\$ 401,153,154
7	IS-P	27	325,836,826	\$ 1,809,070			\$ 1,962,154	\$ (139,918)	\$ 2,758,117	\$ 12,125,303	\$ 18,514,726	\$ (1,755)	\$ (11,193)	\$ 18,501,779
8	LP-5	107	3,062,466,595	\$ 1,869,833			\$ 18,420,782	\$ 8,845,707	\$ 25,148,498	\$ 129,104,834	\$ 183,389,454	\$ (1,814)	\$ (121,818)	\$ 183,266,022
9	IS-T	26	1,995,449,435	\$ 1,312,570			\$ 12,014,723	\$ (290,969)	\$ 13,763,977	\$ 60,506,143	\$ 87,308,442	\$ (1,273)	\$ (57,616)	\$ 87,247,553
10	LP-6	4	427,174,000	\$ 177,318			\$ 2,583,908	\$ (3,363,891)	\$ 8,453,523	\$ 18,505,812	\$ 26,356,668	\$ (172)	\$ (17,540)	\$ 26,338,956
11	LPEP	1	62,010,000	\$ 463,457			\$ 374,634	\$ 525,985	\$ 1,597,850	\$ 2,472,301	\$ 5,434,027	\$ (450)	\$ (3,330)	\$ 5,430,247
12	ISA	1	276,533,150	\$ 564,478			\$ 1,673,027	\$ 752,637	\$ 2,191,090	\$ 9,023,911	\$ 14,205,143	\$ (548)	\$ (9,139)	\$ 14,195,456
13	IS-1	3	1,664,560	\$ 30,600			\$ 10,005	\$ (37,198)	\$ 60,928	\$ 43,406	\$ 107,741	\$ (30)	\$ (52)	\$ 107,660
14	BL	54	6,164,221	\$ 269,184			\$ 37,573	\$ 18,817	\$ 62,735	\$ 248,529	\$ 632,837	\$ (261)	\$ (244)	\$ 632,333
15	SA	0	23,106,960	\$ 3,472,345			\$ 139,828	\$ (7,345)	\$ 274,299	\$ 961,185	\$ 4,840,311	\$ (3,368)	\$ (917)	\$ 4,836,027
16	SM	99	4,562,798	\$ 711,868			\$ 27,048	\$ (19,739)	\$ 67,140	\$ 204,052	\$ 990,369	\$ (691)	\$ (187)	\$ 989,492
17	SHS	1,184	49,912,208	\$ 11,769,365			\$ 297,410	\$ (83,604)	\$ 605,005	\$ 3,694,943	\$ 16,283,119	\$ (11,416)	\$ (3,024)	\$ 16,268,679
18	SE	92	34,721,839	\$ 1,567,703			\$ 208,831	\$ 5,627	\$ 112,617	\$ 181,973	\$ 2,076,752	\$ (1,521)	\$ (341)	\$ 2,074,890
19	TS	9	319,584	\$ 22,725			\$ 1,934	\$ (1,725)	\$ 5,115	\$ 14,593	\$ 42,842	\$ (22)	\$ (13)	\$ 42,606
20	SI-1	3	82,588	\$ 15,456			\$ 521	\$ (380)	\$ 1,907	\$ 4,715	\$ 22,218	\$ (15)	\$ (5)	\$ 22,199
21	GH-1	933	293,404,603	\$ 5,713,453			\$ 1,637,354	\$ (155,111)	\$ 8,068,687	\$ 12,788,857	\$ 26,053,040	\$ (5,542)	\$ (13,628)	\$ 26,033,871
22	GH-2	2,414	62,283,729	\$ 1,338,154			\$ 372,221	\$ (13,824)	\$ 1,323,554	\$ 2,844,319	\$ 5,864,424	\$ (1,298)	\$ (3,033)	\$ 5,860,094
23	LPS-S	6	4,639,000	\$ 49,133			\$ 27,983	\$ (3,145)	\$ 147,851	\$ 813,180	\$ 835,003	\$ (48)	\$ (527)	\$ 834,428
24	PRS		141,624,168	\$ 421,281			\$ (56,906)	\$ -	\$ -	\$ 8,506,065	\$ 8,870,440	\$ (409)	\$ (5,661)	\$ 8,864,370
25	Rate Revenue	1,377,750	36,820,928,922	\$ 634,798,567	\$ -	\$ -	\$ 219,933,758	\$ 76,407,642	\$ 365,408,769	\$ 1,782,713,806	\$ 3,079,262,581	\$ (615,755)	\$ (1,637,791)	\$ 3,077,009,016
26	Annualization Adjustment		170,408,558	\$ 741,578	\$ -	\$ -	\$ 1,088,675	\$ (126,647)	\$ 5,695,973	\$ 13,514,938	\$ 20,914,316	\$ -	\$ -	\$ 20,914,316
27	Total PUC Tariff Revenue		36,991,337,480	\$ 635,540,145	\$ -	\$ -	\$ 221,022,432	\$ 76,280,995	\$ 371,104,762	\$ 1,796,228,743	\$ 3,100,177,077	\$ (615,755)	\$ (1,637,791)	\$ 3,097,923,532
30	Other Electric Revenues													
31	Late Payment			\$ 10,107,025							\$ 10,107,025			\$ 10,107,025
32	Misc. Revenue			\$ 369,431							\$ 369,431			\$ 369,431
33	Rent			\$ 30,731,294			\$ 1,310,014				\$ 32,041,308			\$ 32,041,308
34	Other			\$ 3,731,433			\$ 130,637,956				\$ 134,369,389			\$ 134,369,389
35	Total Other			\$ 44,939,184			\$ 131,947,969				\$ 176,887,153	\$ -	\$ -	\$ 176,887,153
36	Total Operating Revenue			\$ 680,479,328	\$ -	\$ -	\$ 352,970,402	\$ 76,280,995	\$ 371,104,762	\$ 1,796,228,743	\$ 3,277,064,230	\$ (615,755)	\$ (1,637,791)	\$ 3,274,810,685

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2006 Pro Forma

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line Number	Rate Schedule	Distribution Present Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	Transmission Present Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Total Present Rate Revenue	State Tax Adjustment Surcharge (STAS)	State Tax Adjustment Surcharge (STAS)	Total Revenue
										Distribution	Other	
										-0.097%	-0.067%	
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)				
1	RS	\$ 356,473,107	\$ 20,467,556		\$ 80,313,980	\$ 27,836,150	\$ 132,369,661	\$ 657,794,962	\$ 1,275,255,416	\$ (365,632)	\$ (601,871)	\$ 1,274,287,913
2	RTS	\$ 3,549,235	\$ 194,717		\$ 2,186,776	\$ 418,291	\$ 2,778,007	\$ 15,857,560	\$ 24,984,585	\$ (3,632)	\$ (14,231)	\$ 24,966,722
3	RTD	\$ 127,321	\$ 7,228		\$ 28,620	\$ 10,859	\$ 56,747	\$ 209,459	\$ 440,233	\$ (131)	\$ (205)	\$ 439,898
4	GS-1	\$ 75,555,853			\$ 11,559,296	\$ 6,496,419	\$ 24,417,970	\$ 117,802,020	\$ 235,831,558	\$ (73,289)	\$ (107,385)	\$ 235,650,884
5	GS-3	\$ 115,356,421			\$ 51,230,263	\$ 18,515,028	\$ 94,194,243	\$ 460,197,895	\$ 739,493,851	\$ (111,896)	\$ (418,172)	\$ 738,963,783
6	LP-4	\$ 31,489,139			\$ 34,881,795	\$ 17,100,970	\$ 48,949,468	\$ 269,010,187	\$ 401,431,560	\$ (30,544)	\$ (247,861)	\$ 401,153,154
7	IS-P	\$ 1,809,070			\$ 1,962,154	\$ (139,918)	\$ 2,758,117	\$ 12,125,303	\$ 18,514,726	\$ (1,755)	\$ (11,193)	\$ 18,501,779
8	LP-5	\$ 1,869,833			\$ 18,420,782	\$ 8,845,707	\$ 25,148,498	\$ 129,104,634	\$ 183,389,454	\$ (1,814)	\$ (121,618)	\$ 183,266,022
9	IS-T	\$ 1,312,570			\$ 12,014,723	\$ (290,969)	\$ 13,763,977	\$ 60,506,143	\$ 87,306,442	\$ (1,273)	\$ (57,616)	\$ 87,247,553
10	LP-6	\$ 177,316			\$ 2,583,908	\$ (3,363,891)	\$ 8,453,523	\$ 18,505,812	\$ 26,356,668	\$ (172)	\$ (17,540)	\$ 26,338,956
11	LPEP	\$ 463,457			\$ 374,634	\$ 525,985	\$ 1,597,650	\$ 2,472,301	\$ 5,434,027	\$ (450)	\$ (3,330)	\$ 5,430,247
12	ISA	\$ 584,478			\$ 1,873,027	\$ 752,637	\$ 2,191,090	\$ 9,023,911	\$ 14,205,143	\$ (548)	\$ (9,139)	\$ 14,195,456
13	IS-1	\$ 30,600			\$ 10,005	\$ (37,188)	\$ 60,928	\$ 43,406	\$ 107,741	\$ (30)	\$ (52)	\$ 107,660
14	BL ¹	\$ 269,184			\$ 37,573	\$ 16,817	\$ 62,735	\$ 246,529	\$ 632,837	\$ (261)	\$ (244)	\$ 632,333
15	SA	\$ 3,472,345			\$ 139,828	\$ (7,345)	\$ 274,299	\$ 961,185	\$ 4,840,311	\$ (3,368)	\$ (917)	\$ 4,836,027
16	SM	\$ 711,968			\$ 27,048	\$ (19,739)	\$ 67,140	\$ 204,052	\$ 990,369	\$ (691)	\$ (187)	\$ 989,492
17	SHS	\$ 11,769,365			\$ 297,410	\$ (83,604)	\$ 605,005	\$ 3,694,943	\$ 16,283,119	\$ (11,416)	\$ (3,024)	\$ 16,268,679
18	SE	\$ 1,567,703			\$ 208,831	\$ 5,627	\$ 112,617	\$ 181,973	\$ 2,078,752	\$ (1,521)	\$ (341)	\$ 2,074,890
19	TS	\$ 22,725			\$ 1,934	\$ (1,725)	\$ 5,115	\$ 14,593	\$ 42,642	\$ (22)	\$ (13)	\$ 42,606
20	SI-1	\$ 15,456			\$ 521	\$ (380)	\$ 1,907	\$ 4,715	\$ 22,218	\$ (15)	\$ (5)	\$ 22,199
21	GH-1	\$ 5,713,453			\$ 1,637,354	\$ (155,111)	\$ 6,068,687	\$ 12,788,657	\$ 26,053,040	\$ (5,542)	\$ (13,628)	\$ 26,033,871
22	GH-2	\$ 1,338,154			\$ 372,221	\$ (13,824)	\$ 1,323,554	\$ 2,844,319	\$ 5,864,424	\$ (1,298)	\$ (3,033)	\$ 5,860,094
23	Standby(LP5-S)	\$ 49,133			\$ 27,983	\$ (3,145)	\$ 147,851	\$ 613,180	\$ 835,003	\$ (48)	\$ (527)	\$ 834,428
24	PRS	\$ 421,281			\$ (56,906)	\$ -	\$ -	\$ 8,506,065	\$ 8,870,440	\$ (409)	\$ (5,661)	\$ 8,864,370
25	Rate Revenue	\$ 614,128,066	\$ 20,669,601	\$ -	\$ 219,933,768	\$ 76,407,642	\$ 365,408,789	\$ 1,782,713,806	\$ 3,079,262,561	\$ (616,755)	\$ (1,637,791)	\$ 3,077,009,016
26												
27	Annualization Adjustment	\$ 741,578			\$ 1,088,675	\$ (126,647)	\$ 6,695,973	\$ 13,614,938	\$ 20,914,516	\$ -	\$ -	\$ 20,914,516
28												
29	Total PUC Tariff Revenue	\$ 614,870,644	\$ 20,669,601	\$ -	\$ 221,022,432	\$ 76,280,995	\$ 371,104,762	\$ 1,796,228,743	\$ 3,100,177,077	\$ (616,755)	\$ -	\$ 3,097,923,532
30												
31	Other Electric Revenues											
32	Late Payment	\$ 10,107,025			\$ -				\$ 10,107,025			\$ 10,107,025
33	Misc. Revenue	\$ 369,431			\$ -				\$ 369,431			\$ 369,431
34	Rent	\$ 30,731,294			\$ 1,310,014				\$ 32,041,308			\$ 32,041,308
35	Other	\$ 3,731,433			\$ 130,637,956				\$ 134,369,389			\$ 134,369,389
36	Total Other	\$ 44,939,184			\$ 131,947,969				\$ 176,887,163	\$ -	\$ -	\$ 176,887,163
37												
38	Total Operating Revenue	\$ 659,809,827	\$ 20,669,601	\$ -	\$ 352,970,402	\$ 76,280,995	\$ 371,104,762	\$ 1,796,228,743	\$ 3,277,064,230	\$ (616,755)	\$ -	\$ 3,274,810,685

Note 1: Col 5, page 3- Column 4 and Column 5
 Note 2: USR Per Books with GRT
 Note 3: EER Per Books with GRT
 Note 4: Col 8, page 3
 Note 5: Col 9, page 3
 Note 6: Col 10, page 3
 Note 7: Col 11, page 3

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2006 Pro Forma Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line Number	Rate Schedule	Distribution Present Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	Transmission Present Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Total Present Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution -0.097%	State Tax Adjustment Surcharge (STAS) Other -0.087%	Total Revenue	Shopping Factor
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)					(Note 8)
1	RS	\$ 356,473,107	\$ 20,467,558	\$ -	\$ 80,322,815	\$ 27,838,150	\$ 132,369,861	\$ 657,867,328	\$ 1,275,336,617	\$ (365,632)	\$ (801,925)	\$ 1,274,369,059	0.011%
2	RTS	\$ 3,549,235	\$ 194,717	\$ -	\$ 2,186,863	\$ 418,291	\$ 2,778,007	\$ 15,858,195	\$ 24,985,307	\$ (3,443)	\$ (14,232)	\$ 24,967,633	0.004%
3	RTD	\$ 127,321	\$ 7,228	\$ -	\$ 28,620	\$ 10,859	\$ 56,747	\$ 209,459	\$ 440,233	\$ (124)	\$ (205)	\$ 439,905	0.000%
4	GS-1	\$ 75,555,853	\$ -	\$ -	\$ 11,565,542	\$ 6,496,419	\$ 24,417,970	\$ 117,865,667	\$ 235,901,451	\$ (73,289)	\$ (107,432)	\$ 235,720,730	0.054%
5	GS-3	\$ 115,356,421	\$ -	\$ -	\$ 51,644,452	\$ 18,515,028	\$ 94,194,243	\$ 463,918,522	\$ 743,628,666	\$ (111,896)	\$ (420,942)	\$ 743,095,828	0.802%
6	LP-4	\$ 31,489,139	\$ -	\$ -	\$ 35,020,827	\$ 17,100,970	\$ 48,949,468	\$ 270,082,415	\$ 402,642,819	\$ (30,544)	\$ (248,673)	\$ 402,363,602	0.397%
7	IS-P	\$ 1,809,070	\$ -	\$ -	\$ 1,962,154	\$ (139,918)	\$ 2,758,117	\$ 12,125,303	\$ 18,514,726	\$ (1,755)	\$ (11,193)	\$ 18,501,779	0.000%
8	LP-5	\$ 1,869,833	\$ -	\$ -	\$ 18,473,802	\$ 8,845,707	\$ 25,148,498	\$ 129,478,231	\$ 183,814,070	\$ (1,814)	\$ (121,903)	\$ 183,690,354	0.287%
9	IS-T	\$ 1,312,570	\$ -	\$ -	\$ 12,014,723	\$ (290,969)	\$ 13,763,977	\$ 60,506,143	\$ 87,308,442	\$ (1,273)	\$ (57,616)	\$ 87,247,553	0.000%
10	LP-6	\$ 177,316	\$ -	\$ -	\$ 2,583,908	\$ (3,363,891)	\$ 8,453,523	\$ 3,694,943	\$ 18,505,812	\$ (172)	\$ (17,540)	\$ 18,338,956	0.000%
11	LPEP	\$ 483,457	\$ -	\$ -	\$ 374,634	\$ 525,985	\$ 1,597,650	\$ 2,472,301	\$ 5,434,027	\$ (450)	\$ (3,330)	\$ 5,430,247	0.000%
12	ISA	\$ 564,478	\$ -	\$ -	\$ 1,673,027	\$ 752,637	\$ 2,191,090	\$ 9,023,911	\$ 14,205,143	\$ (548)	\$ (9,139)	\$ 14,195,456	0.000%
13	IS-1	\$ 30,600	\$ -	\$ -	\$ 10,005	\$ (37,198)	\$ 60,828	\$ 43,406	\$ 107,741	\$ (30)	\$ (52)	\$ 107,660	0.000%
14	BL	\$ 269,184	\$ -	\$ -	\$ 37,573	\$ 18,817	\$ 82,735	\$ 248,529	\$ 632,837	\$ (261)	\$ (244)	\$ 632,333	0.000%
15	SA	\$ 3,472,345	\$ -	\$ -	\$ 139,828	\$ (7,345)	\$ 274,299	\$ 961,185	\$ 4,840,311	\$ (3,388)	\$ (917)	\$ 4,836,027	0.000%
16	SM	\$ 711,868	\$ -	\$ -	\$ 27,048	\$ (19,739)	\$ 67,140	\$ 204,052	\$ 890,369	\$ (891)	\$ (187)	\$ 889,492	0.000%
17	SHS	\$ 11,789,385	\$ -	\$ -	\$ 297,410	\$ (83,604)	\$ 605,005	\$ 3,694,943	\$ 16,283,119	\$ (11,416)	\$ (3,024)	\$ 16,268,679	0.000%
18	SE	\$ 1,567,703	\$ -	\$ -	\$ 208,831	\$ 5,627	\$ 112,617	\$ 181,973	\$ 2,076,752	\$ (1,521)	\$ (341)	\$ 2,074,890	0.000%
19	TS	\$ 22,725	\$ -	\$ -	\$ 1,934	\$ (1,725)	\$ 5,115	\$ 14,593	\$ 42,642	\$ (22)	\$ (13)	\$ 42,608	0.000%
20	SI-1	\$ 15,456	\$ -	\$ -	\$ 521	\$ (380)	\$ 1,907	\$ 4,715	\$ 22,218	\$ (15)	\$ (5)	\$ 22,199	0.000%
21	GH-1	\$ 5,713,453	\$ -	\$ -	\$ 1,652,558	\$ (155,111)	\$ 6,068,687	\$ 12,907,406	\$ 26,188,992	\$ (5,542)	\$ (13,717)	\$ 26,167,733	0.920%
22	GH-2	\$ 1,338,154	\$ -	\$ -	\$ 372,239	\$ (13,824)	\$ 1,323,554	\$ 2,844,461	\$ 5,864,565	\$ (1,298)	\$ (3,033)	\$ 5,860,254	0.005%
23	Standby(LP5-S)	\$ 49,133	\$ -	\$ -	\$ 27,983	\$ (3,145)	\$ 147,851	\$ 613,180	\$ 835,003	\$ (48)	\$ (527)	\$ 834,428	0.000%
24	PRS	\$ 421,281	\$ -	\$ -	\$ (58,906)	\$ -	\$ -	\$ 8,506,065	\$ 8,870,440	\$ (409)	\$ (5,661)	\$ 8,864,370	0.000%
25	Rate Revenue	\$ 614,129,066	\$ 20,669,501	\$ -	\$ 220,570,369	\$ 76,407,642	\$ 365,408,789	\$ 1,788,133,794	\$ 3,085,319,181	\$ (615,559)	\$ (1,641,848)	\$ 3,083,061,773	
26													
27	Annualization Adjustment	\$ 741,578	\$ -	\$ -	\$ 1,090,185	\$ (126,647)	\$ 5,695,973	\$ 13,526,268	\$ 20,927,357	\$ (719)	\$ (13,524)	\$ 20,913,113	
28													
29	Total PUC Tariff Revenue	\$ 614,870,644	\$ 20,669,501	\$ -	\$ 221,660,574	\$ 76,280,995	\$ 371,104,762	\$ 1,801,660,062	\$ 3,106,246,538	\$ (616,278)	\$ (1,655,373)	\$ 3,103,974,888	
30													
31	Other Electric Revenues												
32	Late Payment	\$ 10,107,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,107,025	\$ -	\$ -	\$ 10,107,025	
33	Misc. Revenue	\$ 369,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,431	\$ -	\$ -	\$ 369,431	
34	Rent	\$ 30,731,294	\$ -	\$ -	\$ 1,310,014	\$ -	\$ -	\$ -	\$ 32,041,308	\$ -	\$ -	\$ 32,041,308	
35	Other	\$ 3,731,433	\$ -	\$ -	\$ 130,637,956	\$ -	\$ -	\$ -	\$ 134,369,389	\$ -	\$ -	\$ 134,369,389	
36	Total Other	\$ 44,939,184	\$ -	\$ -	\$ 131,947,969	\$ -	\$ -	\$ -	\$ 176,887,153	\$ -	\$ -	\$ 176,887,153	
37													
38	Total Operating Revenue	\$ 659,809,827	\$ 20,669,501	\$ -	\$ 353,608,543	\$ 76,280,995	\$ 371,104,762	\$ 1,801,660,062	\$ 3,283,133,691	\$ (616,278)	\$ (1,655,373)	\$ 3,280,862,039	

Note 1: Col 3, page 4

Note 2: Col 4, page 4

Note 3: Col 5, page 4

Note 4: Col 6, page 4 / (1-Col 14)

Note 5: Col 7, page 4

Note 6: Col 8, page 4

Note 7: Col 9, page 4 / (1-Col 14)

Note 8: Percent customer shopping usage.

