

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R2.5						
NET SALVAGE PERCENT.. 0						
1941	28,311.25	22,261	28,311			
1942	5,190.68	4,046	5,191			
1943	5,818.34	4,494	5,818			
1944	1,311.66	1,003	1,312			
1945	261.29	198	261			
1946	13,548.50	10,152	13,549			
1947	66,557.28	49,332	66,557			
1948	25,396.14	18,610	25,396			
1949	153,879.72	111,440	153,880			
1950	118,075.02	84,459	118,075			
1951	55,853.50	39,449	55,656	198	17.62	11
1952	30,243.08	21,079	29,739	504	18.18	28
1953	97,947.77	67,339	95,004	2,944	18.75	157
1954	112,055.82	75,940	107,138	4,918	19.34	254
1955	86,052.95	57,466	81,074	4,979	19.93	250
1956	118,940.29	78,227	110,365	8,575	20.54	417
1957	38,548.90	24,953	35,204	3,345	21.16	158
1958	55,029.62	35,043	49,440	5,590	21.79	257
1959	140,004.28	87,643	123,649	16,355	22.44	729
1960	10,580.94	6,509	9,183	1,398	23.09	61
1961	1,479.59	894	1,261	219	23.76	9
1962	21,100.91	12,509	17,648	3,453	24.43	141
1963	105,085.80	61,107	86,211	18,875	25.11	752
1964	32,118.08	18,301	25,820	6,298	25.81	244
1965	112,330.62	62,703	88,463	23,868	26.51	900
1966	142,013.66	77,568	109,435	32,579	27.23	1,196
1967	455,587.77	243,375	343,360	112,228	27.95	4,015
1968	346,629.68	180,941	255,276	91,354	28.68	3,185
1969	346,109.74	176,412	248,886	97,224	29.42	3,305
1970	368,089.27	183,014	258,201	109,888	30.17	3,642
1971	549,702.40	266,441	375,902	173,800	30.92	5,621
1972	438,178.18	206,732	291,663	146,515	31.69	4,623
1973	1,014,271.05	465,550	656,810	357,461	32.46	11,012
1974	633,075.03	282,351	398,348	234,727	33.24	7,062
1975	1,233,508.60	533,863	753,187	480,322	34.03	14,115
1976	519,806.92	218,163	307,790	212,017	34.82	6,089
1977	442,346.32	179,681	253,498	188,848	35.63	5,300

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R2.5						
NET SALVAGE PERCENT.. 0						
1978	524,205.31	205,855	290,425	233,780	36.44	6,415
1979	1,161,259.76	440,350	621,257	540,003	37.25	14,497
1980	700,287.67	255,815	360,910	339,378	38.08	8,912
1981	452,033.21	158,890	224,166	227,867	38.91	5,856
1982	385,935.94	130,331	183,874	202,062	39.74	5,085
1983	353,991.43	114,516	161,562	192,429	40.59	4,741
1984	622,098.97	192,415	271,464	350,635	41.44	8,461
1985	501,493.78	147,941	208,719	292,775	42.30	6,921
1986	501,148.82	140,672	198,464	302,685	43.16	7,013
1987	499,424.02	132,947	187,565	311,859	44.03	7,083
1988	190,463.56	47,940	67,635	122,829	44.90	2,736
1989	270,156.71	64,027	90,331	179,826	45.78	3,928
1990	917,164.37	203,794	287,518	629,646	46.67	13,491
1991	401,296.21	83,189	117,365	283,931	47.56	5,970
1992	1,402,762.29	270,032	380,968	1,021,794	48.45	21,090
1993	2,041,128.90	362,300	511,142	1,529,987	49.35	31,003
1994	1,209,366.67	196,280	276,917	932,450	50.26	18,553
1995	714,743.52	105,210	148,433	566,311	51.17	11,067
1996	487,217.57	64,313	90,734	396,484	52.08	7,613
1997	623,374.96	72,748	102,635	520,740	53.00	9,825
1998	104,163.58	10,552	14,887	89,277	53.92	1,656
1999	248,983.58	21,363	30,139	218,845	54.85	3,990
2000	704,992.12	49,702	70,121	634,871	55.77	11,384
2001	183,389.88	10,050	14,179	169,211	56.71	2,984
2002	113,028.13	4,442	6,267	106,761	57.64	1,852
2003	130,034.82	3,082	4,348	125,687	58.58	2,146
2004	293,764.05	2,291	3,232	290,532	59.53	4,880
	24,499,002.26	8,176,079	11,347,870	13,151,137		302,685

