



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

DECEMBER 30, 2004

Docket No. R-00049863
Docket No. M-FACE0411
Docket No. R-00040164
Docket No. R-00049255

PAUL E RUSSELL
ASSOCIATE GENERAL COUNSEL
PPL ELECTRIC UTILITIES CORPORATION
TWO NORTH NINTH STREET
ALLENTOWN PA 18101-1179

DOCKETED
JAN 28 2005

Re: Pennsylvania Public Utility Commission
v.
PPL Electric Utilities Corporation

**DOCUMENT
FOLDER**

Dear Mr. Russell:

On December 17, 2004, PPL Utilities Corporation (PPL) filed Supplement No. 40 to Tariff-Electric Pa. P.U.C. No. 201. This Tariff Supplement was filed in compliance with the Commission's Secretarial Letters and Orders issued December 16, 2004 at Docket Nos. R-00049863 and M-FACE0411 concerning PPL's intangible transition charge (ITC) and Competitive Transition Charge (CTC). Supplement No. 40 has an effective date of January 1, 2005, and sets forth revised ITC and CTC charges. PPL's Supplement No. 40 has been reviewed, and the conclusion is that it properly implements the Commission's December 16, 2004 directives. Accordingly, Supplement No. 40 is accepted by the Commission, and the rates set forth are approved to become effective January 1, 2005.

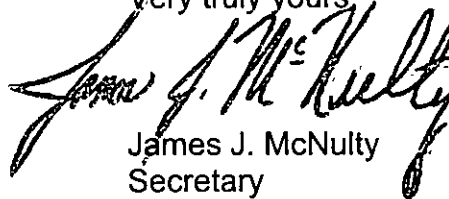
On December 21, 2004, PPL filed Supplement No. 41 to Tariff-Electric Pa. P.U.C. No. 201. Supplement No. 41 is a State Tax Surcharge tariff supplement and was filed in response to changes to Pennsylvania corporate tax rates. The Commission hereby accepts these tariff changes, allowing the tariff changes to become effective January 1, 2005. However, this notification shall not preclude the Commission from investigating the financial affairs of your company and, in appropriate cases, ordering refunds or other remedies which it deems proper.

On December 22, 2004, PPL filed Supplement No. 42 to Tariff-Electric Pa. P.U.C. No. 201 in accordance with the Commission's Order issued at Docket No. R-00042955. Supplement No. 42 is approved to become effective on January 1, 2005. Pursuant to the Commission's December 22, 2004 Order, the compliance tariff produces \$137,101,767 in additional distribution revenues, which includes \$2,766,750 in distribution revenues for funding the Sustainable Energy Fund (SEF). Because the

SEF funding level reflected in the allowed revenue increase is a two-year average of the different SEF funding levels allowed in rates for 2005 and 2006, PPL will not be required to adjust its distribution rates in 2006 to reflect the reduced amount of SEF funding in that year.

Should there be developments contrary to the above, you will be advised.

Very truly yours,

A handwritten signature in black ink, appearing to read "James J. McNulty". The signature is fluid and cursive, with a large initial "J" and "M".

James J. McNulty
Secretary

Cc: Kerry Klinefelter
Scott Rhodes
Elaine McDonald