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2006 Proposed Rates, Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Line Number	Rate Schedule	Proposed Distribution Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	Transmission Present Rate Revenue	CTC Present Rate Revenue	ITC Present Rate Revenue	E&C Present Rate Revenue	Total Proposed Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution -0.097%	State Tax Adjustment Surcharge (STAS) Other -0.067%	Total Revenue	Total Revenue Change	Total Percent Change
		(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)					(Note 7)	(Note 8)	
1	RS	\$ 422,220,028	\$ 27,619,246	\$ 2,362,166	\$ 80,322,815	\$ 27,836,150	\$ 132,369,861	\$ 657,867,328	\$ 1,350,597,394	\$ (438,635)	\$ (601,925)	\$ 1,349,556,833	\$ 75,187,774	5.90%
2	RTS	\$ 4,348,350	\$ 267,000	\$ 23,000	\$ 2,186,863	\$ 418,291	\$ 2,778,007	\$ 15,858,195	\$ 25,677,706	\$ (4,497)	\$ (14,232)	\$ 25,659,077	\$ 891,344	3.57%
3	RTD	\$ 130,969	\$ 9,754	\$ 834	\$ 28,620	\$ 10,859	\$ 56,747	\$ 209,459	\$ 447,241	\$ (137)	\$ (205)	\$ 446,899	\$ 6,994	1.59%
4	GS-1	\$ 75,910,678	\$ -	\$ 471,000	\$ 11,565,542	\$ 6,496,419	\$ 24,417,970	\$ 117,865,667	\$ 236,727,275	\$ (74,090)	\$ (107,432)	\$ 236,545,753	\$ 825,023	0.35%
5	GS-3	\$ 115,877,093	\$ -	\$ -	\$ 51,644,452	\$ 18,515,025	\$ 94,194,243	\$ 463,916,522	\$ 744,149,338	\$ (112,401)	\$ (420,942)	\$ 743,615,995	\$ 520,167	0.07%
6	LP-4	\$ 31,126,661	\$ -	\$ -	\$ 35,020,827	\$ 17,100,970	\$ 48,949,468	\$ 270,082,415	\$ 402,280,341	\$ (30,193)	\$ (248,673)	\$ 402,001,475	\$ (262,127)	-0.09%
7	IS-P	\$ 1,701,656	\$ -	\$ -	\$ 1,962,154	\$ (139,916)	\$ 2,758,117	\$ 12,125,303	\$ 18,407,312	\$ (1,651)	\$ (11,193)	\$ 18,394,469	\$ (107,310)	-0.59%
8	LP-5	\$ 1,741,125	\$ -	\$ -	\$ 18,473,802	\$ 8,845,707	\$ 25,148,498	\$ 129,476,231	\$ 183,685,363	\$ (1,689)	\$ (121,903)	\$ 183,561,771	\$ (128,583)	-0.14%
9	IS-T	\$ 1,190,304	\$ -	\$ -	\$ 12,014,723	\$ 2,583,908	\$ 3,363,891	\$ 8,453,523	\$ 18,505,812	\$ (164)	\$ (17,540)	\$ 18,505,488	\$ (7,802)	-0.03%
10	LP-6	\$ 169,407	\$ -	\$ -	\$ 374,834	\$ 10,005	\$ 1,597,650	\$ 2,472,301	\$ 5,433,483	\$ (449)	\$ (3,330)	\$ 5,429,704	\$ (543)	-0.01%
11	LPEP	\$ 462,914	\$ -	\$ -	\$ 1,873,027	\$ 752,637	\$ 2,191,090	\$ 9,023,911	\$ 14,205,143	\$ (548)	\$ (9,139)	\$ 14,195,456	\$ (7)	0.00%
12	ISA	\$ 564,477	\$ -	\$ -	\$ 10,005	\$ 37,573	\$ 60,928	\$ 43,406	\$ 108,022	\$ (52)	\$ (52)	\$ 107,940	\$ 280	0.26%
13	IS-I	\$ 30,881	\$ -	\$ -	\$ 18,817	\$ 82,735	\$ 246,529	\$ 634,420	\$ (263)	\$ (244)	\$ 633,914	\$ 1,581	0.25%	
14	BL	\$ 270,767	\$ -	\$ -	\$ 7,345	\$ 274,299	\$ 961,185	\$ 5,687,665	\$ (4,171)	\$ (917)	\$ 5,682,577	\$ 826,551	17.09%	
15	SA	\$ 4,299,698	\$ -	\$ -	\$ 139,828	\$ (19,738)	\$ 87,140	\$ 204,052	\$ 1,160,637	\$ (856)	\$ (187)	\$ 1,159,599	\$ 170,103	17.19%
16	SM	\$ 882,136	\$ -	\$ -	\$ 27,048	\$ (83,604)	\$ 605,005	\$ 3,694,943	\$ 19,089,463	\$ (14,138)	\$ (3,024)	\$ 19,072,300	\$ 2,803,621	17.23%
17	SMS	\$ 14,575,708	\$ -	\$ -	\$ 208,831	\$ 5,627	\$ 112,817	\$ 181,973	\$ 2,450,886	\$ (1,884)	\$ (341)	\$ 2,448,662	\$ 373,772	18.01%
18	SE	\$ 1,941,838	\$ -	\$ -	\$ 521	\$ 1,907	\$ 5,115	\$ 14,593	\$ 48,136	\$ (13)	\$ (13)	\$ 48,095	\$ 5,489	12.88%
19	TS	\$ 28,219	\$ -	\$ -	\$ 1,652,558	\$ (350)	\$ 1,907	\$ 4,715	\$ 26,035	\$ (19)	\$ (5)	\$ 26,012	\$ 3,813	17.17%
20	SI-1	\$ 19,272	\$ -	\$ -	\$ 372,239	\$ (13,824)	\$ 1,323,554	\$ 2,844,461	\$ 5,959,026	\$ (1,390)	\$ (3,033)	\$ 5,954,804	\$ 94,350	1.61%
21	GH-1	\$ 6,124,685	\$ -	\$ -	\$ 27,983	\$ (3,145)	\$ 147,851	\$ 813,180	\$ 837,842	\$ (50)	\$ (527)	\$ 837,265	\$ 2,837	0.34%
22	GH-2	\$ 1,432,595	\$ -	\$ -	\$ (56,906)	\$ -	\$ -	\$ 8,506,065	\$ 8,670,440	\$ (409)	\$ (5,661)	\$ 8,664,370	\$ 8,664	0.00%
23	Standby(LPS-S)	\$ 51,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	PRS	\$ 421,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Rate Revenue	\$ 685,520,713	\$ 27,896,000	\$ 2,857,000	\$ 220,570,389	\$ 76,407,642	\$ 365,408,789	\$ 1,788,133,794	\$ 3,186,784,328	\$ (694,786)	\$ (1,641,849)	\$ 3,184,447,692	\$ 81,298,919	2.64%
26	Annualization Adjustment	\$ 828,653	\$ -	\$ -	\$ 1,090,185	\$ (126,647)	\$ 5,695,973	\$ 13,526,268	\$ 21,014,632	\$ (804)	\$ (13,624)	\$ 21,000,304	\$ 87,191	0.42%
27	Total PUC Tariff Revenue	\$ 686,349,366	\$ 27,896,000	\$ 2,857,000	\$ 221,660,574	\$ 76,280,995	\$ 371,104,762	\$ 1,801,680,062	\$ 3,187,808,959	\$ (695,590)	\$ (1,655,473)	\$ 3,185,457,996	\$ 81,483,110	2.63%
28	Other Electric Revenues													
29	Late Payment	\$ 10,358,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,358,890	\$ -	\$ -	\$ 10,358,890	\$ 291,885	2.49%
30	Misc. Revenue	\$ 369,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,431	\$ -	\$ -	\$ 369,431	\$ -	0.00%
31	Rent	\$ 30,731,294	\$ -	\$ -	\$ 1,310,014	\$ -	\$ -	\$ -	\$ 32,041,308	\$ -	\$ -	\$ 32,041,308	\$ -	0.00%
32	Other	\$ 3,731,433	\$ -	\$ -	\$ 130,837,956	\$ -	\$ -	\$ -	\$ 134,369,389	\$ -	\$ -	\$ 134,369,389	\$ -	0.00%
33	Total Other	\$ 45,190,648	\$ -	\$ -	\$ 131,147,969	\$ -	\$ -	\$ -	\$ 177,138,618	\$ -	\$ -	\$ 177,138,618	\$ 251,668	0.14%
34	Total Operating Revenue	\$ 731,540,014	\$ 27,896,000	\$ 2,857,000	\$ 352,808,543	\$ 76,280,995	\$ 371,104,762	\$ 1,801,680,062	\$ 3,364,947,577	\$ (695,590)	\$ (1,655,473)	\$ 3,342,596,514	\$ 81,734,778	2.49%

Note 1: USR As Proposed with GRT
 Note 2: EER As Proposed with GRT
 Note 3: Col 6, page 5
 Note 4: Col 7, page 4
 Note 5: Col 8, page 4
 Note 6: Col 9, page 5
 Note 7: Col 13 - Col 13, page 6
 Note 8: Col 14 / Col 13, page 6 (%)

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Operating Revenues for Unbilled Revenue
Year Ended December 31, 2006
(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	\$ (91)
2	Unbilled revenue- distribution	952
3	Net increase in transmission and distribution operating revenue	<u>\$ 861</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Wages and Benefits
Year Ended December 31, 2006
(Thousands of Dollars)

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

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	T & D-related personnel employed at the end of the year	\$ 2,109
2	Average monthly T & D-related wages to expense per employee	3,451
3	Annualized T & D-related total wages to expense(line 1 x line 2 x 12 months)	87,338
4	Less: Actual T & D-related wages to expense for the year ended December 31, 2006	<u>88,838</u>
5	Decrease in wages to expense (line 3 - line 4)	(1,500)
6	Decrease in benefits expense (line 5 x 33%)	(495)
7	Decrease in payroll taxes (line 5 x 8%)	(120)
8	Total decrease in T&D-related wages, taxes and benefits expenses (line 5 + line 6 + line 7)	<u>\$ (2,115)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Rate Case Expense
Year Ended December 31, 2006
(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>\$ 2,100</u>
2	Normalized amount (line 1 / 3 years)	\$ 700
3	Less: Distribution rate case expense per books	<u>0</u>
4	Net increase in distribution operating expense	<u>\$ 700</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Interest Expense on Customer Security Deposits
Year Ended December 31, 2006
(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 customer security deposits is computed at an interest rate calculated in accordance with 66 Pa. C.S. § 1404 (c) (6) and the Company's Tariff - Electric Pa. P.U.C. No. 201.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Customer security deposits	\$ 13,269
2	Interest rate	<u>6.000%</u>
3	Total increase in transmission and distribution expense (line 1 x line 2)	<u>\$ 796</u>

Adjustment for Social Programs
Year Ended December 31, 2006
(Thousands of Dollars)

This adjustment was made to increase distribution operating expense to reflect the proposed level of spending for social programs. The costs associated with the OnTrack and WRAP programs will be recovered through the Company's proposed Universal Service Rider. Energy efficiency programs will be recovered through the Energy Efficiency Rider. The remainder will be recovered through distribution service base rates.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	OnTrack	\$ 19,000 (1)
2	WRAP	7,250
3	Community and Economic Development Initiatives	1,250
4	Energy Efficiency Programs	2,688
5	Total amount of distribution expense	<hr/> 30,188
6	Less: Amount per books	24,580 (2)
7	Net increase in distribution operating expense	<hr/> <u>\$ 5,608</u>

(1) Includes OnTrack uncollectible expense of \$4,500.

(2) Includes OnTrack uncollectible expense of \$3,700.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Deferred Costs for 2005 Ice and Snow Storms
Year Ended December 31, 2006
(Thousands of Dollars)

On August 26, 2005, the PUC granted PPL Electric's petition to defer the costs incurred in January 2005 resulting from a series of ice and snow storms. As part of the order, the PUC required the amortization of these deferred costs to begin in 2005. In accordance with Generally Accepted Accounting Principles (GAAP), the Company established a regulatory asset of \$12.3 million for the portion of the costs that the Company believed would be recoverable from customers after its next anticipated base rate filing. The difference was charged to expense in 2005. This adjustment reflects the annual amortization that would have been charged in 2006 had the Company not taken the immediate write-off in 2005.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Total cost of ice and snow storms subject to 10-year amortization period	<u>\$ 16,111</u>
2	Increase in distribution operating expense (Line 1/ 10 years)	\$ 1,611
3	Less: Amount per books	0
4	Net increase in distribution operating expense	<u>\$ 1,611</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Storm Insurance
Year Ended December 31, 2006
(Thousands of Dollars)

This adjustment was made to annualize transmission and distribution operating expense for the cost of storm insurance.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Total insurance premium	\$ 7,560
2	Less: Amount per books	4,350
3	Net increase in transmission and distribution operating expense	<u>\$ 3,210</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annual Depreciation Expense
Year Ended December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Depreciation - Electric Plant In Service (1)</u>	<u>Amount</u>
1	Intangible Plant	\$ 3,736
2	Transmission Plant	17,215
3	Distribution Plant	85,327
4	General Plant	20,641
5	Less: Partial year effect of depreciation on assets purchased as part of lease buy out	7,340
6	Total	<u>119,579</u>
7	Less: Depreciation expense per books	118,078
8	Net increase in depreciation expense	<u><u>\$ 1,501</u></u>

(1) Includes negative net salvage of \$9,561

Adjustment to Taxes Other Than Income
Year Ended December 31, 2007
(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 3.89 mills (D-12, page 2)	\$ 2,912
2	Less: Capital stock tax on T&D operations per budget	<u>3,021</u>
3	Net decrease in expense	<u>\$ (109)</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)	\$ 50,177
5	Less: Gross receipts tax on T&D operations per budget	<u>50,425</u>
6	Net decrease in expense	<u>\$ (248)</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)	\$ 4,039
8	Less: Public utility realty tax on T&D operations per budget	<u>4,549</u>
9	Net decrease in expense	<u>\$ (510)</u>

Capital Stock Tax at Present Rates

Year Ended December 31, 2007*(Thousands of Dollars)*

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	PA Capital Stock Tax= $50\%((5 \text{ Year Average Net Income}/0.095)+(75\%(\text{Net Worth}))$	
	Net Income	
2	2003	\$ 28,470
3	2004	60,302
4	2005	92,437
5	2006	85,102
6	2007	<u>126,534</u>
7	Total	<u>\$ 392,845</u>
8	Average	<u>\$ 78,569</u>
9	Net worth at December 31, 2007	<u>\$ 1,236,625</u>
10	PA Capital stock value = $0.5((\$78,569/0.095) + (0.75 \times \$1,236,625)) =$	\$ 877,255
11	Statutory Exemption	<u>150</u>
12	Value of Capital Stock less Statutory Exemption	877,105
13	Apportionment Percentage	<u>0.895720</u>
14	PA Capital Stock Taxable Value	<u>\$ 785,640</u>
15	PA Capital Stock Tax at 3.89 mills	\$ 3,056
16	Less: PA Education tax credit	<u>(144)</u>
17	Pa Capital Stock Tax	<u>\$ 2,912</u>

Gross Receipts Tax (GRT) at Present Rates

Year Ended December 31, 2007*(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 1-8)	\$ 841,547	59	\$ 49,651
	Other Electric Revenue			
2	Late payment (D-3, page 1, line 10)	8,923	59	526
3	Other electric revenue (D-3, page 1, line 11-13)	182,289	-	
4	Total Other	<u>\$ 191,212</u>		
5	Total gross receipts tax on pro forma revenue at present rates			<u>\$ 50,177</u>

Public Utility Realty Tax (PURTA) at Present Rates

Year Ended December 31, 2007*(Thousands of Dollars)*

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	State Taxable Value (per Notice of Determination dated August 1, 2006)	\$ 145,049
2	Rate @ 27.8472 mills (per Notice of Determination dated August 1, 2006)	<u>0.0278472</u>
3	Tax Amount	<u>\$ 4,039</u>

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2006
(Thousands of Dollars)

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Line No.	Description	Total Amount Per Books	Less: CTC and POLR	T&D Operations Per Books	Pro forma Adjustments	T&D Pro forma at Present Rates
1	Operating Revenues	\$ 3,063,338	\$ (2,043,674)	\$ 1,019,664	\$ 5,425	\$ 1,025,089
	Operating Expenses					
2	Operation and maintenance	2,377,053	(1,803,581)	573,472	9,930	583,402
3	Depreciation and amortization	118,078	0	118,078	1,501	119,579
4	Regulatory Debits and Credits	11,724	(11,724)	0	0	0
5	Taxes Other than Income	195,630	(130,291)	65,339	(251)	65,088
6	Income Taxes - Federal	72,604	(18,531)	54,073	(3,031)	51,042
7	Income Taxes - State	14,165	(5,877)	8,288	7,157	15,445
8	Deferred Income Taxes	21,860	(8,574)	13,286	(1,221)	12,065
9	Investment Tax Credit - Amortization	(2,446)	0	(2,446)	0	(2,446)
10	Gains and Losses on Property Dispositions	(122)	122	0	0	0
11	Total Operating Expense	2,808,546	(1,978,456)	830,090	14,085	844,175
12	Operating Income	254,792	(65,218)	189,574	(8,660)	180,914
13	Less: Interest Expense	85,591	0	85,591	(13,526)	72,065
14	Net Operating Income	169,201	(65,218)	103,983	4,866	108,849
	Income Tax Adjustments					
15	Federal Income Tax	72,604	(18,531)	54,073	(3,031)	51,042
16	State Income Tax	14,165	(5,877)	8,288	7,157	15,445
17	Deferred Income Taxes	21,860	(8,574)	13,286	(1,221)	12,065
18	Pension and supplemental retirements	8,086	0	8,086	0	8,086
19	Health care cost PMC amortization	(35,594)	35,594	0	0	0
20	Contributions in aid of construction - Trans.	4,839	0	4,839	0	4,839
21	Contributions in aid of construction - Dist.	26,604	0	26,604	0	26,604
22	Environmental Clean-up	(426)	0	(426)	0	(426)
23	Clearing Accounts	459	0	459	0	459
24	Depreciation Charged to Clearing	590	0	590	0	590
25	Amortization leased equipment	10,768	0	10,768	0	10,768
26	Book Depreciation	118,078	0	118,078	1,501	119,579
27	Tax Depreciation	(154,091)	0	(154,091)	0	(154,091)
28	Investment tax credit amortization	(2,446)	0	(2,446)	0	(2,446)
29	Removal costs - Transmission	(1,531)	0	(1,531)	0	(1,531)
30	Removal costs - Distribution	(12,109)	0	(12,109)	0	(12,109)
31	Tax Gains/(Losses) on Plant Dispositions-Trans.	(290)	0	(290)	0	(290)
32	Tax Gains/(Losses) on Plant Dispositions-Dist.	(5,585)	0	(5,585)	0	(5,585)
33	Tax Gains/(Losses) on Plant Dispositions-Gen.	(5,024)	0	(5,024)	0	(5,024)
34	ESOP dividend paid in cash	(4,862)	0	(4,862)	0	(4,862)
35	Reacquired debt costs	3,393	0	3,393	0	3,393
36	Post - retirement/employment benefits	602	0	602	0	602
37	Business Meals Not Deductible	440	0	440	0	440
38	Adjust Gross receipts Tax- Cash basis	243	0	243	0	243
39	Adjust Other Taxes	(2,061)	2,061	0	0	0
40	Vacation Pay	340	0	340	0	340
41	Competitive Transition Charge	(1,723)	1,723	0	0	0
42	Bad debts & Property damage	(1,035)	0	(1,035)	0	(1,035)
43	Consumer Education	(2,707)	0	(2,707)	0	(2,707)
44	Hurricane Isabel Deferral	10,121	0	10,121	(10,121)	0
45	Deferred Compensation - Officers	(19)	0	(19)	0	(19)
46	Litigation Contingencies	(35,384)	0	(35,384)	35,384	0
47	Rate Case Expenses	935	0	935	0	935
48	Over/Undercollection of TSC	16,321	0	16,321	(16,321)	0
49	Interest on Over/Undercollection of TSC	343	0	343	(343)	0
50	Ice Storm Deferral	0	0	0	1,611	1,611
51	Other 263A & Repair Allowance - Trans.	342	0	342	0	342
52	Other 263A & Repair Allowance - General	129	0	129	0	129
53	Other 263A & Repair Allowance - Dist.	(13,761)	0	(13,761)	0	(13,761)
54	Rate Refund	2,249	0	2,249	0	2,249
55	Income Tax Adjustments	34,863	6,396	41,259	14,616	55,875
56	Taxable Net Income Before Special Deductions	\$ 204,064	\$ (58,822)	\$ 145,242	\$ 19,482	\$ 164,724

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2006
(Thousands of Dollars)

Line No.	Description	Total Amount Per Books	Less: CTC and POLR	T&D Operations Per Books	Pro forma Adjustments	T&D Pro forma at Present Rates
<u>PA Corporate Net Income Tax Calculation</u>						
1	Taxable Net Income Before Special Deductions	\$ 204,064	\$ (58,822)	\$ 145,242	\$ 19,482	\$ 164,724
PA Special Deductions						
2	Tax Preference Income	(112)	0	(112)	0	(112)
3	Dividends Paid Credit	(370)	0	(370)	0	(370)
4	Bonus Depreciation Adjustment	(7,616)	0	(7,616)	0	(7,616)
5	State Intercompany Tax Gain	14,769	0	14,769	(14,769)	0
6	State NOL Carryforward	(2,000)	0	(2,000)	0	(2,000)
7	PA Taxable Income	<u>208,735</u>	<u>(58,822)</u>	<u>149,913</u>	<u>4,713</u>	<u>154,626</u>
8	PA Tax @ 9.99%	20,853	(5,877)	14,976	471	15,447
9	PA Tax Credits	(2)	0	(2)	0	(2)
10	Accrual for Potential Deficiency	(8,674)	0	(8,674)	8,674	0
11	Prior Period Tax Return Adjustments	1,988	0	1,988	(1,988)	0
12	Total PA Income Tax	<u>\$ 14,165</u>	<u>\$ (5,877)</u>	<u>\$ 8,288</u>	<u>\$ 7,157</u>	<u>\$ 15,445</u>
<u>Federal Income Tax Calculation</u>						
13	Taxable Net Income Before Special Deductions	\$ 204,064	\$ (58,822)	\$ 145,242	\$ 19,482	\$ 164,724
Federal Special Deductions						
14	PA Income Tax Less Tax Credits	(20,851)	5,877	(14,974)	(471)	(15,445)
15	Dividends Paid Credit	(370)	0	(370)	0	(370)
16	State Income Tax Adjustment for Prior Year	(87)	0	(87)	87	0
17	Federal Taxable Income	<u>182,756</u>	<u>(52,945)</u>	<u>129,811</u>	<u>19,098</u>	<u>148,909</u>
18	Federal Tax @ 35%	63,964	(18,531)	45,433	6,684	52,117
19	Federal Tax Credits	(145)	0	(145)	0	(145)
20	Accrual for Potential Deficiency	2,473	0	2,473	(2,473)	0
21	Prior Period Tax Return Adjustments	6,312	0	6,312	(6,312)	0
22	Consolidated Income Tax Adjustment (D-13, page 4)	0	0	0	(930)	(930)
23	Total Federal Income Tax	<u>\$ 72,604</u>	<u>\$ (18,531)</u>	<u>\$ 54,073</u>	<u>\$ (3,031)</u>	<u>\$ 51,042</u>

PPL ELECTRIC UTILITIES CORPORATION
Adjustment to Interest Deduction for Income Tax Purposes
Year Ended December 31, 2006
(Thousands of Dollars)

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This adjustment provides for the annualized interest on claimed measures of value at December 31, 2006.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Measures of value at December 31, 2006 (C-1)	\$ 2,539,786
2	Long-term debt ratio (B-9)	46.90%
3	Embedded cost of long-term debt (B-9)	6.05%
4	Annualized interest (line 1 x line 2 x line 3)	72,065
5	Less: Interest expense on T&D operations (D-13, page 1)	<u>85,591</u>
6	Net decrease in interest deduction (line 4 - line 5)	<u><u>\$ (13,526)</u></u>

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2006
(Thousands of Dollars)

Line No.	2004 (1)	2005 (2)	2006 (3)	Three Year Average (4)=((1)+(2)+(3))/3
Non-Regulated Company				
Taxable Losses				
1	\$ 0	\$ (4)	\$ 0	\$ (1)
2	(74)	0	0	(25)
3	0	(848)	0	(283)
4	(359)	0	0	(120)
5	(4)	0	(4)	(3)
6	(2,367)	(2,524)	0	(1,630)
7	0	0	(19,971)	(6,657)
8	(53,366)	(140,230)	0	(64,532)
9	0	0	(856)	(285)
10	<u>\$ (56,170)</u>	<u>\$ (143,606)</u>	<u>\$ (20,831)</u>	<u>\$ (73,536) (a)</u>
11	\$ 748,060	\$ 976,810	\$ 1,149,850	958,240 (b)
Taxable Income - PA Utilities				
12	\$ 0	\$ 95,321	\$ 63,260	\$ 52,860
13	<u>\$ 0</u>	<u>\$ 95,321</u>	<u>\$ 63,260</u>	<u>\$ 52,860 (c)</u>
14	0.0000%	9.7584%	5.5016%	5.0867% (d)
15	Adjustment for Consolidated Tax Savings Applicable to PA Utilities (e)=(a)*(d)			\$ (3,741) (e)
16	Adjustment to Federal Income Taxes (e) * 35%			\$ (1,309) (f)
17	% T&D Taxable Income to Total Taxable Income (D-13, page 2, Line 17)			71.0297% (g)
18	T&D pro forma adjustment to Federal Income Taxes (f)*(g)			<u>\$ (930) (h)</u>
Note 1:				
19	\$ (368,923)	\$ (339,923)	\$ 6,733	\$ (234,038)
Adjustment for Non-recurring items:				
20	\$ 57,171	\$ 80,718	\$ 60,985	\$ 66,291
21	164,551	7,874	0	57,475
22	41,366	8,862	17,959	22,729
23	52,469	102,239	13,980	56,229
24	<u>\$ 315,557</u>	<u>\$ 199,693</u>	<u>\$ 92,924</u>	<u>\$ 202,724</u>
25	<u>\$ (53,366)</u>	<u>\$ (140,230)</u>	<u>\$ 99,657</u>	<u>\$ (31,314)</u>
Note 2:				
26	\$ (87,505)	\$ 94,984	\$ 63,693	\$ 23,724
Adjustment for Non-regulated LLC's disregarded for income tax purposes:				
27	\$ 0	\$ 0	\$ (34)	\$ (11)
28	(158)	(11)	(399)	(189)
Adjustment for Non-recurring items:				
29	\$ 68,969	\$ 348	\$ 0	\$ 23,106
30	<u>\$ 68,811</u>	<u>\$ 337</u>	<u>\$ (433)</u>	<u>\$ 22,906</u>
31	<u>\$ (18,694)</u>	<u>\$ 95,321</u>	<u>\$ 63,260</u>	<u>\$ 46,630</u>

PPL ELECTRIC UTILITIES CORPORATION
Operating Revenue and Applicable Tax
Related to Proposed Rate Increase
Year Ended December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Additional operating revenue from proposed rate increase	\$ 62,898
	Less:	
2	Provision for uncollectible accounts expense (Note 1) (line 1 x 0.8%)	503
3	PA gross receipts tax (line 1 x 59 mills)	3,711
4	PA Capital stock tax (D-13, page 6, line 19)	<u>214</u>
5	Taxable income for PA Corporate net income tax	58,470
6	PA corporate net income tax (line 5 x 9.99%)	<u>5,841</u>
7	Taxable income for Federal income tax	52,629
8	Federal income tax (line 7 x 35%)	<u>18,420</u>
9	Operating income	<u><u>\$ 34,209</u></u>

Note 1: Excludes the provision for uncollectible accounts expense associated with the OnTrack program.