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 43.4 1.24

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 362 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1913	1,898.76	1,899	1,899			
1914	7,629.02	7,629	7,629			
1915	209.92	210	210			
1916	120.28	120	120			
1917	314.13	314	314			
1918	401.99	400	402			
1919	10,964.67	10,855	10,965			
1920	5,270.66	5,190	5,271			
1921	10,413.12	10,199	10,413			
1922	125,837.66	122,541	125,838			
1923	52,614.52	50,936	52,615			
1924	79,431.56	76,437	79,432			
1925	48,805.23	46,677	48,805			
1926	103,714.04	98,570	103,714			
1927	193,111.81	182,394	193,112			
1928	111,352.36	104,504	111,352			
1929	146,784.37	136,847	146,784			
1930	375,424.75	347,793	375,425			
1931	31,045.61	28,568	31,046			
1932	7,713.87	7,050	7,714			
1933	93,252.23	84,664	93,252			
1934	8,074.44	7,279	8,074			
1935	758,199.94	678,816	758,200			
1936	51,127.62	45,458	51,128			
1937	97,360.69	85,969	97,361			
1938	201,711.88	176,821	201,712			
1939	19,350.93	16,843	19,351			
1940	15,847.91	13,689	15,796	52	6.40	8
1941	183,703.34	157,507	181,754	1,949	6.70	291
1942	47,994.42	40,838	47,125	869	7.01	124
1943	8,308.67	7,013	8,093	216	7.33	29
1944	7,424.31	6,214	7,171	253	7.66	33
1945	10,619.00	8,814	10,171	448	7.99	56
1946	269,767.65	221,965	256,135	13,633	8.33	1,637
1947	326,505.97	266,200	307,179	19,327	8.68	2,227
1948	291,550.83	235,544	271,804	19,747	9.03	2,187
1949	971,975.52	777,580	897,282	74,694	9.40	7,946

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ACCOUNT 362 STATION EQUIPMENT

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RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1950	936,167.16	741,351	855,475	80,692	9.78	8,251
1951	850,316.13	666,308	768,880	81,436	10.17	8,007
1952	164,356.96	127,393	147,004	17,353	10.57	1,642
1953	781,252.78	598,596	690,745	90,508	10.99	8,235
1954	748,848.65	567,028	654,317	94,532	11.41	8,285
1955	541,715.03	405,149	467,518	74,197	11.85	6,261
1956	284,135.19	209,777	242,070	42,065	12.30	3,420
1957	517,253.17	376,715	434,707	82,546	12.77	6,464
1958	375,712.18	269,874	311,419	64,293	13.24	4,856
1959	632,642.62	447,848	516,790	115,853	13.73	8,438
1960	495,533.60	345,486	398,671	96,863	14.23	6,807
1961	270,176.59	185,449	213,997	56,180	14.74	3,811
1962	353,234.06	238,468	275,178	78,056	15.27	5,112
1963	501,492.50	332,790	384,020	117,473	15.81	7,430
1964	511,863.85	333,684	385,052	126,812	16.36	7,751
1965	1,015,484.01	649,910	749,958	265,526	16.92	15,693
1966	1,134,958.05	712,413	822,083	312,875	17.50	17,879
1967	3,886,638.21	2,390,671	2,758,694	1,127,944	18.09	62,352
1968	3,622,422.23	2,181,785	2,517,651	1,104,771	18.69	59,110
1969	3,618,542.77	2,132,769	2,461,090	1,157,453	19.30	59,972
1970	2,315,610.13	1,334,255	1,539,652	775,958	19.92	38,954
1971	4,094,607.14	2,303,626	2,658,249	1,436,358	20.56	69,862
1972	5,292,762.93	2,905,198	3,352,427	1,940,336	21.20	91,525
1973	6,426,220.07	3,437,385	3,966,540	2,459,680	21.86	112,520
1974	5,418,650.27	2,822,575	3,257,085	2,161,565	22.52	95,984
1975	7,019,259.76	3,554,553	4,101,745	2,917,515	23.20	125,755
1976	2,855,846.60	1,404,220	1,620,387	1,235,460	23.89	51,715
1977	7,108,270.42	3,389,223	3,910,964	3,197,306	24.59	130,025
1978	3,532,496.71	1,631,660	1,882,840	1,649,657	25.29	65,230
1979	6,531,023.44	2,916,755	3,365,764	3,165,259	26.01	121,694
1980	7,645,043.58	3,295,778	3,803,134	3,841,910	26.74	143,677
1981	3,849,958.61	1,599,658	1,845,911	2,004,048	27.47	72,954
1982	2,079,170.86	830,837	958,737	1,120,434	28.22	39,704
1983	1,530,975.03	587,282	677,689	853,286	28.97	29,454
1984	4,076,849.03	1,497,834	1,728,412	2,348,437	29.73	78,992
1985	3,219,955.05	1,130,526	1,304,560	1,915,395	30.50	62,800
1986	3,086,236.05	1,032,346	1,191,266	1,894,970	31.28	60,581