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax at Proposed Rates
Year Ended December 31, 2006
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	PA Capital Stock Tax=50%((5 Year Average Net Income/0.095)+(75%(Net Worth))	
	Net Income	
2	2002	\$ 49,804
3	2003	28,470
4	2004	60,302
5	2005	92,437
6	2006 (Note 1)	<u>119,311</u>
7	Total	<u>\$ 350,324</u>
8	Average	<u>\$ 70,065</u>
9	Net worth at December 31, 2006 (Note 2)	<u>\$ 1,430,505</u>
10	PA Capital stock value = $0.5((\$70,065/0.095) + (0.75 \times \$1,430,505)) =$	\$ 905,203
11	Statutory Exemption	<u>150</u>
12	Value of Capital Stock less Statutory Exemption	905,053
13	Apportionment Percentage	<u>0.895720</u>
14	PA Capital Stock Taxable Value	<u>\$810,674</u>
15	PA Capital Stock Tax at 4.89 mills	\$ 3,964
16	Less: PA Education tax credit	<u>(144)</u>
17	Pa Capital Stock Tax at Proposed Rates	\$ 3,820
18	Less: PA Capital Stock Tax at Present Rates (D-12, page 1, line 1)	<u>3,606</u>
19	Additional PA Capital Stock Tax due to Proposed Rate Increase	<u>\$ 214</u>
	Note 1:	
20	Net Income at Present Rates (D-12, page 2, line 6)	\$ 85,102
21	Net Income from Proposed Rate Increase (D-13, page 5, line 9)	<u>34,209</u>
22	Total 2006 Net Income	<u>\$ 119,311</u>
	Note 2:	
23	Net Worth at Present Rates (D-12, page 2, line 9)	\$ 1,396,296
24	Net Worth from Proposed Rate Increase (D-13, page 5, line 9)	<u>34,209</u>
25	Total 2006 Net Worth	<u>\$ 1,430,505</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Deferred Income Taxes
As of December 31, 2006
(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	\$ 3,625	\$ 0	\$ 3,625	\$ 622	\$ 4,247
Distribution Property	16,791		16,791	(2,584)	14,207
General Property	1,603	(1,475)	128	(615)	(487)
Prior Year Tax Return Adjustments		(10,084)	(10,084)	10,084	0
Removal Costs:					
Transmission Property		(1)	(1)		(1)
Other 263A & Repair Allowance:					
Transmission Property		(142)	(142)	(202)	(344)
Distribution Property	5,929	(3,347)	2,582	(144)	2,438
General Property		(1,343)	(1,343)	(63)	(1,406)
Prior Year Tax Return Adjustments	14,682		14,682	(14,682)	0
Contributions in Aid Of Construction:					
Transmission Property	388	(2,007)	(1,619)	(60)	(1,679)
Distribution Property	6,144	(11,038)	(4,894)	(16)	(4,910)
Prior Year Tax Return Adjustments	390	(1,021)	(631)	631	0
Total					
Transmission Property	4,013	(2,150)	1,863	360	2,223
Distribution Property	28,864	(14,385)	14,479	(2,744)	11,735
General Property	1,603	(2,818)	(1,215)	(678)	(1,893)
Prior Year Tax Return Adjustments	15,072	(11,105)	3,967	(3,967)	0
Total	<u>\$ 49,552</u>	<u>\$ (30,458)</u>	<u>\$ 19,094</u>	<u>\$ (7,029)</u>	<u>12,065</u>
Less: Deferred income taxes on T&D operations per books					<u>13,286</u>
Net decrease in deferred income taxes					<u>\$ (1,221)</u>

PPL ELECTRIC UTILITIES CORPORATION

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Adjustment to Provision For Deferred Income Taxes
As of December 31, 2006
(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	\$ 24,016
2	Book Depreciation allocated to ACRS and MACRS property	11,582
3	Excess ACRS and MACRS tax depreciation	12,434
	Distribution Property	
4	Tax depreciation computed under ACRS and MACRS	106,332
5	Book Depreciation allocated to ACRS and MACRS property	64,879
6	Excess ACRS and MACRS tax depreciation	41,453
	General Property	
7	Tax depreciation computed under ACRS and MACRS	21,496
8	Book Depreciation allocated to ACRS and MACRS property	22,232
9	Excess ACRS and MACRS tax depreciation	(736)
10	Net excess ACRS and MACRS/(straight-line) tax depreciation	\$ 53,151
11	Tax Rate Provisions - 35% Reversals - Average Rate Assumption Method	
12	Net annual deferred tax debit / (credit)	\$ 17,967
	Less: Net provision on T&D operations per books	
13	Provision for deferred taxes - debit	22,019
14	Provision for deferred taxes - credit	(11,559)
15		10,460
16	Net increase in deferred income tax provision	\$ 7,507

PPL ELECTRIC UTILITIES CORPORATION

**Adjustment to Amortization of
Deferred Investment Tax Credit
Year Ended December 31, 2006**
(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	1974	\$ 14	\$ 0	\$ 14
2	1975	37	24	61
3	1976	19	90	109
4	1977	0	33	33
5	1978	0	26	26
6	1979	0	33	33
7	1980	0	118	118
8	1981	0	211	211
9	1982	0	61	61
10	1983	0	2	2
11	1984	0	24	24
12	1985	0	17	17
13	1986	0	13	13
14	1987	0	9	9
15	1988	0	1	1
16	1989	0	0	0
17	1990	0	0	0
Total Transmission Property				<u>732</u>
Distribution Property:				
18	1974	40	0	40
19	1975	87	57	144
20	1976	39	180	219
21	1977	0	118	118
22	1978	0	114	114
23	1979	0	163	163
24	1980	0	160	160
25	1981	0	161	161
26	1982	0	147	147
27	1983	0	79	79
28	1984	0	84	84
29	1985	0	117	117
30	1986	0	120	120
31	1987	0	28	28
32	1988	0	12	12
33	1989	0	3	3
34	1990	0	5	5
Total Distribution Property				<u>1,714</u>
35	Total Amount of Amortization			2,446
36	Less: Amortization on T&D operations per books			2,446
37	Decrease in Amortization			<u>\$ 0</u>

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PPL ELECTRIC UTILITIES CORPORATION

Exhibit Future 1

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

Witness: Various

Docket No. R-00072155

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PPL ELECTRIC UTILITIES CORPORATION

**Exhibit Future 1
Docket No. R-00072155
Summary of Measures of Value and Rates of Return
Year Ended December 31, 2007**

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

- A - Statement of Reasons
- B - Financial Statements, Cost of Capital and Capital Structure
- C - Measures of Value
- D - Operating Income and Adjustments

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PPL ELECTRIC UTILITIES CORPORATION

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PPL ELECTRIC UTILITIES CORPORATION

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PPL ELECTRIC UTILITIES CORPORATION

**A – Reasons for Proposed Increase
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A-1 Statement of Reasons

PPL ELECTRIC UTILITIES CORPORATION

**Statement of Reasons
for the Proposed Increase
Docket No. R-00072155**

**PPL Electric Utilities Corporation
Statement of Reasons
for the Proposed Increase
Docket No. R-00072155**

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1. Introduction

In this filing, PPL Electric Utilities Corporation ("PPL Electric" or the "Company") requests that the Public Utility Commission ("PUC" or the "Commission") approve an overall annual net increase in distribution revenues of approximately \$83.6 million, based on a future test year ending December 31, 2007.

The increase was allocated to customer classes based on the results of a class cost-of-service study. Specifically, the increase was allocated such that the rate of return for each rate schedule moved half-way from that rate schedule's return at present rates to the system average rate of return. This allocation was subject to the further constraint that, on a percentage basis, no rate schedule received a distribution rate increase greater than twice the system average distribution increase.

This request affects only the Company's distribution rates, not its generation or transmission rates. The timing of the request reflects PPL Electric's intent to seek smaller rate adjustments every few years as higher costs warrant, rather than waiting for an extended period and seeking a much larger increase. This approach aligns with customer preferences and provides them with more current cost-of-service information.

As described below, this filing includes a number of programs to assist the Company's customers and the communities that it serves. Three of those programs are: (1) energy efficiency and demand side management, (2) universal

service and (3) a sustainable development program. The filing also reflects the results of the Company's management effectiveness, which has allowed the Company to control costs while, at the same time, provide customers with high quality service and expanded service options.

2. Energy Efficiency and Demand Side Management

As the Customer Choice transition periods end and Pennsylvania moves to fully competitive retail electricity markets, customers will have more opportunities to make choices about their electricity supply. As a result, they will need more information on energy issues.

The goal of PPL Electric's energy efficiency and demand side management programs is to provide customers with additional information about their electricity use and opportunities to control that use. Importantly, these programs also will encourage development of a competitive retail electricity market in Pennsylvania.

The Company undertook an important first step in this area with the installation of Automated Meter Reading ("AMR") meters for all of its 1.4 million customers. In this filing, PPL Electric proposes the following new initiatives:

- A Meter Data Management System ("MDMS"), which will enhance the functionality of the Company's AMR system;
- Five new energy efficiency and energy conservation programs;
- Additional consumer education regarding the wise use of energy.

Each of these proposals is discussed below.

A. Meter Data Management System

The Company's AMR system provides a critical platform for obtaining detailed information regarding customers' use of electricity. The current AMR system, however, stores only limited amounts of data and does not include any mechanism to provide that information to customers. To expand and enhance the capabilities of its AMR system, the Company is installing a MDMS that includes: (1) a customer interface that will enable customers to analyze their electricity usage and bills, (2) a data repository that can store up to two years of hourly reads from all customers, (3) a billing system that can bill customers using hourly data, and (4) an energy settlement system that will permit suppliers to serve customers' actual hourly usage, rather than usage determined by a load profile. PPL Electric anticipates that the MDMS will help customers understand and manage their consumption of electricity in a competitive market environment. Moreover, providing data from the MDMS to customers and potential suppliers should facilitate development of competitive retail electricity markets in Pennsylvania.

B. Energy Efficiency and Conservation Programs

In this filing, the Company is introducing five new energy efficiency and energy conservation programs. The first is a Demand-Side Management Education Program. It is a multi-faceted consumer-based energy education program targeting residential and small business customers. The objectives of the program are to: (1) create awareness among customers of factors that influence their electricity

consumption, and (2) provide customers with individualized information on energy efficiency and conservation measures available to reduce their energy consumption.

The second is an Energy Efficient Equipment Rebate Program. It is a two-phase rebate program designed to lower residential and small business customer costs for specific energy efficient products. Phase 1 involves compact fluorescent lights, and Phase 2 involves programmable thermostats. The objective of the program is to promote increased use of these products in the Company's service territory.

The third is an Energy Alerts Program. Leveraging the Company's AMR and MDMS, this program will provide customers with tools for energy use analysis. Among other capabilities, the program will provide eligible customers with the option to receive proactive energy alerts customized to their individual energy usage characteristics. The objective of the program is to help participating customers reduce their energy costs by encouraging energy-conscious behaviors and decisions.

The fourth is a Time-of-Use Pricing Program. It is a demand-side response ("DSR") program that will provide information and a market-based pricing structure to participating residential and small business customers, encouraging them to reduce electric demand in response to price signals. The objectives of this program are to: (1) increase customers' awareness of market price volatility and opportunities to participate in competitive markets that utilize demand response mechanisms, (2) gather information about customers' demand response behaviors, and (3) identify technology and business process issues associated with DSR programs.

The fifth and final program is a Time-of-Use Pricing Program for customers currently served on Rate Schedule RTS (Residential Thermal Storage). It is a DSR program that will provide information and a market-based pricing structure to these customers to encourage them to shift system charging away from the hours when prices in the PJM market are at their highest. The target audience is customers currently served on Rate Schedule RTS. The objective of this program is to enable these customers to manage energy costs by responding to market price signals.

C. Consumer Education

The Company has included in its 2007 operating budget, and in the future test year in this proceeding, \$4.4 million to provide consumers with information on the wise use of electricity, including the web-based interface being installed as part of the MDMS described above. That interface will permit customers to analyze and better understand their electricity usage and bills. The Company believes that its proposal constitutes an appropriate level of spending to address consumer education issues in coordination with the statewide effort recently proposed by the Commission in a Tentative Order, entered on February 13, 2007, at Docket No. M-00061957. The Company proposes to reflect that amount in rates with a commitment to develop consumer education plans for Commission review in accordance with the final order to be issued at Docket No. M-00061957.

3. Universal Service Programs

PPL Electric currently administers a family of universal service programs to assist customers who, for a variety of reasons, are not able to pay their electric utility bills. The Company's current programs include the following: OnTrack, WRAP, Operation HELP and CARES. In general terms, OnTrack offers reduced payment plans and arrearage forgiveness; WRAP provides free weatherization measures and energy conservation education; Operation HELP pays for any type of home heating bill; and CARES is an evaluation and referral service for customers with temporary hardships. PPL Electric also aggressively promotes the availability of LIHEAP, which provides energy assistance grants to low-income households, i.e., at or below 150 percent of the federal poverty level.

In this filing, the Company requests permission to increase funding for these programs by approximately \$7 million, or almost 36 percent. Specifically, PPL Electric proposes to increase annual funding for OnTrack and WRAP by \$5,800,000 and \$1,000,000, respectively, from the levels approved by the Commission in the Company's previous distribution rate case at Docket No. R-00049255. The Company will increase its annual corporate contribution to Operation HELP by over 40 percent – to \$1,000,000 of the total \$1,425,000 shown on the chart below for 2008. The remaining funds are provided by donations from customers, employees and retirees, which may increase as the result of PPL Electric's annual solicitation efforts. Finally, PPL Electric proposes to slightly increase funding for CARES to reflect changes in wages for PPL Electric personnel who work on the program. The

following table shows funding for the universal service programs in 2005 and proposed funding in 2008.

<u>Program</u>	<u>2005</u>	<u>2008</u>	<u>% Increase</u>
OnTrack	\$13,200,000	\$19,000,000	43.9%
WRAP	6,250,000	7,250,000	16.0%
Operation HELP	912,000	1,425,000	57.3%
CARES	<u>80,000</u>	<u>82,000</u>	<u>2.5%</u>
Total	\$20,442,000	\$27,757,000	35.8%

The Company's proposals were specifically developed to make these programs more responsive to the needs of its customers. The proposed increase in the annual funding for OnTrack to \$19 million will allow the Company to maintain enrollment between 22,000 to 24,000 customers in that program. PPL Electric believes that this level of enrollment will provide CAP benefits (reduced payment plans and arrearage forgiveness) to those customers most in need – low-income customers who are unable to make all of their utility payments. The proposed increase in annual funding for WRAP to \$7.25 million will allow PPL Electric to assist an average of 3,100 customers annually. From 2000 through 2006, approximately 2,600 customers annually received WRAP benefits. The proposed increase in funding would allow PPL Electric to serve an estimated 500 more customers annually – an increase of 19 percent.

4. Sustainable Development Program

The goal of PPL Electric's sustainable development program is to promote community and economic development in its service territory. Currently, the

Company supports a variety of efforts ranging from databases for professional development to underwriting interest payments. PPL Electric maintains a searchable database of available properties on a web site, which it promotes nationally. The Company also provides funding for studies to identify new industrial sites and studies to determine the suitability and development cost of a specific industrial site, including the reuse of "Brownfield" sites. PPL Electric also helps to underwrite interest charges on funds borrowed by eligible economic development organizations to construct or acquire speculative industrial buildings.

In this filing, PPL Electric proposes to implement a new program called the Sustainable Development Program ("SDP"). The purpose of the SDP is to assist community development organizations by: (1) providing grant funds to encourage the construction of "green" buildings, (2) enhancing orderly development through promotion of various downtown improvements, and (3) leveraging state funding for regional marketing initiatives that will also improve regional cooperation. PPL Electric proposes funding the SDP at \$1.25 million annually for a period of three years (2008 through 2010). The funding would be allocated to each of the three program elements associated with the SDP as follows:

<u>Program Element</u>	<u>Proposed Annual Funding</u>
LEED Certification	\$ 150,000
Downtown Development	1,000,000
DCED Regional Marketing	<u>100,000</u>
Total	\$ 1,250,000

PPL Electric proposes to revisit the SDP in mid-2010 to determine if the program should continue beyond the initial three-year commitment.

5. PPL Electric's Management Effectiveness

PPL Electric's management is effectively controlling costs while, at the same time, providing customers with high quality service and expanded service options. The Company owns a substantial number of facilities required to deliver electricity to its customers, and the costs associated with these facilities continues to increase. Specifically, PPL Electric owns approximately 896,000 distribution poles, more than 44,000 circuit miles of distribution lines and 321 distribution substations/switching stations. Since the Company filed its last distribution rate increase request in March 2004, the cost of transformers has increased by about 80 percent. The cost of wire used for power lines has increased by about 25 percent. Moreover, the Company must repair and replace those facilities as needed. PPL Electric has invested more than \$450 million to maintain, improve or expand its distribution system over the past three years. The Company expects to invest an additional \$1.1 billion to maintain, improve or expand the system over the next five years.

PPL Electric's operating expenses are also substantial and continue to increase. In an average year, PPL Electric connects or transfers service for over 35,000 customers, at an average cost of approximately \$2,124 for each service request. In an average year, the Company also answers two million telephone calls, repairs or replaces approximately 12,000 street lights and trims trees along more

than 5,300 miles of distribution lines. Finally, PPL Electric processes approximately 18.5 million bills annually. The cost of labor, poles, wires, tools, vehicles and equipment has increased since the Company's current rates became effective on January 1, 2005. Costs for employee health care, bucket trucks, fuel and other materials have experienced double-digit percentage increases since 2004. The Company expects these cost increases to continue for the foreseeable future.

To address the earnings implications of those increasing capital and expense needs, PPL Electric has pursued an aggressive program of cost-effective operations. First, the Company has reduced its staffing levels while maintaining high quality service. Since 1999, PPL Electric has reduced its back office, support and management workforce by 1,600 positions, or 42 percent through a variety of effectiveness and efficiency improvements. The elimination of these positions, however, did not reduce the Company's field workforce. Since 2004, the Company has hired over 250 employees to replace linemen, ground-hands, electricians and engineers who retired. 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 utilizes new technology to improve productivity and manage its costs. The Company has completed implementation of the Work Management System ("WMS") 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. The AMR system discussed above has helped PPL Electric reduce costs associated with manual meter reading processes, aid in the

outage restoration process and provide more detailed information to customers, which will be important as Pennsylvania's competitive electric market develops. The Company is installing a MDMS to leverage AMR data beyond monthly billing into areas such as Customer Service to provide all customers with tools to analyze their usage, find ways to save energy and participate in energy efficiency programs. Additionally, the MDMS will aid distribution planning and maintenance, enhance revenue protection efforts through identification of potential equipment failures and theft, increase the number and value of competitive options available to PPL Electric customers and improve load forecasting through the use of actual interval data.

The Company is upgrading computer software to improve the analytical capabilities and cost effectiveness of its substation and transmission maintenance management system. The ability to capture and analyze data for specific pieces of equipment will support a transition from traditional time-based maintenance cycles to more effective predictive maintenance cycles. The maintenance plan for equipment will be customized on the basis of diagnostic test results, equipment-specific loading or fault-clearing history and experience with other similar units. The upgraded software also will provide improved performance tracking to assist in major financial decisions such as the repair or replacement of critical devices.

The Mobile Operations Management project will install mobile dispatch terminals ("MDTs") in all construction vehicles. This system will use one application to dispatch all work to the Company's crews, including service, maintenance, capital improvement, revenue and emergency work. This project will be implemented in phases over the next 30 months, starting with the process of managing emergency

electric restoration work. The MDTs will be equipped with Global Positioning Satellite ("GPS") units to identify the location of each crew and enable the dispatcher to send the closest crew to respond to a customer outage.

In January of 2007, PPL Electric began a pilot program in the Harrisburg service area of its new Outage Management System, which will improve the Company's response to power outages. The new system has graphical displays that pinpoint trouble spots. It also helps to analyze the situation, prioritize jobs and manage crews. The pilot program will run approximately three months, and the Company expects to roll out the system to all of its Pennsylvania service areas in April. This new Outage Management System will replace a customer interruption analysis system that the Company has used since the 1970s.

The Company also is implementing programs to automate its distribution system. These programs use state-of-the-art technology to isolate problem areas and restore service quickly. In addition to having a positive effect on reliability, these programs reduce travel time and personnel involvement, thereby reducing the Company's cost of operations. Finally, the Company's self-service capability enables customers to transact business with PPL Electric during and after normal business hours, using the Web and the Interactive Voice Response ("IVR") telephone system. In addition to being more cost-effective and available after normal business hours, this capability also increases customer satisfaction for those customers who prefer not to deal directly with a Customer Service Representative. In 2003, 14 percent of all customer contacts were completed through these self-service applications; today 31 percent are completed in this manner.

Third, PPL Electric also reviews and, where appropriate, modifies business processes to manage costs. The Company has 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.

The Company's primary means of measuring the effectiveness of its reliability initiatives is the System Average Interruption Duration Index ("SAIDI"), which is the number of minutes an average customer is without electric service over the course of a year. PPL Electric aspires to be in the first quartile in SAIDI performance when compared with other comparative Edison Electric Institute ("EEI") companies. In order to reach this goal, the Company has established cost-effective strategies.

For example, about 20 percent of the Company's distribution circuits account for approximately 80 percent of SAIDI minutes. PPL Electric's engineers regularly review this minority population of circuits and recommend both capital and expense investment programs.

The Company also prioritizes its spending on the basis of dollar spent per SAIDI minute-reduction. In this way, investments are effectively directed to those circuits that contribute most to poor reliability.

Finally, the Company uses a 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.

These efforts to control costs through effective management, use of improved business processes and application of new technology have been highly successful. First, PPL Electric's residential electric rates are less than the average in both Pennsylvania and the Northeast and are expected to remain that way, even if the Commission grants this requested increase in full.

Second, PPL Electric has been able to manage its costs 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. Over the past nine years, PPL Electric has won numerous industry awards for quality of service and customer satisfaction.

This year, for the sixth time in eight years, PPL Electric has ranked highest among electric utilities in the eastern United States in J.D. Power and Associates' annual study of business customer satisfaction. The Company also won this award in 2000, 2001, and 2003-2005. In its 2007 study of business customer satisfaction, J.D. Power and Associates interviewed nearly 13,000 businesses served by the 58 largest electric utilities in the nation, based on the number of businesses served. In the study, PPL Electric ranked first in the East among 15 utilities and fourth in the country. The award is the Company's thirteenth overall – more than any other utility in the country – since J.D. Power and Associates began studying utility customer satisfaction. In addition to its six business customer satisfaction awards, PPL Electric has earned the top honor for residential customer satisfaction in the

East seven out of eight years. The Company won the residential award in 1999 and 2001-2006.

6. PPL Electric's Financial Condition

Although PPL Electric has been highly effective in the management of its business and its costs, 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-00049255, PPL Electric was authorized to earn a return on equity of 10.70 percent. In calendar year 2006, the Company actually earned a return on equity of 7.32 percent, and expects its return on equity to be even lower in 2007. Such returns are inadequate by any standard and constitute one of the principal reasons that PPL Electric now is requesting an increase in its retail distribution rates.

7. PPL Electric's Filing

In this filing, PPL Electric is requesting an overall annual net distribution revenue increase of approximately \$83.6 million, based on a future test year ending December 31, 2007, and a proposed rate of return on equity of 11.50 percent. If granted by the Commission, this request will produce an average increase in distribution rates of approximately 13 percent which equates to an average increase in total rates (distribution, transmission, generation and transition charges) of approximately 2.7 percent. PPL Electric is proposing that the new distribution rates become effective for service rendered on and after June 1, 2007.

PPL Electric's filing includes a number of innovative proposals. As discussed above, the Company is proposing the following energy efficiency and demand side management initiatives:

- A MDMS which will enhance the functionality of the Company's AMR system;
- Five new energy efficiency and energy conservation programs;
- Consumer education regarding the wise use of energy.

These proposals will provide customers with the tools to manage their energy use, and can facilitate their participation in the competitive electricity retail market.

PPL Electric also is proposing to increase funding for a number of customer assistance and sustainable community programs. Specifically, the Company is proposing almost a 36 percent increase in funding for programs designed to assist low-income customers. Annual funding for OnTrack, the Company's customer assistance program, is increased by \$5.8 million and annual funding for its WRAP program is increased by \$1.0 million. In addition, the Company is proposing a Sustainable Development Program to promote community and economic development in its service territory, with initial funding of \$1.25 million annually.

In this filing, PPL Electric is proposing the creation and implementation of two automatic adjustment surcharges which would be reconciled on an annual basis. The first charge would recover all costs associated with the Company's universal service programs. Consistent with past Commission practice and policy, it would apply only to residential customers. The second charge would recover the

costs associated with the Company's proposed energy efficiency and demand side management programs. Because these programs will be offered only to residential and small commercial and industrial customers, this charge would apply only to those customers.

The Company is proposing to move its distribution rate design further toward a flat monthly fee for electric delivery services, rather than continue to charge rates based on consumption. PPL Electric's rates for service to general residential and small commercial customers, Rate Schedules RS and GS-1, currently include three usage steps with declining prices per kWh as usage increases. These rate designs do not accurately reflect how the Company incurs costs to provide service to its retail customers. Because it is a distribution company, most of PPL Electric's costs are fixed and do not vary with customers' consumption.

The Company believes that its rates should be modified over time to reflect this pattern. In this filing, the Company is proposing to increase the Rate Schedule RS customer charge to \$10, with a corresponding reduction to 1.742 cents per kWh in the rate for usage in the last of three commodity blocks. The Company also is proposing similar rate design changes to Rate Schedule GS-1. Consistent with the principles of gradualism and to minimize customer rate dislocations, the Company is proposing only partial adjustments in this case and intends to continue these adjustments in future cases.

The Company also is proposing to eliminate or significantly modify the time-of-use features reflected in the distribution rate component of a number of residential rate schedules. These time-of-use features made sense for a vertically

integrated utility, but are not appropriate for a distribution-only company like PPL Electric. Moreover, these features do not reflect the weekday on-peak period of 7:00 AM to 11:00 PM, as defined by PJM, and they do not reflect the hourly variation of energy prices in the PJM market.

Accordingly, the Company is proposing to change the distribution pricing of Rate Schedule RTD be identical to the distribution pricing of Rate Schedule RS. It also is proposing to move the distribution pricing of Rate Schedule RTS toward, but not all the way to, the distribution pricing of Rate Schedule RS.

Finally, the Company is proposing to allocate the revenue increase in a way that will move the rate of return for each rate schedule toward the system average rate of return. Specifically, the increase was allocated to customer classes based on the results of a class cost-of-service study which was applied subject to the following two conditions. First, the rate of return for each rate schedule must move half-way from that rate schedule's return at present rates to the system average rate of return. Second, calculated on a percentage basis, no rate schedule can receive a distribution rate increase greater than twice the system average distribution rate increase. PPL Electric will apply a similar approach in future cases and plans to implement rates that are at or near full cost of service in one or two additional rate cases. The Company believes that this approach is appropriate under the long-established principles of cost of service and gradualism, and is fully consistent with the Commonwealth Court decision in *Lloyd v. Pa. Public Utility Commission*, 904 A.2d 1010 (Pa. Cmwlth. 2006).

8. Conclusion

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 rate increase will move PPL Electric's inadequate return on equity from only 7.32 percent to 11.50 percent. 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 the various innovative programs described above. The return on equity proposed in this filing is particularly appropriate in view of PPL Electric's management effectiveness 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

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Section B – Book Statements

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PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2007
Assets and Other Debits
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Utility Plant	
101	Plant in service	\$ 4,946,337
105	Plant held for future use	23,328
106	Completed construction not classified	73,989
107	Construction work in progress	129,820
	Gross utility plant	5,173,474
108	Accumulated provision for depreciation	(1,989,883)
111	Accumulated provision for amortization	(18,885)
	Net utility plant	3,164,706
	Other Property and Investments	
121	Nonutility property	4,692
122	Accumulated provision for depreciation of nonutility property	(574)
	Net nonutility property	4,118
123	Investment in subsidiary companies	0
124	Other investments	1,987
128	Other special funds	0
	Total Other Property and Investments	6,105
	Current and Accrued Assets	
131	Cash	6,356
132	Interest special deposits	0
134	Other special deposits	0
135	Working funds	0
136	Temporary cash investments	30,136
	Notes and accounts receivable	
141	Notes receivable	0
142	Customer accounts receivable	229,668
143	Other accounts receivable	6,806
144	Accumulated provision for uncollectible accounts-credit	(19,017)
	Total notes and accounts receivable	217,457
145	Notes receivable from associated companies	0
146	Accounts receivable from associated companies	300,000
	Materials and supplies	
154	Plant materials and operating supplies	29,019
163	Stores expense undistributed -	2,846
	Total materials and supplies	31,865

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2007
Assets and Other Debits
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Current and Accrued Assets (continued)	
165	Prepayments	\$ 18,772
	Other current and accrued assets	
171	Interest and dividends receivable	803
172	Rents receivable	10,599
173	Accrued utility revenues	173,128
174	Miscellaneous current and accrued assets	42,667
190	Accumulated deferred income taxes (current)	37,080
	Total other current and accrued assets	<u>264,277</u>
	Total Current and Accrued Assets	<u>868,863</u>
	Deferred Debits	
181	Unamortized debt expense	8,193
182.3	Other regulatory assets	688,535
183	Preliminary survey and investigation charges	0
184	Clearing accounts	0
185	Temporary facilities	38
186	Miscellaneous deferred debits	14,638
189	Unamortized loss on reacquired debt	29,486
190	Accumulated deferred income taxes (noncurrent)	
	Contributions in aid of construction	88,764
	Pensions	18,968
	SFAS 109	9,076
	Other	45,195
	Total accumulated deferred income taxes (noncurrent)	<u>162,003</u>
	Total Deferred Debits	<u>902,893</u>
	Total Assets and Other Debits	<u>\$ 4,942,567</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2007
Liabilities and Other Credits
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Proprietary Capital	
201	Common stock issued	\$ 363,833
204	Preferred stock issued	300,519
207	Premium on capital stock	41
211	Miscellaneous paid-in capital	436,263
214	Capital stock expense	(12,226)
215.1	Appropriated retained earnings - amortization reserve - Federal	0
216	Unappropriated retained earnings	435,572
216.1	Unappropriated undistributed subsidiary earnings	0
217	Reacquired capital stock	0
219	Other comprehensive income	(242)
	Total Proprietary Capital	<u>1,523,760</u>
	Long-Term Debt	
221	Bonds	1,350,150
224	Other long-term debt	9,475
226	Unamortized discount on long-term debt-debit	(815)
		<u>1,358,810</u>
	Less amount due within one year	
221	Bonds	(90,000)
	Total Long-Term Debt	<u>1,268,810</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	90,000
231	Notes payable	53,679
232	Accounts payable	39,299
234	Accounts payable to associated companies	238,754
235	Customer deposits	16,267
236	Taxes accrued	46,371
237	Interest accrued	20,548
238	Dividends declared	4,517
240	Matured interest	0
241	Tax collections payable	4,191
242	Miscellaneous current and accrued liabilities	406,534
243	Obligations under capital-leases - current	0
283	Accumulated deferred income taxes-other (current)	3,938
	Total Current and Accrued Liabilities	<u>924,098</u>

PPL ELECTRIC UTILITIES CORPORATION

Balance Sheet at
December 31, 2007
Liabilities and Other Credits
(Thousands of Dollars)

Acct. <u>No.</u>	<u>Title of Account</u>	<u>Amount</u>
	Deferred Credits	
228.3	Accumulated provision for pensions and benefits	\$ 93,751
229	Accumulated provision for rate refunds	3,373
252	Customer advances for construction	269
253	Other deferred credits	139,756
254	Other regulatory liabilities	11,963
255	Accumulated deferred investment tax credits	12,069
281	Accumulated deferred income taxes - accelerated amortization property	0
282	Accumulated deferred income taxes - other property	
	Accelerated cost recovery system	463,747
	SFAS 109	154,008
	Other 263A Costs and Repair allowance	46,865
	Other	(140)
	Total accumulated deferred income-taxes - other property	<u>664,480</u>
283	Accumulated deferred income taxes - other (noncurrent)	<u>300,238</u>
	Total Deferred Credits	<u>1,225,899</u>
	Total Liabilities and Other Credits	<u>\$ 4,942,567</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Net Utility Operating Income
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
400	Operating Revenue (B-3)	\$ 3,125,920
	Operating Expenses:	
401,402	Operation and Maintenance expenses (B-4)	
	Power production	1,952,225
	Transmission	177,811
	Regional market	4,224
	Distribution	135,052
	Customer accounts	50,625
	Customer service and informational expenses	17,247
	Sales	3,043
	Administrative and general	143,895
	Total Operation and Maintenance Expenses	<u>2,484,122</u>
403	Depreciation expense	126,989
404,405	Amortization of electric plant	5,073
407.3	Regulatory debits	1,502
407.4	Regulatory credits	0
	Taxes (B-5)	
408.1	Taxes other than income taxes	199,671
409.1	Income taxes	81,565
	Deferred income taxes	
410.1	Provision	21,894
411.1	Provision - Credit	(16,748)
411.4	Investment tax credit adjustments	(2,392)
	Total Taxes	<u>283,990</u>
411.6	Gains from disposition of utility plant	0
411.7	Losses from disposition of utility plant	0
	Total Operating Expenses	<u>2,901,676</u>
	Net Utility Operating Income	<u>\$ 224,244</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operating Revenue
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	<u>Sales of Electricity</u>	
1	Residential	\$ 1,203,629
2	Commercial	1,001,830
3	Industrial	552,490
4	Public authorities	17,964
5	Railroads	3,989
6	Sales for resale	145,734
7	Provision for rate refunds	<u>(1,124)</u>
8	Sales Revenue	<u>2,924,512</u>
	<u>Other Operating Revenue</u>	
9	Forfeited discounts	8,923
10	Miscellaneous service revenue	0
11	Rent from electric property	30,597
12	Unbilled revenue	10,196
13	Other electric revenue	<u>151,692</u>
14	Total Other Operating Revenue	<u>201,408</u>
15	Total Electric Operating Revenue	<u>\$ 3,125,920</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Power Production Expenses</u>	
	Other Power Supply Expenses	
555	Purchased power	
	Affiliates	\$ 1,763,218
	Non-utility generation	145,734
	PJM ancillary services	43,273
	Other	0
556	System control and load dispatching	
	PJM ancillary services	0
	Other	0
557	Other expenses	0
	Total Other Power Supply Expenses	<u>1,952,225</u>
	Total Power Production Expenses	<u>1,952,225</u>
	<u>Transmission Expenses</u>	
	Operation	
560	Operation supervision and engineering	1,947
561	Load dispatching	13,023
562	Station expenses	1,015
563	Overhead line expenses	1,487
564	Underground line expenses	2
565	Transmission of electricity by others	141,595
566	Miscellaneous transmission expenses	2,169
567	Rents	357
	Total Transmission Operation Expenses	<u>161,595</u>
	Maintenance	
568	Maintenance supervision and engineering	363
569	Maintenance of structures	754
570	Maintenance of station equipment	4,671
571	Maintenance of overhead lines	9,893
572	Maintenance of underground lines	90
573	Maintenance of miscellaneous transmission plant	445
	Total Transmission Maintenance Expenses	<u>16,216</u>
	Total Transmission Expenses	<u>177,811</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
<u>Regional Market Expenses</u>		
Operation		
575.7	Market Facilitation, Monitoring and Compliance Services	\$ 4,224
	Total Regional Market Expenses	<u>4,224</u>
<u>Distribution Expenses</u>		
Operation		
580	Operation supervision and engineering	15,602
581	Load dispatching	4,927
582	Station expenses	614
583	Overhead line expenses	14,590
584	Underground line expenses	5,356
585	Street lighting and signal system expenses	533
586	Meter expenses	7,667
587	Customer installations expenses	4,946
588	Miscellaneous distribution expenses	4,728
589	Rents	7,594
	Total Distribution Operation Expenses	<u>66,557</u>
Maintenance		
590	Maintenance supervision and engineering	1,342
591	Maintenance of structures	85
592	Maintenance of station equipment	8,104
593	Maintenance of overhead lines	45,127
594	Maintenance of underground lines	7,534
595	Maintenance of line transformers	2,119
596	Maintenance of street lighting and signal systems	2,513
597	Maintenance of meters	67
598	Maintenance of miscellaneous distribution plant	1,604
	Total Distribution Maintenance Expenses	<u>68,495</u>
	Total Distribution Expenses	<u>135,052</u>
<u>Customer Accounts Expenses</u>		
Operation		
901	Supervision	487
902	Meter reading expenses	3,156
903	Customer records and collection expenses	26,008
904	Uncollectible accounts	20,155
905	Miscellaneous customer accounts expenses	819
	Total Customer Accounts Expenses	<u>50,625</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Operation and Maintenance Expenses
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Acct. No.</u>	<u>Title of Account</u>	<u>Amount</u>
	<u>Customer Service and Informational Expenses</u>	
	Operation	
908	Customer assistance expenses	
	On-track uncollectible accounts	\$ 4,500
	Other	8,131
909	Informational and instructional expense	4,400
910	Miscellaneous customer service and informational expenses	216
	Total Customer Service and Informational Expenses	<u>17,247</u>
	<u>Sales Expenses</u>	
	Operation	
911	Supervision	24
912	Demonstrating and selling expenses	1,331
913	Advertising expenses	200
916	Miscellaneous sales expenses	1,488
	Total Sales Expenses	<u>3,043</u>
	<u>Administrative and General Expenses</u>	
	Operation	
920	Administrative and general salaries	7,646
921	Office supplies and expenses	76,565
923	Outside services employed	223
924	Property insurance	7,973
925	Injuries and damages	1,170
926	Employee pensions and benefits	30,687
928	Regulatory commission expenses	4,555
930	Miscellaneous general expenses	437
		<u>129,256</u>
	Maintenance	
935	Maintenance of general plant	<u>14,639</u>
	Total Administrative and General Expenses	143,895
	Total Operation and Maintenance Expenses	<u>\$ 2,484,122</u>

PPL ELECTRIC UTILITIES CORPORATION

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J. M. Kleha

Electric Service
Statement of Detail Taxes
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Taxes Other Than Income	
	State and Local	
1	Capital Stock	\$ 3,021
2	Gross Receipts	184,602
3	Local property and Other	677
4	Public Utility Realty	4,549
5	State Unemployment Compensation	362
6	Sales and Use	0
7	Total State and Local	<u>193,211</u>
	Federal	
8	Unemployment Tax Act	61
9	Social Security and Hospital Insurance	6,399
10	Total Federal	<u>6,460</u>
11	Total Taxes Other Than Income	<u>199,671</u>
	Income Taxes	
12	State	18,833
13	Federal	62,732
14	Total Income Taxes	<u>81,565</u>
	Investment Tax Credit	
15	Deferred	0
16	Amortization of Deferral	(2,392)
17	Net Investment Tax Credit	<u>(2,392)</u>

PPL ELECTRIC UTILITIES CORPORATION

Electric Service
Statement of Detail Taxes
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Federal</u>	<u>State</u>	<u>Amount</u>
Deferred Income Taxes				
Provision for Deferred Taxes				
18	ACRS & MACRS - General Property	\$ 513	\$ 0	\$ 513
19	ACRS & MACRS - Transmission Property	4,209	0	4,209
20	ACRS & MACRS - Distribution Property	14,984	0	14,984
21	Environmental Cleanup	134	43	177
22	Bad Debts	516	164	680
23	Consumer Education	853	270	1,123
24	Deferred Compensation - Officers	6	2	8
25	PA NOL Carryforward Deferred Tax Asset	0	200	200
26	Total Provision	<u>21,215</u>	<u>679</u>	<u>21,894</u>
Provision for Deferred Taxes - Credit				
27	Adjust Gross Receipts Tax - Cash Basis	(77)	(24)	(101)
28	Pension Expense - Book	(1,774)	(563)	(2,337)
29	SERP/DRP	(106)	(34)	(140)
30	Vacation Pay	(107)	(34)	(141)
31	Post-Employment Benefits	(13)	(4)	(17)
32	Post-Retirement Benefits	(587)	(186)	(773)
33	Other 263A & Repair Allowance - Transmission Property	(104)	(32)	(136)
34	Other 263A & Repair Allowance - Distribution Property	(789)	(255)	(1,044)
35	Other 263A & Repair Allowance - General Property	(661)	(210)	(871)
36	Contributions in Aid of Construction - Transmission Property	(2,207)	(700)	(2,907)
37	Contributions in Aid of Construction - Distribution Property	(4,484)	(1,418)	(5,902)
38	Loss on Reacquired Debt	(1,045)	(331)	(1,376)
39	Rate Refund	(708)	(225)	(933)
40	PA NOL Carryforward Deferred Tax Asset	(70)	0	(70)
41	Total Credits	<u>\$ (12,732)</u>	<u>\$ (4,016)</u>	<u>(16,748)</u>
42	Total Deferred Income Taxes			<u>5,146</u>
43	Total All Taxes			<u>\$283,990</u>

PPL ELECTRIC UTILITIES CORPORATION

Calculation of Composite Cost Rate of Long-Term Debt
at December 31, 2007
(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	7.70 % Series due 2009	\$ 325	3.06 %	7.78 %	0.24 %	
2	7-3/8 % Series due 2014	10,290	96.94	7.55	7.32	
3	Total	\$ 10,615	100.00 %		7.56 %	
	Pollution Control Bonds					
4	3.125% Series due 2008	\$ 90,000	28.69 %	3.74 %	1.07 %	
5	4.75% Series B due 2027	108,250	34.50	4.88	1.68	
6	4.70% Series A due 2029	115,500	36.81	4.83	1.78	
7	Total	\$ 313,750	100.00 %		4.53 %	
	Senior Secured Bonds					
8	6.25% Series due 2009	\$ 485,785	47.36 %	6.53 %	3.09 %	
9	4.30% Series due 2013	100,000	9.75	4.47	0.44	
10	4.95% Series due 2015	100,000	9.75	5.01	0.49	
11	5.15% Series due 2020	100,000	9.75	5.20	0.51	
12	5.70% Series due 2017	240,000	23.39	5.70	1.33	
		\$ 1,025,785	100.00 %		5.86 %	
13	Conemaugh Scrubber Note Due 6/1/27	\$ 9,475	100.00 %	4.04 %	4.04 %	
14	Total First Mortgage Bonds	\$ 10,615	0.78 %	7.56	0.06 %	
15	Total Pollution Control Bonds	313,750	23.08	4.53	1.05	
16	Total Senior Secured Bonds	1,025,785	75.45	5.86	4.42	
17	Total Conemaugh Scrubber Note	9,475	0.69	4.04	0.03	
18		\$ 1,359,625	100.00 %		5.56 %	
19	Long-Term Debt	\$ 1,359,625			5.56 %	\$ 75,595 (b)
20	Loss on Reacquired Debt	(29,486)				3,337 (c)
21	Gain on Reacquired Debt	0				0 (d)
22	Adjusted Long-Term Debt	\$ 1,330,139			5.93 % (e)	\$ 78,932

(a) Effective interest rate from Schedule B-6, page 2.