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-R2						
NET SALVAGE PERCENT.. 0						
1987	5,156,373.05	1,638,180	1,890,363	3,266,010	32.07	101,840
1988	3,659,065.73	1,099,915	1,269,237	2,389,829	32.87	72,705
1989	6,088,414.32	1,726,674	1,992,480	4,095,934	33.67	121,649
1990	8,740,994.59	2,328,601	2,687,069	6,053,926	34.48	175,578
1991	7,657,310.48	1,905,905	2,199,302	5,458,008	35.30	154,618
1992	16,637,450.91	3,851,570	4,444,485	12,192,966	36.12	337,568
1993	11,067,097.82	2,363,932	2,727,838	8,339,260	36.96	225,629
1994	7,851,218.48	1,536,483	1,773,011	6,078,207	37.80	160,799
1995	10,626,041.87	1,890,373	2,181,379	8,444,663	38.64	218,547
1996	7,683,573.70	1,226,298	1,415,076	6,268,498	39.50	158,696
1997	6,851,498.29	968,117	1,117,150	5,734,348	40.36	142,080
1998	6,263,673.93	770,432	889,033	5,374,641	41.22	130,389
1999	6,374,645.87	664,876	767,228	5,607,418	42.10	133,193
2000	9,690,130.18	830,444	958,284	8,731,846	42.97	203,208
2001	6,649,394.13	444,180	512,558	6,136,836	43.86	139,919
2002	4,703,425.06	225,294	259,976	4,443,449	44.75	99,295
2003	4,808,226.88	137,996	159,239	4,648,988	45.65	101,840
2004	11,131,914.30	106,866	123,317	11,008,597	46.55	236,490
	243,641,964.69	77,373,658	89,132,354	154,509,614		4,629,783
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.4	1.90

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.2 POLES, TOWERS AND FIXTURES - TOWERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. 0						
1910	43,946.36	43,946	43,946			
1913	844.85	839	845			
1914	50,788.10	50,235	50,788			
1916	1,510.79	1,481	1,511			
1917	107.57	105	108			
1918	158.11	154	158			
1919	1,036.95	1,004	1,037			
1920	16.84	16	17			
1921	130.13	125	130			
1922	129.37	123	129			
1923	61,881.31	58,756	61,881			
1924	5,457.80	5,157	5,458			
1925	16,598.86	15,606	16,599			
1926	7,344.95	6,871	7,345			
1927	4,422.02	4,116	4,422			
1928	8,333.34	7,718	8,333			
1929	1,124.23	1,036	1,124			
1931	1,562.67	1,425	1,557	6	4.83	1
1932	8,878.64	8,056	8,805	74	5.10	15
1933	2,413.40	2,178	2,380	33	5.36	6
1934	124.86	112	122	3	5.62	1
1935	1,709.39	1,526	1,668	41	5.90	7
1936	324.54	288	315	10	6.17	2
1937	1,050.43	927	1,013	37	6.46	6
1938	392.33	344	376	16	6.75	2
1939	1,107.75	966	1,056	52	7.06	7
1940	799.59	692	756	44	7.37	6
1941	2,665.05	2,292	2,505	160	7.70	21
1942	1,056.91	902	986	71	8.04	9
1943	132.69	112	122	11	8.40	1
1944	320.06	269	294	26	8.77	3
1945	59.46	50	55	4	9.16	
1946	272.06	225	246	26	9.56	3
1947	136.64	112	122	15	9.98	2
1948	84.66	69	75	10	10.41	1
1949	21,003.28	16,855	18,421	2,582	10.86	238
1950	1,558.47	1,237	1,352	206	11.33	18