(b) 5.56% * \$1,359,625

(c) Annualized amortization of loss on reacquired debt

(d) Annualized amortization of gain on reacquired debt

(e) \$78,932 / \$1,330,139

PPL ELECTRIC UTILITIES CORPORATION

Schedule of Long-Term Debt and Calculation
of Average Weighted Cost Rate at December 31, 2007

(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(s)	Average Term in Years	Net Proceeds Ratio (b)	Effective Interest Rate - %
<u>First Mortgage Bonds</u>														
1	7.70 % Series due 2009	10/1/1994	10/1/2009	\$200,000,000	\$325,000	\$199,675,000	7.70	(\$2,031)	\$254	322,715		15	99.30	7.78
2	7-3/8 % Series due 2014	3/1/1994	3/1/2014	100,000,000	10,290,000	89,710,000	7.375	(170,465)	14,877	10,104,858		20	98.20	7.55
<u>Pollution Control Bonds</u>														
3	3.125% Series due 2008	2/12/2003	11/1/2008	90,000,000	90,000,000	0	3.125		2,810,269	87,189,731		6	98.88	3.74
4	4.75 % Series B due 2027	5/17/2005	2/15/2027	108,250,000	108,250,000	0	4.75		1,908,012	106,340,988		22	98.24	4.88
5	4.70 % Series A due 2029	2/23/2005	9/1/2029	115,500,000	115,500,000	0	4.70		2,130,298	113,369,704		24	98.16	4.83
<u>Senior Secured Bonds</u>														
6	6.25% Series due 2008	8/1/2001	8/15/2008	500,000,000	485,785,000	14,215,000	6.25	(2,062,828) (c)	6,271,022 (c)	477,431,150		8	98.28	6.53
7	4.30% Series due 2013	5/23/2003	8/1/2013	100,000,000	100,000,000	0	4.30	(548,000)	849,971	98,602,029		10	98.60	4.47
8	4.95% Series due 2015	12/20/2005	12/15/2015	100,000,000	100,000,000	0	4.85		500,574	99,499,426		10	99.50	5.01
9	5.15% Series due 2020	12/20/2005	12/15/2020	100,000,000	100,000,000	0	5.15		500,574	99,499,426		15	99.50	5.20
10	5.70% Series due 2017	7/15/2007	7/15/2017	240,000,000	240,000,000	0	5.70			240,000,000		10	100.00	5.70
<u>Conemaugh Scrubber Note</u>														
11	Due 6/1/27 (Variable rate)	6/4/1997	6/1/2027	9,475,000	9,475,000	0	3.97		110,806	9,364,394		30	98.83	4.04
12	TOTAL				<u>\$1,359,625,000</u>									

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

(b) Approximates net proceeds ratio at time of issuance.

(c) Includes adjustments of \$(60,948) and \$(183,502), respectively, for for the proportionate shares of the discount and issuance expense related to the retired debt.

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

PPL ELECTRIC UTILITIES CORPORATION
Composite Cost Rate of Preferred and Preference Stock
December 31, 2007
(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	8.23 %	5.03 %	0.41 %	\$ 1,245
	Series Preferred					
2	3.35%	2,081	0.69	3.37	0.02	69
3	4.60%	2,861	0.95	4.79	0.05	137
4	4.40%	11,768	3.92	4.46	0.17	525
5	6.75%	9,077	3.02	6.82	0.21	619
6	6.25% Preference Stock	<u>250,000</u>	<u>83.19</u>	6.39	<u>5.32</u>	<u>15,975</u>
7	Total Preferred Stock	300,519	<u>100.00 %</u>		6.18 %	18,570
	Unamortized Premiums and Unrecovered Original Issues Costs on Redeemed Stock (b)	<u>(600)</u>				<u>141</u>
9		<u>\$ 299,919</u>			<u>6.24 % (c)</u>	<u>\$ 18,711</u>

- (a) Effective cost rate from Schedule B-7, Page 2.
(b) See Schedule B-7, Page 3 for determination of these amounts.
(c) \$18,711 / \$299,919

PPL ELECTRIC UTILITIES CORPORATION

Computation of Preferred and Preference Stock Effective Cost Rate by Series
December 31, 2007

Line No.	Description of Issue	(1) Date of Issue	(2) Date of Maturity (a)	(3) Amount Issued	(4) Amount Outstanding (f)	(5) Amount Retired	(6) Gain on Recquisition	(7) Issuance Expenses Net of Premium (f)	(8) Net Proceeds (b)	(9) & (10) Sinking Fund Requirements		(11) Nominal Dividend Rate	(12) Average Term in Years (a)	(13) Net Proceeds Ratio	(14) Effective Cost Rate (c)
										Annual Requirements (Shares)	Redemption Period				
Cumulative Preferred Stock															
1	3.35 % Series	5/2/1946		\$ 4,178,300	\$ 2,060,500	\$ 2,117,800		\$ 10,370	\$ 2,050,130			3.35 %		99.50 %	3.37 %
2	4.80 % Series	10/21/1948		6,300,000	2,861,400	3,438,600		113,048	2,749,352			4.60		98.05	4.79
3	4.40 % Series	8/5/1952		22,877,300	11,767,800	11,109,700		162,966	11,904,634			4.40		98.62	4.46
4	4-1/2 % Series	12/10/1945		53,018,900	24,752,400	28,266,500		72,048 (d)	22,145,805 (e)			4.50		89.47	5.03
5		12/22/1954													
6	6.75 % Series	10/5/1993		85,000,000	9,077,000	75,923,000		90,879	8,986,121			6.75		99.00	6.82
7	6.25 % Preference Stock	4/8/2006		250,000,000	250,000,000	0		5,451,816	244,548,184			6.25		97.82	6.39
8				<u>\$ 421,374,500</u>	<u>\$ 300,518,900</u>	<u>\$ 120,855,600</u>		<u>\$ 5,901,127</u>	<u>\$ 282,083,226</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 \$40,638 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
December 31, 2007

Line No.	Date Redeemed	(1) Premium	(2) Unrecovered Original Issue Costs	(3) Average Remaining Life-Mos.	(4) Monthly Amortization(a)	(5) Amortization through 12/31/07-Mos.	(6) Amortization(b)	(7) Unamortized Premium/OIC 12/31/2007(c)	Jan. 1, 2008 Dec. 31, 2008 Amortization(e)	
<u>Preferred Stock(d)</u>										
1	9.24% Series	2/1/1992	\$ 258,900	\$ 371,446	101	\$ 6,241	101.00	\$ 630,346	\$0	\$0
2	9.00% Series	2/1/1992	77,630	152,830	171	1,348	171.00	230,460	0	0
3	7.40% Series	7/1/1993	236,800	84,230	120	2,675	120.00	321,030	0	0
4	8.75% Series	7/1/1993	1,074,000	134,765	111	10,890	111.00	1,208,765	0	0
5	8.00% Series	7/1/1993	500,000	116,531	111	5,554	111.00	616,531	0	0
6	8.60% Series	7/15/1993	297,976	393,860	171	4,046	171.00	691,836	0	0
7	7.375% Series	11/1/1993	2,106,823	492,810	221	11,763	170.00	1,999,710	599,923	141,156
8	7.82% Series	11/1/1993	590,500	329,639	32	28,754	32.00	920,139	0	0
9	6.875% Series	5/1/1994	0	202,499	23	8,804	23.00	202,499	0	0
10	7.00% Series	5/1/1994	0	611,359	32	19,105	32.00	611,359	0	0
<u>Preference Stock</u>										
11	\$15.00 Series	2/19/1986	10,000,000	1,549,988	136	84,926	136.00	11,549,988	0	0
12	\$13.68 Series	4/1/1986	7,000,000	1,755,915	163	53,717	163.00	8,755,915	0	0
13	\$13.00 Second Series	6/13/1986	7,000,000	1,553,360	144	59,398	144.00	8,553,360	0	0
14	\$11.60 Series	2/18/1987	7,000,000	1,443,951	141	59,886	141.00	8,443,951	0	0
15	\$ 8.00 Series	9/15/1993	351,944	582,445	171	5,464	171.00	934,389	0	0
16	\$ 8.40 Series	9/15/1993	401,333	678,905	171	6,317	171.00	1,080,238	0	0
17	\$ 8.70 Series	9/15/1993	400,667	621,621	171	5,978	171.00	1,022,288	0	0
18			<u>\$ 37,296,573</u>	<u>\$ 11,076,154</u>		<u>\$ 374,866</u>		<u>\$ 47,772,804</u>	<u>\$ 599,923</u>	<u>\$ 141,156</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 as of December 31,
(Millions of Dollars)

Line No.		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
1	Long-Term Debt (a)	\$ 1,479.2	\$ 1,493.4	\$ 1,358.1	\$ 1,484.3	\$ 1,341.6	\$ 1,330.1
2	Preferred & Preference Stock	79.0	48.3	48.7	49.1	299.5	298.9
3	Common Equity (b)	1,142.6	1,216.8	1,262.5	1,304.3	1,219.2	1,236.3
4	Total	<u>\$ 2,700.8</u>	<u>\$ 2,758.5</u>	<u>\$ 2,669.3</u>	<u>\$ 2,837.7</u>	<u>\$ 2,860.3</u>	<u>\$ 2,866.3</u>

Capitalization Ratios

5	Long-Term Debt (a)	54.77%	54.14%	50.88%	52.31%	46.90%	46.41%
6	Preferred & Preference Stock	2.92%	1.75%	1.82%	1.73%	10.47%	10.46%
7	Common Equity (b)	42.31%	44.11%	47.30%	45.96%	42.63%	43.13%
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 and an adjustment for the regulatory treatment of ice storm costs (per PUC Order at Docket No. P-00052148).

PPL ELECTRIC UTILITIES CORPORATION

Capital Structure
(Thousands of Dollars)

Computation of Long-Term Debt

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
1 Long-term Debt	\$ 1,504,890	\$ 1,520,412	\$ 1,389,925	\$ 1,520,491	\$ 1,374,491	\$ 1,359,625
2 Unamortized Loss on Reacquired Debt	(25,649)	(26,971)	(31,780)	(36,242)	(32,848)	(29,486)
3 Adjusted Long-Term Debt	<u>\$ 1,479,241</u>	<u>\$ 1,493,441</u>	<u>\$ 1,358,145</u>	<u>\$ 1,484,249</u>	<u>\$ 1,341,643</u>	<u>\$ 1,330,139</u>

Computation of Preferred & Preference Stock

4 Preferred and Preference Stock	\$ 81,619	\$ 50,519	\$ 50,519	\$ 50,519	\$ 300,519	\$ 300,519
Adjustment for Unamortized Premiums and Unrecovered Original Issue Costs on Reacquired Preferred and						
5 Preference Stock	(2,665)	(2,230)	(1,811)	(1,392)	(984)	(600)
6 Preferred & Preference Stock	<u>\$ 78,954</u>	<u>\$ 48,289</u>	<u>\$ 48,708</u>	<u>\$ 49,127</u>	<u>\$ 299,535</u>	<u>\$ 299,919</u>

Computation of Common Equity

Common Equity per Books

7 Common Stock Issued	\$ 1,476,048	\$ 1,476,048	\$ 1,476,048	\$ 1,476,048	\$ 363,833	\$ 363,833
8 Treasury Stock	(912,215)	(912,215)	(912,215)	(912,215)	-	-
9 Misc Paid in Capital	281,943	360,258	360,679	361,263	436,263	436,263
10 Earnings Reinvested	294,140	290,457	336,165	375,911	417,124	435,572
11	<u>1,139,916</u>	<u>1,214,548</u>	<u>1,260,677</u>	<u>1,301,007</u>	<u>1,217,220</u>	<u>1,235,668</u>

Adjustments for:

Unamortized Premiums and Unrecovered
Original Issue Costs on Reacquired

12 Preferred and Preference Stock	2,665	2,230	1,811	1,392	984	600
13 Ice Storm Adjustment				1,885	942	0
14 Adjusted Common Equity	<u>\$ 1,142,581</u>	<u>\$ 1,216,778</u>	<u>\$ 1,262,488</u>	<u>\$ 1,304,284</u>	<u>\$ 1,219,146</u>	<u>\$ 1,236,268</u>

PPL ELECTRIC UTILITIES CORPORATION

Rate of Return at
December 31, 2007

<u>Line No.</u>	(1)	(2)	(3)	(4)
		<u>Capitalization Ratio (B-8)</u>	<u>Embedded Cost</u>	<u>Return</u>
1	Long-Term Debt	46.41 %	5.93 % (B-6)	2.75 %
2	Preferred and Preference Stock	10.46	6.24 (B-7)	0.65
3	Common Equity	43.13	11.50	4.96
4		<u>100.00 %</u>		<u>8.36 %</u>

PPL ELECTRIC UTILITIES CORPORATION

**C – Measures of Value
Index**

Section C – Measures of Value

- C-1 Measures of Value and Rates of Return
- C-2 Electric Plant in Service
- C-3 Electric Plant Held for Future Use
- C-4 Working Capital
- C-5 Plant Materials and Operating Supplies
- C-6 Accumulated Deferred Taxes on Income

PPL ELECTRIC UTILITIES CORPORATION

Measures of Value and Rates of Return
As of December 31, 2007
(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)	\$ 4,977,485	\$ 3,848,933
2	Reserve for depreciation (C-2)	1,952,259	1,464,244
3	Net electric plant in service	<u>3,025,226</u>	<u>2,384,689</u>
	Additions		
3	Plant held for future use (C-3)	20,255	2,002
4	Total electric plant	<u>3,045,481</u>	<u>2,386,691</u>
	Working Capital		
5	Cash working capital (C-4)	26,931	18,702
6	Materials and operating supplies (C-5)	31,865	24,250
7	Total working capital	<u>58,796</u>	<u>42,952</u>
	Deductions		
8	Accumulated deferred taxes on income (C-6)	421,848	390,455
9	Customer advances for construction (B-1)	269	269
10	Customer deposits (B-1)	16,267	15,950
11	Total deductions	<u>438,384</u>	<u>406,674</u>
12	Measures of Value (net)	<u>\$ 2,665,893</u>	<u>\$ 2,022,969</u>
	Pro forma return at present rates		
13	Amount (D-1, col. 6)		123,633
14	Percent		6.11%
	Pro forma return at proposed rates		
15	Amount (D-1, col. 8)		169,120
16	Percent		8.36%

PPL ELECTRIC UTILITIES CORPORATION

Electric Plant in Service - Original Cost
As of December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$ 1,078,578
2	Distribution	3,445,507
3	General	419,820
4	Intangible	<u>33,580</u>
5	Total electric plant in service	<u>\$ 4,977,485</u>

PPL ELECTRIC UTILITIES CORPORATION

Reserve for Depreciation - Original Cost
As of December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Transmission	\$ 469,510
2	Distribution	1,316,327
3	General	144,989
4	Intangible	<u>21,433</u>
5	Total reserve for depreciation	<u><u>\$ 1,952,259</u></u>

PPL ELECTRIC UTILITIES CORPORATION
Electric Plant Held For Future Use ¹⁾
As of December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	Transmission	
1	Substations	\$ 1,140
2	Lines	17,103
3	Total	<u>18,243</u>
	Distribution	
4	Area - Substations	1,712
5	Lines	34
6	Other	266
7	Total	<u>2,012</u>
8	Total plant held for future use ¹⁾	<u>\$ 20,255</u>

¹⁾ Reflects only the future use property expected to be placed into service within 10 years.

PPL ELECTRIC UTILITIES CORPORATION

Cash Working Capital
As of December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Operation and maintenance expense (C-4, page 2)	\$ 16,211
2	Average prepayments (C-4, page 3)	2,470
3	Accrued taxes (C-4, page 4)	17,245
4	Interest payments (C-4, page 5)	(9,005)
5	Preferred and preference dividend payments (C-4, page 6)	<u>10</u>
6	Total cash working capital requirement	<u><u>\$ 26,931</u></u>

PPL Electric Utilities Corporation

Working Capital Required for Operation and Maintenance Expenses
As of December 31, 2007
(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, 2007.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Net pro forma O&M expense (a)	553,025
2	O&M expense per day (line 1 divided by 365 days)	1,515
3	Average lag in days between payment of O&M expenses and receipt of revenue (b)	10.7
4	Working capital requirement (line 2 x line 3)	<u>\$ 16,211</u>
(a)	Total pro forma operation and maintenance expense (D-1)	\$ 579,291
	Less: Non-cash items	
	Uncollectible accounts expense per budget (B-4)	20,155
	OnTrack customer assistance expense (B-4)	4,500
	Amortization of ice and snow storm costs (D-9)	<u>1,611</u>
	Net pro forma O&M expense	<u>\$ 553,025</u>

(b) See Exhibit Historic 1, Schedule C-4, page 2.

PPL ELECTRIC UTILITIES CORPORATION

Average Prepayments
As of December 31, 2007
(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 2006	\$0	\$2,426	\$16	\$2,442
2	January 2007	12	1,847	24	1,883
3	February	45	1,522	65	1,632
4	March	41	1,142	47	1,230
5	April	36	761	37	834
6	May	32	380	29	441
7	June	27	4,275	59	4,361
8	July	23	3,919	49	3,991
9	August	18	3,563	38	3,619
10	September	13	3,062	22	3,097
11	October	8	3,235	23	3,266
12	November	4	2,831	34	2,869
13	December	0	2,426	16	2,442
14	Total Prepayments	\$259	\$31,389	\$459	\$32,107
15	Monthly Average	\$20	\$2,415	\$35	\$2,470

PPL ELECTRIC UTILITIES CORPORATION

Accrued Taxes
Year Ended December 31, 2007
(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)	\$76,833	-3.82%	(\$2,935)
2	PA income tax (D-1, line 7, col. 5 + col. 7)	23,625	-1.74%	(411)
3	PA gross receipts tax (a)	55,108	35.76%	19,707
4	PA capital stock tax (b)	3,138	-1.74%	(55)
5	PA public utility reality tax (D-12, page 4)	4,039	23.26%	939
6	Total accrued taxes			<u>\$17,245</u>
	(a) PA gross receipts tax			
	Amount per D-12, page 3	\$50,177		
	Amount due to proposed increase (D-13, page 5)	<u>4,931</u>		
	TOTAL	<u>\$55,108</u>		
	(b) PA capital stock tax			
	Amount applicable to electric operations (D-12, page 2)	\$2,912		
	Amount applicable to proposed increase (D-13, page 5)	<u>226</u>		
	TOTAL	<u>\$3,138</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 tax. 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, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>
1	Measures of value at December 31, 2007 (C-1)		\$ 2,665,893
2	Long-term debt ratio (B-9)		46.41%
3	Embedded cost of long-term debt (B-9)		5.93%
4	Pro forma interest (line 1 x line 2 x line 3)		<u>73,368</u>
5	Daily amount (line 4 + 365)		<u>\$ 201</u>
6	Days to mid-point of interest payments	90.0	
7	Less: Revenue lag days (Historic C-4, page 2)	<u>45.2</u>	
8	Interest payments lag days (line 6 - line 7)		<u>44.8</u>
9	Total interest payments (line 5 x line 8)		<u>\$ 9,005</u>

PPL ELECTRIC UTILITIES CORPORATION

Preferred and Preference Dividend Payments
As of December 31, 2007
(Thousands of Dollars)

Line No.	Description		Amount
1	Measures of value at December 31, 2007 (C-1)		\$ 2,665,893
2	Preferred and preference stock ratio (B-9)		10.46%
3	Embedded cost of preferred and preference stock (B-9)		6.24%
4	Pro forma dividends (line 1 x line 2 x line 3)		\$ 17,400
5	Daily amount (line 4 + 365)		\$ 48
6	Days to mid-point of dividend payments	45.0	
7	Less: Revenue lag days (Historic C-4, page 2)	<u>45.2</u>	
8	Dividend payments lag days (line 6 - line 7)		<u>(0.2)</u>
9	Total preferred and preference dividend payments (line 5 x line 8)		<u>\$ (10)</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies
As of December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Plant Materials and Operating Supplies (C-5, page 2)	\$ 29,019
2	Stores expense undistributed (C-5, page 3)	<u>2,846</u>
3	Total materials and operating supplies	<u>\$ 31,865</u>

PPL ELECTRIC UTILITIES CORPORATION

Plant Materials and Operating Supplies
As of December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2006	\$ 28,009
2	January 2007	28,750
3	February	29,015
4	March	29,130
5	April	29,011
6	May	28,661
7	June	29,006
8	July	28,952
9	August	29,078
10	September	29,163
11	October	29,584
12	November	29,726
13	December	<u>29,162</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 377,247</u>
15	13-Month Average	<u>\$ 29,019</u>

PPL ELECTRIC UTILITIES CORPORATION

Stores Expense Undistributed
As of December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Month</u>	<u>Amount</u>
1	December 2006	\$ 3,943
2	January 2007	3,328
3	February	3,182
4	March	2,922
5	April	2,311
6	May	1,504
7	June	3,938
8	July	3,512
9	August	2,965
10	September	2,013
11	October	1,436
12	November	2,741
13	December	<u>3,202</u>
14	Total Plant Materials and Operating Supplies	<u>\$ 36,998</u>
15	13-Month Average	<u>\$ 2,846</u>

PPL ELECTRIC UTILITIES CORPORATION

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Accumulated Deferred Taxes on Income
As of December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>		<u>Amount</u>
	Contributions In Aid Of Construction (B-1)		
1	Transmission	\$ (23,403)	
2	Distribution	<u>(65,361)</u>	
3	Balance at December 31, 2007		\$ (88,764)
	Accelerated Cost Recovery System (ACRS) (B-1)		
4	Transmission	50,867	
5	Distribution	377,542	
6	General	<u>35,338</u>	
7	Balance at December 31, 2007		463,747
	Other 263A Costs and Repair Allowance (B-1)		
8	Transmission	(807)	
9	Distribution	40,688	
10	General	<u>6,984</u>	
11	Balance at December 31, 2007		<u>46,865</u>
12	Total accumulated deferred taxes on income		<u>\$ 421,848</u>

PPL ELECTRIC UTILITIES CORPORATION

D – Operating Income Index

Section D – Operating Income

- D-1 Operating Income Pro Forma at Present Rates and Proposed Rates
- D-2 Adjustments to Income
- D-3 Adjustments to Operating Revenue
- D-4 Adjustment to Operating Revenues for Unbilled Revenue
- D-5 Adjustment to Wages and Benefits
- D-6 Adjustment for Rate Case Expense
- D-7 Adjustment for Interest Expense on Customer Security Deposits
- D-8 Adjustment for Increased Cost of Social Programs
- D-9 Adjustment for 2005 Ice Storm Deferred Costs
- D-10 Adjustment for Storm Insurance Expense
- D-11 Adjustment to Annual Depreciation Expense
- D-12 Adjustments to Taxes Other Than Income
- D-13 Adjustment to Federal and State Income Taxes
- D-14 Adjustment to Deferred Income Taxes
- D-15 Adjustment to Amortization of Deferred Investment Tax Credit

PPL ELECTRIC UTILITIES CORPORATION

Operating Income
 Pro Forma at Present and Proposed Rates
 Year Ended December 31, 2007
 (Thousands of Dollars)

Line No.	(1)	(2)	(3)	(4)	(5)	(6) PPUC Jurisdictional (7)		(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 5)	Pro Forma at Proposed Rates
1 Operating Revenue	\$ 3,125,920	\$ (2,090,087)	\$ 1,035,833	\$ (4,198)	\$ 1,031,635	\$ 673,618	\$ 83,573	\$ 757,191
Operating Expenses								
2 Operations and Maintenance	2,484,122	(1,909,153)	574,969	4,322	579,291	339,555	669	340,224
3 Depreciation and amortization	132,062	0	132,062	728	132,790	111,825	0	111,825
4 Regulatory Debits/Credits	1,502	(1,502)	0	0	0	0	0	0
Provision for Taxes								
5 Taxes Other Than Income	199,671	(134,177)	65,494	(1,058)	64,436	49,849	5,157	55,006
Income Taxes								
6 Federal	62,732	(14,257)	48,475	3,865	52,340	32,452	24,493	56,945
7 State	18,833	(4,521)	14,312	1,546	15,858	9,599	7,767	17,366
8 Deferred Income Taxes	5,146	0	5,146	4,582	9,728	8,378	0	8,378
9 Investment Tax Credit	(2,392)	0	(2,392)	0	(2,392)	(1,673)	0	(1,673)
10 Total taxes	283,990	(152,955)	131,035	8,935	139,970	98,605	37,417	136,022
11 Gain/loss from Disposition of Utility Plant	0	0	0	0	0	0	0	0
12 Total Operating Expenses	2,901,676	(2,063,610)	838,066	13,985	852,051	549,985	38,086	588,071
13 Operating Income	\$ 224,244	\$ (26,477)	\$ 197,767	\$ (18,183)	\$ 179,584	\$ 123,633	\$ 45,487	\$ 169,120

PPL ELECTRIC UTILITIES CORPORATION

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D.A. Cunningham

Adjustments to Income
Year Ended December 31, 2007
(Thousands of Dollars)

<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>\$ (4,198)</u>
		<u>Operation and Maintenance Expenses</u>	
2	D-5	Employee wages and benefits	(3,223)
3	D-6	Rate case expense	700
4	D-7	Interest expense on customer deposits	796
5	D-8	Social programs	4,438
6	D-9	January 2005 ice storm deferred costs	1,611
7	D-10	Storm insurance	<u>0</u>
8		Total operation and maintenance expense	<u>4,322</u>
		<u>Depreciation</u>	
9	D-11	Annual depreciation expense	<u>728</u>
		<u>Provision for Taxes</u>	
		Taxes other than income	
10	D-12	Capital stock	(109)
11	D-12	Gross receipts	(248)
12	D-12	Public utility realty	(510)
13	D-5	Payroll taxes	(191)
		Income taxes	
14	D-13	Federal	3,865
15	D-13	State	1,546
16	D-14	Deferred income taxes	4,582
17	D-15	Investment tax credit - amortization	<u>0</u>
18		Total Taxes	8,935
19		Gain and losses on property dispositions	<u>0</u>
20		Total Operating Expenses	<u>13,985</u>
21		Total Adjustments to Income	<u>\$ (18,183)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustments to Operating Revenue
 Year Ended December 31, 2007
 (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	\$ 211,231	\$ 0	\$ 211,231	\$ (3,123)	\$ 208,108
2	Distribution revenue	631,715	0	631,715	(18,946)	612,769
3	USR revenue	0	0	0	20,670	20,670
4	CTC revenue	97,716	(97,716)	0	0	0
5	Capacity and energy revenue	1,839,671	(1,839,671)	0	0	0
6	Tax surcharge revenue	(431)	106	(325)	325	0
7	Sales to affiliate	145,734	(145,734)	0	0	0
8	Provision for Rate Refund - Isabel	(1,124)	0	(1,124)	0	(1,124)
9	Total Rate Revenue	<u>2,924,512</u>	<u>(2,083,015)</u>	<u>841,497</u>	<u>(1,074)</u>	<u>840,423</u>
	Other Electric Revenue					
10	Late Payment	8,923	0	8,923	0	8,923
11	Misc. Revenue	0	0	0	0	0
12	Rent	30,597	0	30,597	0	30,597
13	Other	151,692	0	151,692	0	151,692
14	Total Other	<u>191,212</u>	<u>0</u>	<u>191,212</u>	<u>0</u>	<u>191,212</u>
15	Operating Revenue (excl. unbilled)	3,115,724	(2,083,015)	1,032,709	(1,074)	1,031,635
16	Unbilled Revenue	10,196	(7,072)	3,124	(3,124)	0
17	Total Operating Revenue	<u>\$ 3,125,920</u>	<u>\$ (2,090,087)</u>	<u>\$ 1,035,833</u>	<u>\$ (4,198)</u>	<u>\$ 1,031,635</u>

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2007 Budget

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Line Number	Rate Schedule	Number of Customers	Sales (KWH)	Distribution Present Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	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) Distribution	State Tax Adjustment Surcharge (STAS) Other	Total Revenue
1	RS	1,193,652	13,782,978,000	\$ 375,738,309	\$ -	\$ -	\$ 77,978,133	\$ 26,849,832	\$ 131,840,768	\$ 688,169,807	\$ 1,300,376,849	\$ (200,456)	\$ 28,439	\$ 1,300,205,832
2	RTS	14,157	385,602,000	\$ 3,683,000	\$ -	\$ -	\$ 2,183,290	\$ 627,715	\$ 3,074,619	\$ 16,895,636	\$ 26,464,260	\$ (1,892)	\$ 839	\$ 26,463,207
3	RTD	269	5,013,000	\$ 132,691	\$ -	\$ -	\$ 28,378	\$ 12,504	\$ 61,202	\$ 225,437	\$ 460,212	\$ (71)	\$ 12	\$ 460,153
4	GS-1	146,161	1,968,887,000	\$ 75,415,309	\$ -	\$ -	\$ 11,019,603	\$ 4,864,555	\$ 23,829,428	\$ 121,181,809	\$ 236,310,704	\$ (38,394)	\$ 4,048	\$ 236,276,358
5	GS-3	22,521	8,734,385,000	\$ 115,677,144	\$ -	\$ -	\$ 49,129,888	\$ 18,475,321	\$ 90,353,803	\$ 466,734,879	\$ 740,371,015	\$ (59,186)	\$ 15,490	\$ 740,327,319
6	LP-4	1,011	5,824,347,220	\$ 30,263,941	\$ -	\$ -	\$ 33,908,249	\$ 9,546,644	\$ 48,737,611	\$ 271,683,756	\$ 391,240,200	\$ (15,600)	\$ 8,756	\$ 391,233,356
7	IS-P	28	350,179,965	\$ 1,800,382	\$ -	\$ -	\$ 1,962,576	\$ 815,832	\$ 3,006,678	\$ 13,247,870	\$ 20,633,338	\$ (926)	\$ 433	\$ 20,632,843
8	LP-5	104	3,203,809,537	\$ 1,815,397	\$ -	\$ -	\$ 18,057,516	\$ 5,325,690	\$ 26,024,214	\$ 138,217,290	\$ 187,240,308	\$ (881)	\$ 4,335	\$ 187,243,782
9	IS-T	25	2,028,985,247	\$ 713,399	\$ -	\$ -	\$ 11,309,318	\$ 2,835,172	\$ 13,877,496	\$ 63,869,215	\$ 82,607,800	\$ (379)	\$ 2,057	\$ 82,609,278
10	LP-6	3	363,650,000	\$ 139,000	\$ -	\$ -	\$ 2,055,141	\$ 1,157,228	\$ 5,655,761	\$ 16,119,588	\$ 25,126,718	\$ (71)	\$ 604	\$ 25,127,251
11	LPEP	1	72,000,000	\$ 331,000	\$ -	\$ -	\$ 406,884	\$ 328,789	\$ 1,609,563	\$ 2,787,458	\$ 5,463,692	\$ (189)	\$ 122	\$ 5,463,645
12	ISA	1	264,373,863	\$ 526,600	\$ -	\$ -	\$ 1,491,906	\$ 501,308	\$ 2,460,059	\$ 11,449,120	\$ 18,428,993	\$ (275)	\$ 596	\$ 18,429,314
13	IS-1	3	1,447,000	\$ 31,691	\$ -	\$ -	\$ 8,170	\$ 11,504	\$ 56,381	\$ 39,574	\$ 147,329	\$ (16)	\$ 3	\$ 147,316
14	BL	46	6,468,000	\$ 280,856	\$ -	\$ -	\$ 36,556	\$ 12,400	\$ 60,788	\$ 264,432	\$ 655,032	\$ (144)	\$ 9	\$ 654,897
15	SA	0	23,015,000	\$ 3,388,787	\$ -	\$ -	\$ 129,397	\$ 55,265	\$ 260,737	\$ 1,024,286	\$ 4,856,472	\$ (1,731)	\$ 37	\$ 4,854,778
16	SM	104	5,733,000	\$ 888,622	\$ -	\$ -	\$ 32,236	\$ 14,478	\$ 68,261	\$ 284,007	\$ 1,287,604	\$ (454)	\$ 10	\$ 1,287,160
17	SHS	1,183	48,806,000	\$ 10,968,285	\$ -	\$ -	\$ 274,327	\$ 126,294	\$ 596,495	\$ 3,735,967	\$ 15,701,368	\$ (5,602)	\$ 118	\$ 15,695,882
18	SE	88	35,699,000	\$ 1,396,986	\$ -	\$ -	\$ 201,942	\$ 9,298	\$ 104,435	\$ 181,415	\$ 1,894,078	\$ (723)	\$ 14	\$ 1,893,367
19	TS	9	334,000	\$ 20,748	\$ -	\$ -	\$ 1,869	\$ 1,036	\$ 4,899	\$ 16,203	\$ 44,775	\$ (11)	\$ 1	\$ 44,765
20	SI-1	3	87,000	\$ 14,572	\$ -	\$ -	\$ 492	\$ 389	\$ 1,838	\$ 5,340	\$ 22,631	\$ (7)	\$ -	\$ 22,624
21	GH-1	957	299,775,000	\$ 5,743,944	\$ -	\$ -	\$ 1,570,988	\$ 1,323,507	\$ 6,487,607	\$ 13,312,104	\$ 28,436,150	\$ (2,931)	\$ 566	\$ 28,435,785
22	GH-2	2,481	64,845,000	\$ 1,358,056	\$ -	\$ -	\$ 363,742	\$ 269,954	\$ 1,418,549	\$ 3,007,900	\$ 6,436,201	\$ (688)	\$ 131	\$ 6,435,644
23	Standby(LPS-S)	6	45,000	\$ 45,000	\$ -	\$ -	\$ 37,197	\$ 51,223	\$ 250,359	\$ 712,050	\$ 1,095,829	\$ (23)	\$ 27	\$ 1,095,833
24	PRS	0	141,824,168	\$ 421,281	\$ -	\$ -	\$ (58,906)	\$ -	\$ -	\$ 8,506,065	\$ 8,870,440	\$ -	\$ -	\$ 8,870,440
25	Rate Revenue	1,382,796	37,818,625,000	\$ 630,691,000	\$ -	\$ -	\$ 211,230,901	\$ 73,039,138	\$ 357,641,651	\$ 1,839,871,206	\$ 3,112,173,796	\$ (330,632)	\$ 67,645	\$ 3,111,910,809
26	Annualization Adjustment		0	\$ 0	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ -
29	Total PUC Tariff Revenue		37,818,625,000	\$ 630,691,000	\$ -	\$ -	\$ 211,230,901	\$ 73,039,138	\$ 357,641,651	\$ 1,839,871,206	\$ 3,112,173,796	\$ (330,632)	\$ 67,645	\$ 3,111,910,809
31	Other Electric Revenues			\$ 8,923,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,923,000
32	Late Payment			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Misc. Revenue			\$ 29,693,492	\$ -	\$ -	\$ 903,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,596,795
34	Rent			\$ 2,686,087	\$ -	\$ -	\$ -	\$ (a)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,686,087
35	Other			\$ 41,302,579	\$ -	\$ -	\$ 903,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,205,882
36	Total Other			\$ 72,905,058	\$ -	\$ -	\$ 903,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,808,361
37				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Total Operating Revenue		\$ 37,818,625,000	\$ 671,893,678	\$ -	\$ -	\$ 212,134,204	\$ 73,039,138	\$ 357,641,651	\$ 1,839,871,206	\$ 3,112,173,796	\$ (330,632)	\$ 67,645	\$ 3,154,116,891

(a): \$149,065,912 was removed from Page 1. This revenue is received from PJM and is not related to charges for retail service.

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2007 Budget at Present Rates, Annualized

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Line Number	Rate Schedule	Number of Customers	Sales (KWH)	Distribution Present Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	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) Distribution -0.049%	State Tax Adjustment Surcharge (STAS) Other 0.126%	Total Revenue
1	RS	1,193,652	13,782,978,000	\$ 375,738,309			\$ 77,978,133	\$ 26,849,832	\$ 131,840,768	\$ 688,169,807	\$ 1,300,376,849	\$ (190,433)	\$ 1,165,045	\$ 1,301,351,461
2	RTS	14,157	385,602,000	\$ 3,883,000			\$ 2,183,290	\$ 627,715	\$ 3,074,619	\$ 18,895,636	\$ 26,464,260	\$ (1,805)	\$ 28,704	\$ 26,481,160
3	RTD	269	5,013,000	\$ 132,691			\$ 28,378	\$ 12,504	\$ 61,202	\$ 225,437	\$ 460,212	\$ (85)	\$ 413	\$ 460,580
4	GS-1	146,161	1,968,887,000	\$ 75,415,309			\$ 11,019,603	\$ 4,864,555	\$ 23,829,428	\$ 121,181,809	\$ 238,310,704	\$ (36,954)	\$ 202,728	\$ 238,478,479
5	GS-3	22,521	8,734,385,000	\$ 115,877,144			\$ 49,129,868	\$ 18,475,321	\$ 90,353,803	\$ 486,734,879	\$ 740,371,015	\$ (56,682)	\$ 787,114	\$ 741,101,447
*6	LP-4	1,011	5,824,347,220	\$ 30,263,941			\$ 33,008,249	\$ 9,546,844	\$ 48,737,811	\$ 271,683,756	\$ 391,240,200	\$ (14,829)	\$ 454,830	\$ 391,680,201
*7	IS-P	28	350,179,965	\$ 1,600,382			\$ 1,962,576	\$ 615,832	\$ 3,006,678	\$ 13,247,870	\$ 20,633,338	\$ (882)	\$ 23,730	\$ 20,656,185
*8	LP-5	104	3,203,809,537	\$ 1,615,397			\$ 18,057,516	\$ 5,325,890	\$ 26,024,214	\$ 136,217,290	\$ 187,240,308	\$ (792)	\$ 233,887	\$ 187,473,404
*9	IS-T	25	2,028,985,247	\$ 713,399			\$ 11,309,318	\$ 2,838,172	\$ 13,877,496	\$ 83,869,215	\$ 92,607,600	\$ (350)	\$ 115,787	\$ 92,723,037
10	LP-6	3	363,650,000	\$ 139,000			\$ 2,055,141	\$ 1,157,228	\$ 5,655,761	\$ 16,119,588	\$ 25,126,718	\$ (88)	\$ 31,485	\$ 25,158,134
11	LPEP	1	72,000,000	\$ 331,000			\$ 406,884	\$ 328,789	\$ 1,609,563	\$ 2,787,456	\$ 5,463,692	\$ (162)	\$ 6,487	\$ 5,488,997
*12	ISA	1	264,373,863	\$ 526,600			\$ 1,491,906	\$ 501,308	\$ 2,460,059	\$ 11,449,120	\$ 18,428,993	\$ (258)	\$ 20,037	\$ 18,448,772
13	IS-1	3	1,447,000	\$ 31,691			\$ 8,179	\$ 11,504	\$ 56,381	\$ 39,574	\$ 147,329	\$ (18)	\$ 146	\$ 147,459
14	BL	46	6,468,000	\$ 280,856			\$ 36,556	\$ 12,400	\$ 60,788	\$ 264,432	\$ 655,032	\$ (138)	\$ 471	\$ 655,366
15	SA	0	23,015,000	\$ 3,388,787			\$ 129,397	\$ 55,265	\$ 260,737	\$ 1,024,286	\$ 4,856,472	\$ (1,660)	\$ 1,852	\$ 4,856,664
16	SM	104	5,733,000	\$ 888,622			\$ 32,236	\$ 14,478	\$ 68,261	\$ 284,007	\$ 1,287,604	\$ (435)	\$ 503	\$ 1,287,672
17	SHS	1,163	48,806,000	\$ 10,968,285			\$ 274,327	\$ 126,294	\$ 596,495	\$ 3,735,967	\$ 15,701,368	\$ (5,374)	\$ 5,964	\$ 15,701,957
18	SE	88	35,699,000	\$ 1,398,986			\$ 201,942	\$ 9,298	\$ 104,435	\$ 181,415	\$ 1,894,076	\$ (685)	\$ 626	\$ 1,894,018
19	TS	9	334,000	\$ 20,748			\$ 1,889	\$ 1,036	\$ 4,899	\$ 16,203	\$ 44,775	\$ (10)	\$ 30	\$ 44,795
20	SI-1	3	87,000	\$ 14,572			\$ 492	\$ 389	\$ 1,838	\$ 5,340	\$ 22,631	\$ (7)	\$ 10	\$ 22,634
21	GH-1	957	299,775,000	\$ 5,743,944			\$ 1,570,988	\$ 1,323,507	\$ 6,487,807	\$ 13,312,104	\$ 28,438,150	\$ (2,615)	\$ 28,595	\$ 28,463,930
22	GH-2	2,481	64,845,000	\$ 1,356,056			\$ 363,742	\$ 289,954	\$ 1,418,549	\$ 3,007,900	\$ 6,436,201	\$ (664)	\$ 8,401	\$ 6,441,938
23	Standby(LPS-S)	6	6,581,000	\$ 45,000			\$ 37,197	\$ 51,223	\$ 250,359	\$ 712,050	\$ 1,095,829	\$ (22)	\$ 1,324	\$ 1,097,131
24	PRS		141,624,168	\$ 421,281			\$ (56,806)	\$ -	\$ -	\$ 6,506,065	\$ 8,870,440	\$ (206)	\$ 10,646	\$ 8,880,679
25	Rate Revenue	1,382,796	37,618,625,000	\$ 630,591,000	\$ -	\$ -	\$ 211,230,901	\$ 73,039,138	\$ 357,641,551	\$ 1,839,671,206	\$ 3,112,173,796	\$ (315,311)	\$ 3,126,784	\$ 3,114,985,280
26														
27	Annualization Adjustment		106,997,248	\$ 1,726,000	\$ -	\$ -	\$ (3,123,127)	\$ 257,847	\$ (4,004,688)	\$ 4,704,978	\$ (438,891)	\$ -	\$ -	\$ (438,891)
28														
29	Total PUC Tariff Revenue		37,725,622,248	\$ 632,317,000	\$ -	\$ -	\$ 208,107,774	\$ 73,297,085	\$ 353,636,863	\$ 1,844,376,184	\$ 3,111,734,905	\$ (315,311)	\$ 3,126,784	\$ 3,114,548,389
30														
31	Other Electric Revenues													
32	Late Payment			\$ 8,923,000							\$ 8,923,000			\$ 8,923,000
33	Misc. Revenue			\$ -							\$ -			\$ -
34	Rent			\$ 29,693,492			\$ 903,303				\$ 30,596,795			\$ 30,596,795
35	Other			\$ 2,686,087			\$ -				\$ 2,686,087			\$ 2,686,087
36	Total Other			\$ 41,302,579			\$ 903,303	\$ -	\$ -	\$ -	\$ 42,205,882	\$ -	\$ -	\$ 42,205,882
37														
38	Total Operating Revenue			\$ 673,619,579			\$ 209,011,077	\$ 73,297,085	\$ 353,636,863	\$ 1,844,376,184	\$ 3,153,940,787	\$ (315,311)	\$ 3,126,784	\$ 3,156,752,271

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2007 Pro Forma Budget at Present Rates

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line Number	Rate Schedule	Distribution Present Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	Transmission Rate Revenue	CTCRate Revenue	ITC Rate Revenue	E&CRate Revenue	Present Rate Revenue	State Tax Adjustment Surcharge (STAS) Distribution -0.049%	State Tax Adjustment Surcharge (STAS) Other 0.126%	Total Revenue
		(Note 1)	(Note 2)		(Note 3)	(Note 4)	(Note 5)	(Note 6)				
1	RS	\$ 355,270,753	\$ 20,487,558		\$ 77,978,133	\$ 28,849,832	\$ 131,640,788	\$ 688,189,807	\$ 1,300,376,849	\$ (190,433)	\$ 1,165,045	\$ 1,301,351,461
2	RTS	\$ 3,488,283	\$ 194,717		\$ 2,183,290	\$ 627,715	\$ 3,074,619	\$ 18,895,836	\$ 28,484,280	\$ (1,805)	\$ 28,704	\$ 28,491,160
3	RTD	\$ 125,483	\$ 7,228		\$ 28,378	\$ 12,504	\$ 61,202	\$ 225,437	\$ 480,212	\$ (65)	\$ 413	\$ 480,560
4	GS-1	\$ 75,415,309			\$ 11,019,603	\$ 4,864,555	\$ 23,829,428	\$ 121,181,809	\$ 238,310,704	\$ (36,954)	\$ 202,728	\$ 238,478,479
5	GS-3	\$ 115,677,144			\$ 49,129,868	\$ 18,475,321	\$ 90,353,803	\$ 466,734,879	\$ 740,371,015	\$ (56,682)	\$ 787,114	\$ 741,101,447
6	LP-4	\$ 30,283,941			\$ 33,008,249	\$ 9,548,644	\$ 48,737,611	\$ 271,683,756	\$ 391,240,200	\$ (14,829)	\$ 454,830	\$ 391,880,201
7	IS-P	\$ 1,800,382			\$ 1,982,576	\$ 615,832	\$ 3,006,878	\$ 13,247,870	\$ 20,833,338	\$ (882)	\$ 23,730	\$ 20,656,185
8	LP-5	\$ 1,615,397			\$ 18,057,518	\$ 5,325,890	\$ 28,024,214	\$ 136,217,290	\$ 187,240,308	\$ (792)	\$ 233,887	\$ 187,473,404
9	IS-T	\$ 713,399			\$ 11,309,318	\$ 2,838,172	\$ 13,877,496	\$ 63,889,215	\$ 92,907,600	\$ (350)	\$ 115,787	\$ 92,723,037
10	LP-6	\$ 139,000			\$ 2,055,141	\$ 1,157,228	\$ 5,655,781	\$ 18,119,588	\$ 25,126,718	\$ (88)	\$ 31,485	\$ 25,158,134
11	LPEP	\$ 331,000			\$ 406,884	\$ 328,789	\$ 1,609,583	\$ 2,787,456	\$ 5,483,892	\$ (182)	\$ 6,487	\$ 5,469,997
12	ISA	\$ 526,600			\$ 1,491,906	\$ 501,308	\$ 2,480,059	\$ 11,449,120	\$ 18,428,993	\$ (258)	\$ 20,037	\$ 18,448,772
13	IS-1	\$ 31,691			\$ 8,179	\$ 11,504	\$ 58,381	\$ 39,574	\$ 147,329	\$ (16)	\$ 146	\$ 147,459
14	BL	\$ 280,856			\$ 38,556	\$ 12,400	\$ 60,788	\$ 264,432	\$ 655,032	\$ (138)	\$ 471	\$ 655,366
15	SA	\$ 3,386,787			\$ 129,397	\$ 55,265	\$ 260,737	\$ 1,024,266	\$ 4,856,472	\$ (1,660)	\$ 1,852	\$ 4,856,684
16	SM	\$ 888,622			\$ 32,236	\$ 14,478	\$ 68,261	\$ 284,007	\$ 1,287,604	\$ (435)	\$ 503	\$ 1,287,672
17	SHS	\$ 10,968,285			\$ 274,327	\$ 126,294	\$ 598,495	\$ 3,735,967	\$ 15,701,368	\$ (5,374)	\$ 5,964	\$ 15,701,957
18	SE	\$ 1,396,986			\$ 201,942	\$ 9,298	\$ 104,435	\$ 181,415	\$ 1,894,078	\$ (685)	\$ 628	\$ 1,894,018
19	TS	\$ 20,748			\$ 1,889	\$ 1,036	\$ 4,899	\$ 18,203	\$ 44,775	\$ (10)	\$ 30	\$ 44,795
20	SI-1	\$ 14,572			\$ 492	\$ 389	\$ 1,838	\$ 5,340	\$ 22,831	\$ (7)	\$ 10	\$ 22,834
21	GH-1	\$ 5,743,844			\$ 1,570,988	\$ 1,323,507	\$ 6,487,807	\$ 13,312,104	\$ 28,438,150	\$ (2,815)	\$ 28,595	\$ 28,463,930
22	GH-2	\$ 1,356,056			\$ 363,742	\$ 289,954	\$ 1,418,549	\$ 3,007,900	\$ 6,436,201	\$ (864)	\$ 8,401	\$ 6,441,938
23	Standby(LP5-S)	\$ 45,000			\$ 37,197	\$ 51,223	\$ 250,359	\$ 712,050	\$ 1,095,629	\$ (22)	\$ 1,324	\$ 1,097,131
24	PRS	\$ 421,281			\$ (56,906)	\$ -	\$ -	\$ 8,506,065	\$ 8,870,440	\$ (208)	\$ 10,646	\$ 8,880,879
25	Rate Revenue	\$ 609,921,499	\$ 20,669,501		\$ 211,230,901	\$ 73,039,138	\$ 357,641,551	\$ 1,839,671,206	\$ 3,112,173,796	\$ (315,311)	\$ 3,126,794	\$ 3,114,985,280
26												
27	Annualization Adjustment	\$ 1,726,000			\$ (3,123,127)	\$ 257,947	\$ (4,004,688)	\$ 4,704,978	\$ (438,891)	\$ -	\$ -	\$ (438,891)
28												
29	Total PUC Tariff Revenue	\$ 611,647,499	\$ 20,669,501		\$ 208,107,774	\$ 73,297,085	\$ 353,636,863	\$ 1,844,376,184	\$ 3,111,734,905	\$ (315,311)	\$ 3,126,794	\$ 3,114,548,389
30												
31	Other Electric Revenues											
32	Late Payment	\$ 8,923,000			\$ -	\$ -	\$ -	\$ -	\$ 8,923,000	\$ -	\$ -	\$ 8,923,000
33	Misc. Revenue	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Rent	\$ 29,693,492			\$ 903,303	\$ -	\$ -	\$ -	\$ 30,596,795	\$ -	\$ -	\$ 30,596,795
35	Other	\$ 2,686,087			\$ -	\$ -	\$ -	\$ -	\$ 2,686,087	\$ -	\$ -	\$ 2,686,087
36	Total Other	\$ 41,302,579	\$ -		\$ 903,303	\$ -	\$ -	\$ -	\$ 42,205,882	\$ -	\$ -	\$ 42,205,882
37												
38	Total Operating Revenue	\$ 652,950,078	\$ 20,669,501		\$ 209,011,077	\$ 73,297,085	\$ 353,636,863	\$ 1,844,376,184	\$ 3,153,940,787	\$ (315,311)	\$ 3,126,794	\$ 3,156,762,271

Note 1: Col 5, page 3- Column 4 and Column 5
 Note 2: USR Current Budget
 Note 3: Col 8, page 3
 Note 4: Col 9, page 3
 Note 5: Col 10, page 3
 Note 6: Col 11, page 3

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2007 Pro Forma Budget at Present Rates, Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(11)	(12)	(13)	(14)
Line Number	Rate Schedule	Distribution Present Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	Transmission Rate Revenue	CTC Rate Revenue	ITC Rate Revenue	E&C Rate Revenue	Present Rate Revenue	Total Revenue =Column 11	State Tax Adjustment Surcharge (STAS) -0.049% Distribution	State Tax Adjustment Surcharge (STAS) 0.126% Other	Total Revenue	Shopping Factor
		(Note 1)	(Note 2)		(Note 3)	(Note 4)	(Note 5)	(Note 6)						(Note 7)
1	RS	\$ 355,270,753	\$ 20,487,556	\$ -	\$ 77,978,133	\$ 28,849,832	\$ 131,840,788	\$ 682,189,807	\$ 1,300,576,849	\$ 1,301,351,461	\$ (190,433)	\$ 1,185,045	\$ 1,301,351,461	0.000%
2	RTS	\$ 3,488,283	\$ 194,717	\$ -	\$ 2,183,290	\$ 627,715	\$ 3,074,619	\$ 16,895,836	\$ 26,484,280	\$ 26,491,180	\$ (1,805)	\$ 28,704	\$ 26,491,180	0.000%
3	RTD	\$ 125,483	\$ 7,228	\$ -	\$ 28,378	\$ 12,504	\$ 61,202	\$ 225,437	\$ 480,212	\$ 480,560	\$ (85)	\$ 413	\$ 480,560	0.000%
4	GS-1	\$ 75,415,309	\$ -	\$ -	\$ 11,019,603	\$ 4,884,555	\$ 23,829,428	\$ 121,181,809	\$ 238,310,704	\$ 238,478,478	\$ (38,954)	\$ 202,728	\$ 238,478,478	0.000%
5	GS-3	\$ 115,877,144	\$ -	\$ -	\$ 49,139,896	\$ 18,475,321	\$ 90,353,803	\$ 468,828,245	\$ 740,474,208	\$ 741,204,771	\$ (58,882)	\$ 787,244	\$ 741,204,771	0.020%
6	LP-4	\$ 30,263,941	\$ -	\$ -	\$ 33,034,877	\$ 9,546,844	\$ 46,737,611	\$ 271,981,277	\$ 391,484,149	\$ 391,924,457	\$ (14,828)	\$ 455,137	\$ 391,924,457	0.080%
7	IS-P	\$ 1,600,382	\$ -	\$ -	\$ 1,982,576	\$ 615,832	\$ 3,006,878	\$ 13,247,870	\$ 20,833,338	\$ 20,856,185	\$ (882)	\$ 23,730	\$ 20,856,185	0.000%
8	LP-5	\$ 1,615,397	\$ -	\$ -	\$ 18,088,266	\$ 5,325,890	\$ 28,024,214	\$ 138,448,254	\$ 187,503,022	\$ 187,736,448	\$ (792)	\$ 234,218	\$ 187,736,448	0.170%
9	IS-T	\$ 713,399	\$ -	\$ -	\$ 11,322,905	\$ 2,835,172	\$ 13,877,496	\$ 63,945,950	\$ 92,897,922	\$ 92,813,473	\$ (350)	\$ 115,900	\$ 92,813,473	0.120%
10	LP-6	\$ 139,000	\$ -	\$ -	\$ 2,055,141	\$ 1,157,228	\$ 5,855,781	\$ 18,119,588	\$ 25,126,718	\$ 25,158,134	\$ (88)	\$ 131,485	\$ 25,158,134	0.000%
11	LPEP	\$ 331,000	\$ -	\$ -	\$ 406,884	\$ 328,789	\$ 1,809,583	\$ 2,787,458	\$ 5,483,692	\$ 5,489,997	\$ (182)	\$ 6,487	\$ 5,489,997	0.000%
12	IS-1	\$ 528,600	\$ -	\$ -	\$ 1,481,906	\$ 501,308	\$ 2,480,059	\$ 11,449,120	\$ 18,448,993	\$ 18,448,772	\$ (258)	\$ 20,037	\$ 18,448,772	0.000%
13	IS-1	\$ 31,691	\$ -	\$ -	\$ 6,179	\$ 11,504	\$ 58,381	\$ 39,574	\$ 147,329	\$ 147,459	\$ (18)	\$ 148	\$ 147,459	0.000%
14	SL	\$ 280,858	\$ -	\$ -	\$ 38,556	\$ 12,400	\$ 80,788	\$ 284,432	\$ 655,032	\$ 655,368	\$ (138)	\$ 471	\$ 655,368	0.000%
15	SA	\$ 3,386,787	\$ -	\$ -	\$ 129,387	\$ 55,285	\$ 280,737	\$ 1,024,286	\$ 4,858,472	\$ 4,858,684	\$ (1,680)	\$ 1,852	\$ 4,858,684	0.000%
16	SM	\$ 888,822	\$ -	\$ -	\$ 32,236	\$ 14,478	\$ 68,281	\$ 284,007	\$ 1,287,804	\$ 1,287,872	\$ (435)	\$ 503	\$ 1,287,872	0.000%
17	SHS	\$ 10,988,285	\$ -	\$ -	\$ 274,327	\$ 126,294	\$ 598,495	\$ 3,735,987	\$ 15,701,388	\$ 15,701,957	\$ (574)	\$ 5,984	\$ 15,701,957	0.000%
18	SE	\$ 1,396,986	\$ -	\$ -	\$ 201,942	\$ 9,298	\$ 104,435	\$ 181,415	\$ 1,894,078	\$ 1,894,018	\$ (885)	\$ 828	\$ 1,894,018	0.000%
19	TS	\$ 20,748	\$ -	\$ -	\$ 1,889	\$ 1,036	\$ 4,899	\$ 16,203	\$ 44,775	\$ 44,795	\$ (10)	\$ 30	\$ 44,795	0.000%
20	SI-1	\$ 14,572	\$ -	\$ -	\$ 492	\$ 389	\$ 1,838	\$ 5,340	\$ 22,631	\$ 22,634	\$ (7)	\$ 10	\$ 22,634	0.000%
21	GH-1	\$ 5,743,944	\$ -	\$ -	\$ 1,570,988	\$ 1,323,507	\$ 6,487,607	\$ 13,312,104	\$ 28,438,150	\$ 28,463,930	\$ (2,815)	\$ 28,595	\$ 28,463,930	0.000%
22	GH-2	\$ 1,356,056	\$ -	\$ -	\$ 363,742	\$ 289,954	\$ 1,418,549	\$ 8,506,065	\$ 8,870,440	\$ 8,880,879	\$ (208)	\$ 10,648	\$ 8,880,879	0.000%
23	Standby(LP5-S)	\$ 45,000	\$ -	\$ -	\$ 37,197	\$ 51,223	\$ 250,359	\$ 712,050	\$ 1,095,829	\$ 1,097,131	\$ (22)	\$ 1,324	\$ 1,097,131	0.000%
24	PRS	\$ 421,281	\$ -	\$ -	\$ (96,906)	\$ -	\$ -	\$ -	\$ 8,436,201	\$ 8,441,938	\$ (864)	\$ 6,401	\$ 8,441,938	0.000%
25	Rate Revenue	\$ 609,921,499	\$ 20,669,501	\$ -	\$ 211,311,484	\$ 73,039,138	\$ 357,841,651	\$ 1,848,290,792	\$ 3,112,873,976	\$ 3,115,888,341	\$ (318,311)	\$ 3,127,677	\$ 3,115,888,341	
26														
27	Annualization Adjustment	\$ 1,728,000	\$ -	\$ -	\$ (3,123,662)	\$ 257,947	\$ (4,004,688)	\$ 4,702,053	\$ (442,350)	\$ -	\$ (846)	\$ (2,732)	\$ (448,928)	
28														
29	Total PUC Tariff Revenue	\$ 611,649,499	\$ 20,669,501	\$ -	\$ 208,187,822	\$ 73,297,085	\$ 353,836,963	\$ 1,844,992,845	\$ 3,112,431,624	\$ -	\$ (318,156)	\$ 3,124,944	\$ 3,115,240,413	
30														
31	Other Electric Revenues													
32	Late Payment	\$ 8,923,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,923,000	\$ -	\$ -	\$ -	\$ 8,923,000	
33	Misc. Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
34	Rent	\$ 29,693,492	\$ -	\$ -	\$ 903,303	\$ -	\$ -	\$ -	\$ 30,596,795	\$ -	\$ -	\$ -	\$ 30,596,795	
35	Other	\$ 2,686,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,686,087	\$ -	\$ -	\$ -	\$ 2,686,087	
36	Total Other	\$ 41,302,579	\$ -	\$ -	\$ 903,303	\$ -	\$ -	\$ -	\$ 42,205,882	\$ -	\$ -	\$ -	\$ 42,205,882	
37														
38	Total Operating Revenue	\$ 652,950,078	\$ -	\$ -	\$ 209,091,125	\$ 73,297,085	\$ 353,836,963	\$ 1,844,992,845	\$ 3,154,637,507	\$ -	\$ (318,156)	\$ 3,124,944	\$ 3,157,448,285	

Note 1: Col 3, page 4
 Note 2: Col 4, page 4
 Note 3: Col 6, page 4 / (1-Col 14)
 Note 4: Col 7, page 4
 Note 5: Col 8, page 4
 Note 6: Col 9, page 4 / (1-Col 14)
 Note 7: Percent customer shopping usage.

PPL Electric Utilities Corporation
12 month Period Ended December 31, 2007 Proforma Budget at Proposed Rates, Without Shopping

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Line Number	Rate Schedule	Proposed Distribution Rate Revenue	USR (Universal Service Rider)	EER (Energy Efficiency Rider)	Transmission Rate Revenue	CTC Rate Revenue	ITC Rate Revenue	E&C Rate Revenue	Total Proposed Rate Revenue	State Tax Adjustment Surcharge (STAS)	State Tax Adjustment Surcharge (STAS)	Total Revenue	Total Revenue \$ Change	Total Revenue % Change
										Distribution 0.049%	Other 0.126%			
			(Note 1)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 5)					(Note 7)	(Note 8)
1	RS	\$ 422,567,949	\$ 27,619,246	\$ 2,362,166	\$ 77,978,133	\$ 26,849,832	\$ 131,840,766	\$ 888,169,807	\$ 1,377,187,002	\$ (221,749)	\$ 1,165,045	\$ 1,378,131,197	\$ 76,779,730	5.90%
2	RTS	\$ 4,339,198	\$ 267,000	\$ 23,000	\$ 2,183,280	\$ 627,715	\$ 3,074,619	\$ 16,895,636	\$ 27,410,458	\$ (2,268)	\$ 28,704	\$ 27,436,894	\$ 945,734	3.57%
3	RTD	\$ 129,430	\$ 9,754	\$ 834	\$ 28,378	\$ 12,504	\$ 61,202	\$ 225,437	\$ 487,539	\$ (69)	\$ 413	\$ 487,883	\$ 7,323	1.59%
4	GS-1	\$ 75,772,383	\$ -	\$ 471,000	\$ 11,019,603	\$ 4,864,555	\$ 23,829,428	\$ 121,181,809	\$ 237,138,778	\$ (37,359)	\$ 202,728	\$ 237,304,147	\$ 827,666	0.35%
5	GS-3	\$ 118,196,241	\$ -	\$ -	\$ 49,139,696	\$ 18,475,321	\$ 90,353,803	\$ 466,828,245	\$ 740,993,306	\$ (56,936)	\$ 787,244	\$ 741,723,614	\$ 518,843	0.07%
6	LP-4	\$ 29,911,035	\$ -	\$ -	\$ 33,034,877	\$ 9,546,844	\$ 46,737,611	\$ 271,901,277	\$ 391,131,244	\$ (14,856)	\$ 455,137	\$ 391,571,725	\$ (352,732)	-0.09%
7	IS-P	\$ 1,680,517	\$ -	\$ -	\$ 1,962,578	\$ 815,832	\$ 3,008,878	\$ 13,247,870	\$ 20,513,473	\$ (623)	\$ 23,730	\$ 20,538,370	\$ (118,806)	-0.58%
8	LP-5	\$ 1,483,917	\$ -	\$ -	\$ 18,088,266	\$ 5,325,890	\$ 26,024,214	\$ 136,449,254	\$ 187,371,541	\$ (727)	\$ 234,218	\$ 187,805,032	\$ (121,418)	-0.07%
9	IS-1	\$ 583,396	\$ -	\$ -	\$ 11,322,005	\$ 2,839,172	\$ 13,877,496	\$ 83,945,950	\$ 92,567,919	\$ (286)	\$ 115,900	\$ 92,683,534	\$ (129,939)	-0.14%
10	LP-6	\$ 131,449	\$ -	\$ -	\$ 2,955,141	\$ 1,157,228	\$ 5,655,781	\$ 16,119,548	\$ 25,119,167	\$ (84)	\$ 31,485	\$ 25,150,587	\$ (7,547)	-0.03%
11	LPEP	\$ 330,453	\$ -	\$ -	\$ 408,884	\$ 328,789	\$ 1,809,583	\$ 2,787,456	\$ 5,483,145	\$ (182)	\$ 8,467	\$ 5,489,450	\$ (547)	-0.01%
12	IS-2	\$ 526,800	\$ -	\$ -	\$ 1,491,906	\$ 501,308	\$ 2,480,859	\$ 11,449,120	\$ 16,428,993	\$ (258)	\$ 20,037	\$ 16,448,772	\$ -	0.00%
13	IS-1	\$ 32,074	\$ -	\$ -	\$ 8,179	\$ 11,504	\$ 58,381	\$ 38,574	\$ 147,712	\$ (16)	\$ 146	\$ 147,842	\$ 383	0.26%
14	BL	\$ 282,495	\$ -	\$ -	\$ 36,556	\$ 12,400	\$ 80,788	\$ 264,432	\$ 656,671	\$ (138)	\$ 471	\$ 657,004	\$ 1,638	0.25%
15	SA	\$ 4,217,272	\$ -	\$ -	\$ 129,397	\$ 55,285	\$ 280,737	\$ 1,024,286	\$ 5,686,957	\$ (2,068)	\$ 1,852	\$ 5,686,742	\$ 830,078	17.06%
16	SM	\$ 1,110,963	\$ -	\$ -	\$ 32,236	\$ 14,478	\$ 68,281	\$ 284,007	\$ 1,509,075	\$ (544)	\$ 503	\$ 1,509,034	\$ 221,362	17.19%
17	SHS	\$ 13,675,568	\$ -	\$ -	\$ 274,327	\$ 126,294	\$ 596,495	\$ 3,735,907	\$ 18,408,651	\$ (8,701)	\$ 5,984	\$ 18,407,914	\$ 2,705,958	17.23%
18	SE	\$ 1,738,343	\$ -	\$ -	\$ 201,942	\$ 9,296	\$ 104,435	\$ 181,415	\$ 2,235,433	\$ (852)	\$ 626	\$ 2,235,207	\$ 341,190	18.01%
19	TS	\$ 26,522	\$ -	\$ -	\$ 1,889	\$ 1,036	\$ 4,899	\$ 16,203	\$ 50,548	\$ (13)	\$ 30	\$ 50,566	\$ 5,771	12.88%
20	SI-1	\$ 18,461	\$ -	\$ -	\$ 492	\$ 389	\$ 1,838	\$ 5,340	\$ 26,520	\$ (9)	\$ 10	\$ 26,521	\$ 3,887	17.17%
21	GH-1	\$ 6,191,047	\$ -	\$ -	\$ 1,570,988	\$ 1,323,507	\$ 6,487,607	\$ 13,312,104	\$ 28,885,253	\$ (3,034)	\$ 28,595	\$ 28,910,814	\$ 446,884	1.57%
22	GH-2	\$ 1,459,822	\$ -	\$ -	\$ 363,742	\$ 289,954	\$ 1,418,549	\$ 3,007,900	\$ 6,539,987	\$ (715)	\$ 6,401	\$ 6,545,653	\$ 103,715	1.61%
23	Standby(LPS-S)	\$ 48,732	\$ -	\$ -	\$ 37,197	\$ 51,223	\$ 250,359	\$ 712,050	\$ 1,089,581	\$ (24)	\$ 1,324	\$ 1,100,861	\$ 3,730	0.34%
24	PRS	\$ 421,281	\$ -	\$ -	\$ (56,906)	\$ -	\$ -	\$ 8,508,085	\$ 8,870,440	\$ (206)	\$ 10,646	\$ 8,880,879	\$ (0)	0.00%
25	Rate Revenue	\$ 682,874,278	\$ 27,896,000	\$ 2,857,000	\$ 211,311,484	\$ 73,039,138	\$ 357,841,331	\$ 1,840,290,782	\$ 3,195,910,253	\$ (348,877)	\$ 3,127,877	\$ 3,196,688,252	\$ 83,001,911	2.68%
26														
27	Annualization Adjustment	\$ 2,009,029	\$ -	\$ -	\$ (3,123,882)	\$ 257,847	\$ (4,004,888)	\$ 4,702,053	\$ (159,321)	\$ (884)	\$ (2,732)	\$ (163,038)	\$ 282,891	
28														
29	Total PUC Tariff Revenue	\$ 684,883,307	\$ 27,896,000	\$ 2,857,000	\$ 208,187,602	\$ 73,297,085	\$ 353,836,883	\$ 1,844,992,845	\$ 3,195,750,932	\$ (350,682)	\$ 3,124,944	\$ 3,196,525,214	\$ 83,284,802	2.67%
30														
31	Other Electric Revenues													
32	Late Payment	\$ 9,159,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,159,460	\$ -	\$ -	\$ 9,159,460	\$ 236,460	2.65%
33	Misc Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
34	Rent	\$ 29,693,492	\$ -	\$ -	\$ 903,303	\$ -	\$ -	\$ -	\$ 30,596,795	\$ -	\$ -	\$ 30,596,795	\$ -	0.00%
35	Other	\$ 2,686,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,686,087	\$ -	\$ -	\$ 2,686,087	\$ -	0.00%
36	Total Other	\$ 41,539,039	\$ -	\$ -	\$ 903,303	\$ -	\$ -	\$ -	\$ 42,442,342	\$ -	\$ -	\$ 42,442,342	\$ 236,460	0.56%
37														
38	Total Operating Revenue	\$ 726,422,346	\$ -	\$ -	\$ 209,091,135	\$ 73,297,085	\$ 353,836,883	\$ 1,844,992,845	\$ 3,238,193,273	\$ (350,682)	\$ 3,124,944	\$ 3,240,987,556	\$ 83,521,281	2.65%

Note 1: USR As Proposed with GRT
 Note 2: EER As Proposed with GRT
 Note 3: Col 9, page 5
 Note 4: Col 7, page 4
 Note 5: Col 8, page 4
 Note 6: Col 9, page 5
 Note 7: Col 13 - Col 13, page 5
 Note 8: Col 14 / Col 13, page 5 (%)
 Note 9: Percent customer shopping usage.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Operating Revenues for Unbilled Revenue
Year Ended December 31, 2007
(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	\$ 771
2	Unbilled revenue- distribution	2,353
3	Total decrease in transmission and distribution operating revenue	<u>\$ (3,124)</u>

Adjustment to Wages and Benefits
Year Ended December 31, 2007
(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	T&D-related personnel to be employed at the end of the year	\$ 2,135
2	Average monthly T&D-related wages to expense per employee	3,267
3	Annualized T&D-related total wages to expense (line 1 x line 2 x 12)	83,701
4	Less: Budgeted T&D-related wages to expense for the year ended December 31, 2007	<u>86,118</u>
5	Decrease in wages to expense (line 3 - line 4)	(2,417)
6	Decrease in benefits expense (line 5 x 33.36%)	(806)
7	Decrease in payroll taxes (line 5 x 7.92%)	<u>(191)</u>
8	Total decrease in T&D-related wages, taxes and benefits (line 5 + line 6 + line 7)	<u>\$ (3,414)</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Rate Case Expense
Year Ended December 31, 2007
(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>\$ 2,100</u>
2	Normalized amount (line 1 / 3 years)	\$ 700
3	Less: Distribution rate case expense per budget	<u>0</u>
4	Net increase in distribution operating expense	<u>\$ 700</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Interest Expense on Customer Security Deposits
Year Ended December 31, 2007
(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 customer security deposits is computed at an interest rate calculated in accordance with 66 Pa. C.S. § 1404 (c) (6) and the Company's Tariff - Electric Pa. P.U.C. No. 201.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Customer security deposits	\$ 13,269
2	Interest rate	<u>6.000%</u>
3	Total increase in transmission and distribution expense (line 1 x line 2)	<u>\$ 796</u>

Adjustment for Social Programs
Year Ended December 31, 2007
(Thousands of Dollars)

This adjustment was made to increase distribution operating expense to reflect the proposed level of spending for social programs. The costs associated with the OnTrack and WRAP programs will be recovered through the Company's proposed Universal Service Rider. Energy efficiency programs will be recovered through the Energy Efficiency Rider. The remainder will be recovered through distribution service base rates.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	On Track	\$ 19,000 (1)
2	WRAP	7,250
3	Community and Economic Development Initiatives	1,250
4	Energy Efficiency Programs	2,688
5	Total amount of distribution expense	<u>30,188</u>
6	Less: Amount per budget	25,750 (1)
7	Net increase in distribution operating expense	<u><u>\$ 4,438</u></u>

(1) Includes Ontrack uncollectible expense of \$4,500.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment for Deferred Costs for 2005 Ice and Snow Storms
Year Ended December 31, 2007
(Thousands of Dollars)

On August 26, 2005, the PUC granted PPL Electric's petition to defer the costs incurred in January 2005 as a result of a series of ice and snow storms. As part of the order, the PUC required the amortization of these deferred costs to begin in 2005. In accordance with Generally Accepted Accounting Principles (GAAP), the Company established a regulatory asset of \$12.3 million for the portion of the costs that the Company believed would be recoverable from customers pursuant to its next base rate case filing. The difference was charged to expense in 2005. This adjustment reflects the annual amortization that would have been recorded in 2007 had the Company not taken the required write-off in 2005.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Total cost of ice and snow storms approved at Docket No. P-0052148	<u>\$ 16,111</u>
2	Increase in distribution operating expense (Line 1/ 10 years)	\$ 1,611
3	Less: Amount per budget	0
4	Net increase in distribution operating expense	<u>\$ 1,611</u>

PPL ELECTRIC UTILITIES CORPORATION

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Page 1 of 1
D.A. Cunningham

Adjustment for Storm Insurance
Year Ended December 31, 2007
(Thousands of Dollars)

This adjustment was made to annualize the transmission and distribution storm insurance expense in the historic test year only. This page is included for consistency of schedule numbering between Exhibits Historic 1 and Future 1.

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annual Depreciation Expense
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Depreciation - Electric Plant In Service (1)</u>	<u>Amount</u>
1	Intangible Plant	\$ 3,314
2	Transmission Plant	18,369
3	Distribution Plant	90,197
4	General Plant	20,910
5	Total	<u>132,790</u>
6	Less: depreciation expense per budget	132,062
7	Net increase in depreciation expense	<u>\$ 728</u>

(1) Includes negative net salvage of \$12,005

Adjustment to Taxes Other Than Income

Year Ended December 31, 2007*(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 3.89 mills (D-12, page 2)	\$ 2,912
2	Less: Capital stock tax on T&D operations per budget	<u>3,021</u>
3	Net decrease in expense	<u>\$ (109)</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)	\$ 50,177
5	Less: Gross receipts tax on T&D operations per budget	<u>50,425</u>
6	Net decrease in expense	<u>\$ (248)</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)	\$ 4,039
8	Less: Public utility realty tax on T&D operations per budget	<u>4,549</u>
9	Net decrease in expense	<u>\$ (510)</u>

Capital Stock Tax at Present Rates

Year Ended December 31, 2007

(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	PA Capital Stock Tax=50%((5 Year Average Net Income/0.095)+(75%(Net Worth))	
	Net Income	
2	2003	\$ 28,470
3	2004	60,302
4	2005	92,437
5	2006	85,102
6	2007	<u>126,534</u>
7	Total	<u>\$ 392,845</u>
8	Average	<u>\$ 78,569</u>
9	Net worth at December 31, 2007	<u>\$ 1,236,625</u>
10	PA Capital stock value = $0.5((\$78,569/0.095) + (0.75 \times \$1,236,625)) =$	\$ 877,255
11	Statutory Exemption	<u>150</u>
12	Value of Capital Stock less Statutory Exemption	877,105
13	Apportionment Percentage	<u>0.895720</u>
14	PA Capital Stock Taxable Value	<u>\$ 785,640</u>
15	PA Capital Stock Tax at 3.89 mills	\$ 3,056
16	Less: PA Education tax credit	<u>(144)</u>
17	Pa Capital Stock Tax	<u>\$ 2,912</u>

Gross Receipts Tax (GRT) at Present Rates
Year Ended December 31, 2007
(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 1-8)	\$ 841,547	59	\$ 49,651
	Other Electric Revenue			
2	Late payment (D-3, page 1, line 10)	8,923	59	526
3	Other electric revenue (D-3, page 1, line 11-13)	182,289	-	
4	Total Other	<u>\$ 191,212</u>		<u> </u>
5	Total gross receipts tax on pro forma revenue at present rates			<u>\$ 50,177</u>

Public Utility Realty Tax (PURTA) at Present Rates
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	State Taxable Value (per Notice of Determination dated August 1, 2006)	\$ 145,049
2	Rate @ 27.8472 mills (per Notice of Determination dated August 1, 2006)	<u>0.0278472</u>
3	Tax Amount	<u>\$ 4,039</u>

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2007
(Thousands of Dollars)

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	\$ 3,125,920	\$ (2,090,087)	\$ 1,035,833	\$ (4,198)	\$ 1,031,635
	Operating Expenses					
2	Operation and maintenance	2,484,122	(1,909,153)	574,969	4,322	579,291
3	Depreciation and amortization	132,062	0	132,062	728	132,790
4	Regulatory Debits and Credits	1,502	(1,502)	0	0	0
5	Taxes Other than Income	199,671	(134,177)	65,494	(1,058)	64,436
6	Income Taxes - Federal	62,732	(14,257)	48,475	3,865	52,340
7	Income Taxes - State	18,833	(4,521)	14,312	1,546	15,858
8	Deferred Income Taxes	5,146	0	5,146	4,582	9,728
9	Investment Tax Credit - Amortization	(2,392)	0	(2,392)	0	(2,392)
10	Gains and Losses on Property Dispositions	0	0	0	0	0
11	Total Operating Expense	<u>2,901,676</u>	<u>(2,063,610)</u>	<u>838,066</u>	<u>13,985</u>	<u>852,051</u>
12	Operating Income	224,244	(26,477)	197,767	(18,183)	179,584
13	Less: Interest Expense	96,310	0	96,310	(22,942)	73,368
14	Net Operating Income	<u>127,934</u>	<u>(26,477)</u>	<u>101,457</u>	<u>4,759</u>	<u>106,216</u>
	Income Tax Adjustments					
15	Federal Income Tax	62,732	(14,257)	48,475	3,865	52,340
16	State Income Tax	18,833	(4,521)	14,312	1,546	15,858
17	Deferred Income Taxes	5,146	0	5,146	4,582	9,728
18	Pension and supplemental retirements	5,971	0	5,971	0	5,971
19	Contributions in aid of construction - Trans.	7,964	0	7,964	0	7,964
20	Contributions in aid of construction - Dist.	18,024	0	18,024	0	18,024
21	Environmental Clean-up	(426)	0	(426)	0	(426)
22	Book Depreciation	132,062	0	132,062	728	132,790
23	Tax Depreciation	(163,820)	0	(163,820)	0	(163,820)
24	Investment tax credit amortization	(2,392)	0	(2,392)	0	(2,392)
25	Removal costs - Transmission	(1,288)	0	(1,288)	0	(1,288)
26	Removal costs - Distribution	(10,111)	0	(10,111)	0	(10,111)
27	Tax Gains/(Losses) on Plant Dispositions-Trans.	(731)	0	(731)	0	(731)
28	Tax Gains/(Losses) on Plant Dispositions-Dist.	(9)	0	(9)	0	(9)
29	ESOP dividend paid in cash	(4,862)	0	(4,862)	0	(4,862)
30	Reacquired debt costs	3,316	0	3,316	0	3,316
31	Post - retirement/employment benefits	602	0	602	0	602
32	Business Meals Not Deductible	440	0	440	0	440
33	Adjust Gross receipts Tax- Cash basis	243	0	243	0	243
34	Vacation Pay	340	0	340	0	340
35	Bad debts & Property damage	(1,639)	0	(1,639)	0	(1,639)
36	Consumer Education	(2,707)	0	(2,707)	0	(2,707)
37	Deferred Compensation - Officers	(19)	0	(19)	0	(19)
38	Ice Storm Deferral	0	0	0	0	0
39	Other 263A & Repair Allowance - Trans.	342	0	342	0	342
40	Other 263A & Repair Allowance - General	129	0	129	0	129
41	Other 263A & Repair Allowance - Dist.	528	0	528	0	528
42	Rate Refund	2,249	0	2,249	0	2,249
43	Income Tax Adjustments	<u>70,917</u>	<u>(18,778)</u>	<u>52,139</u>	<u>10,721</u>	<u>62,860</u>
44	Taxable Net Income Before Special Deductions	<u>\$ 198,851</u>	<u>\$ (45,255)</u>	<u>\$ 153,596</u>	<u>\$ 15,480</u>	<u>\$ 169,076</u>

PPL ELECTRIC UTILITIES CORPORATION
Computation of Income Taxes - Electric
Year Ended December 31, 2007
(Thousands of Dollars)

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
<u>PA Corporate Net Income Tax Calculation</u>						
1	Taxable Net Income Before Special Deductions	\$ 198,851	\$ (45,255)	\$ 153,596	\$ 15,480	\$ 169,076
PA Special Deductions						
2	Tax Preference Income	(112)	0	(112)	0	(112)
3	Dividends Paid Credit	(370)	0	(370)	0	(370)
4	Bonus Depreciation Adjustment	(6,847)	0	(6,847)	0	(6,847)
5	State Intercompany Tax Gain	0	0	0	0	0
6	State NOL Carryforward	(3,000)	0	(3,000)	0	(3,000)
7	PA Taxable Income	<u>188,522</u>	<u>(45,255)</u>	<u>143,267</u>	<u>15,480</u>	<u>158,747</u>
8	PA Tax @ 9.99%	18,833	(4,521)	14,312	1,546	15,858
9	PA Tax Credits	0	0	0	0	0
10	Accrual for Potential Deficiency	0	0	0	0	0
11	Prior Period Tax Return Adjustments	0	0	0	0	0
12	Total PA Income Tax	<u>\$ 18,833</u>	<u>\$ (4,521)</u>	<u>\$ 14,312</u>	<u>\$ 1,546</u>	<u>\$ 15,858</u>
<u>Federal Income Tax Calculation</u>						
13	Taxable Net Income Before Special Deductions	\$ 198,851	\$ (45,255)	\$ 153,596	\$ 15,480	\$ 169,076
Federal Special Deductions						
14	PA Income Tax Less Tax Credits	(18,833)	4,521	(14,312)	(1,546)	(15,858)
15	Dividends Paid Credit	(370)	0	(370)	0	(370)
16	State Income Tax Adjustment for Prior Year	0	0	0	0	0
17	Federal Taxable Income	<u>179,648</u>	<u>(40,734)</u>	<u>138,914</u>	<u>13,934</u>	<u>152,848</u>
18	Federal Tax @ 35%	62,877	(14,257)	48,620	4,877	53,497
19	Federal Tax Credits	(145)	0	(145)	0	(145)
20	Accrual for Potential Deficiency	0	0	0	0	0
21	Prior Period Tax Return Adjustments	0	0	0	0	0
22	Consolidated Income Tax Adjustment (D-13, page 4)	0	0	0	(1,012)	(1,012)
23	Total Federal Income Tax	<u>\$ 62,732</u>	<u>\$ (14,257)</u>	<u>\$ 48,475</u>	<u>\$ 3,865</u>	<u>\$ 52,340</u>

PPL ELECTRIC UTILITIES CORPORATION
Adjustment to Interest Deduction for Income Tax Purposes
Year Ended December 31, 2007
(Thousands of Dollars)

This adjustment provides for the annualized interest on claimed measures of value at December 31, 2007.

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Measures of value at December 31, 2007 (C-1)	\$ 2,665,893
2	Long-term debt ratio (B-9)	46.41%
3	Embedded cost of long-term debt (B-9)	5.93%
4	Annualized interest (line 1 x line 2 x line 3)	73,368
5	Less: Interest expense on T&D operations (D-13, page 1)	<u>96,310</u>
6	Net decrease in interest deduction (line 4 - line 5)	<u><u>\$ (22,942)</u></u>

PPL Electric Utilities Corporation
Consolidated Income Tax Adjustment
Year Ended December 31, 2007
(Thousands of Dollars)

Line No.	2004 (1)	2005 (2)	2006 (3)	Three Year Average (4)=((1)+(2)+(3))/3	
Non-Regulated Company					
Taxable Losses					
1	Burns Mechanical, Inc.	\$ 0	\$ (4)	\$ 0	\$ (1)
2	Gas-Oil Products Inc. of Delaware	(74)	0	0	(25)
3	H.T. Lyons, Inc.	0	(848)	0	(283)
4	Lady Jane Collieries, Inc.	(359)	0	0	(120)
5	Ninth Street and Hamilton Corporation	(4)	0	(4)	(3)
6	PPL Capital Funding, Inc.	(2,367)	(2,524)	0	(1,630)
7	PPL Corporation	0	0	(19,971)	(6,657)
8	PPL Energy Funding Corporation (Note 1)	(53,366)	(140,230)	0	(64,532)
9	PPL Spectrum, Inc.	0	0	(856)	(285)
10	Total Taxable Losses (a)	\$ (56,170)	\$ (143,606)	\$ (20,831)	\$ (73,536) (a)
11	Taxable Income Companies (b)	\$ 748,060	\$ 976,810	\$ 1,149,850	958,240 (b)
Taxable Income - PA Utilities					
12	PPL Electric Utilities Corporation (Note 2)	\$ 0	\$ 95,321	\$ 63,260	\$ 52,860
13	Total Taxable Income - PA Utilities (c)	\$ 0	\$ 95,321	\$ 63,260	\$ 52,860 (c)
14	% Taxable Income Pa. Utilities to Total Taxable Income Companies (d)=(c)/(b)	0.0000%	9.7584%	5.5016%	5.0867% (d)
15	Adjustment for Consolidated Tax Savings Applicable to PA Utilities (e)=(a)*(d)			\$ (3,741)	(e)
16	Adjustment to Federal Income Taxes (e) * 35%			\$ (1,309)	(f)
17	% T&D Taxable Income to Total Taxable Income (D-13, page 2, Line 17)			77.3257%	(g)
18	T&D pro forma adjustment to Federal Income Taxes (f)*(g)			\$ (1,012)	(h)
Note 1:					
19	Taxable (Loss)	\$ (368,923)	\$ (339,923)	\$ 6,733	\$ (234,038)
Adjustment for Non-recurring items:					
20	Losses from Syntfuel Operations	\$ 57,171	\$ 80,718	\$ 60,985	\$ 66,291
21	Bonus Depreciation	164,551	7,874	0	57,475
22	Extraordinary Sales/Dispositions	41,366	8,862	17,959	22,729
23	Discontinued Operations	52,469	102,239	13,980	56,229
24	Total adjustments	\$ 315,557	\$ 199,693	\$ 92,924	\$ 202,724
25	Adjusted Taxable Income/(Loss)	\$ (53,366)	\$ (140,230)	\$ 99,657	\$ (31,314)
Note 2:					
26	Consolidated Taxable Income/(Loss)	\$ (87,505)	\$ 94,984	\$ 63,693	\$ 23,724
Adjustment for Non-regulated LLC's disregarded for income tax purposes:					
27	CEP Commerce, LLC	\$ 0	\$ 0	\$ (34)	\$ (11)
28	PPL Transition Bond Company, LLC	(158)	(11)	(399)	(189)
Adjustment for Non-recurring items:					
29	Bonus Depreciation	\$ 68,969	\$ 348	\$ 0	\$ 23,106
30	Total Adjustments	\$ 68,811	\$ 337	\$ (433)	\$ 22,806
31	Adjusted Taxable Income/(Loss)	\$ (18,694)	\$ 95,321	\$ 63,260	\$ 46,630

PPL ELECTRIC UTILITIES CORPORATION
Operating Revenue and Applicable Tax
Related to Proposed Rate Increase
Year Ended December 31, 2007
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Additional operating revenue from proposed rate increase	\$ 83,573
	Less:	
2	Provision for uncollectible accounts expense - Note 1 (line 1 x 0.8%)	669
3	PA gross receipts tax (line 1 x 59 mills)	4,931
4	PA Capital stock tax (D-13, page 6, line 19)	<u>226</u>
5	Taxable income for PA Corporate net income tax	77,747
6	PA corporate net income tax (line 5 x 9.99%)	<u>7,767</u>
7	Taxable income for Federal income tax	69,980
8	Federal income tax (line 7 x 35%)	<u>24,493</u>
9	Operating income	<u><u>\$ 45,487</u></u>

Note 1: Excludes the provision for uncollectible accounts expense associated with the OnTrack program.

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax at Proposed Rates
Year Ended December 31, 2007
(Thousands of Dollars)

Line No.	Description	Amount
1	PA Capital Stock Tax=50%((5 Year Average Net Income/0.095)+(75%(Net Worth))	
	Net Income	
2	2003	\$ 28,470
3	2004	60,302
4	2005	92,437
5	2006	85,102
6	2007 (Note 1)	<u>172,021</u>
7	Total	<u>\$ 438,332</u>
8	Average	<u>\$ 87,666</u>
9	Net worth at December 31, 2007 (Note 2)	<u>\$ 1,282,112</u>
10	PA Capital stock value = 0.5(((\$87,666/0.095) + (0.75 x \$1,282,112)) =	\$ 942,192
11	Statutory Exemption	<u>150</u>
12	Value of Capital Stock less Statutory Exemption	942,042
13	Apportionment Percentage	<u>0.895720</u>
14	PA Capital Stock Taxable Value	<u>\$843,806</u>
15	PA Capital Stock Tax at 3.89 mills	\$ 3,282
16	Less: PA Education tax credit	<u>(144)</u>
17	Pa Capital Stock Tax at Proposed Rates	\$ 3,138
18	Less: PA Capital Stock Tax at Present Rates (D-12, page 1, line 1)	<u>2,912</u>
19	Additional PA Capital Stock Tax due to Proposed Rate Increase	<u>\$ 226</u>
	Note 1:	
20	Net Income at Present Rates (D-12, page 2, line 6)	\$ 126,534
21	Net Income from Proposed Rate Increase (D-13, page 5, line 9)	<u>45,487</u>
22	Total 2007 Net Income	<u>\$ 172,021</u>
	Note 2:	
23	Net Worth at Present Rates (D-12, page 2, line 9)	\$ 1,236,625
24	Net Worth from Proposed Rate Increase (D-13, page 5, line 9)	<u>45,487</u>
25	Total 2007 Net Worth	<u>\$ 1,282,112</u>

PPL ELECTRIC UTILITIES CORPORATION

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Page 1 of 2
J. M. KlehaAdjustment to Deferred Income Taxes
As of December 31, 2007
(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	\$ 4,209		\$ 4,209	\$ 506	\$ 4,715
Distribution Property	14,984		14,984	468	15,452
General Property	513		513	(18)	495
Prior Year Tax Return Adjustments			0		0
Other 263A & Repair Allowance:					
Transmission Property		(136)	(136)	(1)	(137)
Distribution Property		(1,044)	(1,044)	19	(1,025)
General Property		(871)	(871)	5	(866)
Contributions in Aid Of Construction:					
Transmission Property		(2,907)	(2,907)	(59)	(2,966)
Distribution Property		(5,902)	(5,902)	(38)	(5,940)
Prior Year Tax Return Adjustments			0		0
Total					
Transmission Property	4,209	(3,043)	1,166	446	1,612
Distribution Property	14,984	(6,946)	8,038	449	8,487
General Property	513	(871)	(358)	(13)	(371)
Prior Year Tax Return Adjustments	0	0	0	0	0
Total	<u>\$ 19,706</u>	<u>\$ (10,860)</u>	<u>\$ 8,846</u>	<u>\$ 882</u>	<u>9,728</u>
Less: Deferred income taxes on T&D operations per budget					<u>5,146</u>
Net increase in deferred income taxes					<u>\$ 4,582</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Provision For Deferred Income Taxes
As of December 31, 2007
(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	\$ 26,095
2	Book Depreciation allocated to ACRS and MACRS property	<u>12,328</u>
3	Excess ACRS and MACRS tax depreciation	<u>13,767</u>
	Distribution Property	
4	Tax depreciation computed under ACRS and MACRS	114,162
5	Book Depreciation allocated to ACRS and MACRS property	<u>68,959</u>
6	Excess ACRS and MACRS tax depreciation	<u>45,203</u>
	General Property	
7	Tax depreciation computed under ACRS and MACRS	21,698
8	Book Depreciation allocated to ACRS and MACRS property	<u>20,212</u>
9	Excess ACRS and MACRS/(straight-line) tax depreciation	<u>1,486</u>
10	Excess ACRS and MACRS tax depreciation	<u>\$ 60,456</u>
11	Tax Rate Provisions - 35% Reversals - Average Rate Assumption Method	
12	Net annual deferred tax debit / (credit)	<u>\$ 20,662</u>
	Less: Net provision per T&D operations per budget	
13	Provision for deferred taxes - debit	19,706
14	Provision for deferred taxes - credit	<u>19,706</u>
15		<u>19,706</u>
16	Increase in deferred income tax provision	<u>\$ 956</u>

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Amortization of
Deferred Investment Tax Credit
Year Ended December 31, 2007
(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	1975	\$ 37	\$ 24	\$ 61
2	1976	19	89	108
3	1977	0	33	33
4	1978	0	26	26
5	1979	0	33	33
6	1980	0	118	118
7	1981	0	211	211
8	1982	0	61	61
9	1983	0	2	2
10	1984	0	24	24
11	1985	0	17	17
12	1986	0	13	13
13	1987	0	9	9
14	1988	0	2	2
15	1989	0	0	0
16	1990	0	0	0
Total Transmission Property				<u>718</u>
Distribution Property:				
17	1975	87	57	144
18	1976	39	180	219
19	1977	0	118	118
20	1978	0	114	114
21	1979	0	163	163
22	1980	0	160	160
23	1981	0	161	161
24	1982	0	147	147
25	1983	0	79	79
26	1984	0	84	84
27	1985	0	117	117
28	1986	0	120	120
29	1987	0	28	28
30	1988	0	12	12
31	1989	0	3	3
32	1990	0	5	5
Total Distribution Property				<u>1,674</u>
33	Total amount of amortization			2,392
34	Less: Amortization on T&D operations per budget			<u>2,392</u>
35	Net decrease in amortization			<u>\$ 0</u>