PPL ELECTRIC DIVISION
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ACCOUNT 364.2 POLES, TOWERS AND FIXTURES - TOWERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. 0						
1951	6,050.00	4,750	5,191	859	11.82	73
1952	5,104.42	3,960	4,328	776	12.33	63
1953	268.46	206	225	43	12.85	3
1954	393.27	298	326	67	13.39	5
1955	163.00	122	133	30	13.94	2
1956	3,066.88	2,258	2,468	599	14.51	41
1957	2,122.35	1,540	1,683	439	15.10	29
1959	1,798.03	1,265	1,383	415	16.32	25
1960	141.57	98	107	35	16.96	2
1961	6,820.37	4,636	5,067	1,753	17.61	100
1962	1,466.06	979	1,070	396	18.27	22
1963	2,058.08	1,349	1,474	584	18.94	31
1964	1,066.30	686	750	316	19.63	16
1965	680.91	429	469	212	20.33	10
1967	69,319.17	41,883	45,775	23,544	21.77	1,081
1968	548.05	324	354	194	22.50	9
1969	3,678.30	2,123	2,320	1,358	23.25	58
1970	8,592.28	4,842	5,292	3,300	24.01	137
1971	6,591.76	3,623	3,960	2,632	24.77	106
1978	89,680.62	40,078	43,802	45,879	30.42	1,508
1980	11,907.48	4,954	5,414	6,493	32.12	202
1983	170,423.08	62,835	68,673	101,750	34.72	2,931
1985	19,239.86	6,474	7,076	12,164	36.49	333
1987	167,402.43	50,823	55,545	111,857	38.30	2,921
1988	250,583.81	71,943	78,628	171,956	39.21	4,386
1989	364,455.79	98,549	107,706	256,750	40.13	6,398
1990	1,323,204.37	335,432	366,599	956,605	41.06	23,298
1991	657,915.46	155,597	170,054	487,861	41.99	11,619
1992	1,047,249.55	229,871	251,229	796,021	42.93	18,542
1993	1,360,824.96	275,431	301,023	1,059,802	43.87	24,158
1994	1,692,653.76	313,649	342,792	1,349,862	44.81	30,124
1995	1,034,453.58	173,581	189,709	844,745	45.77	18,456
1996	1,482,313.48	223,088	243,816	1,238,497	46.72	26,509
1997	2,025,820.89	269,232	294,248	1,731,573	47.69	36,309
1998	2,714,453.53	313,519	342,650	2,371,804	48.65	48,752
1999	1,926,513.50	188,413	205,919	1,720,595	49.62	34,675
2000	547,051.04	43,873	47,949	499,102	50.59	9,866

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.2 POLES, TOWERS AND FIXTURES - TOWERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. 0						
2001	1,263,125.40	78,819	86,143	1,176,982	51.57	22,823
2002	238,253.18	10,650	11,639	226,614	52.54	4,313
2004	57,585.01	513	561	57,024	54.51	1,046
	18,814,524.50	3,258,620	3,549,607	15,264,915		331,331
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					46.1	1.76

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.4 POLES, TOWERS AND FIXTURES - POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-01						
NET SALVAGE PERCENT.. 0						
1913	1,013.27	1,013	1,013			
1914	732.15	732	732			
1915	1,592.55	1,593	1,593			
1916	3,780.47	3,780	3,780			
1917	5,371.51	5,372	5,372			
1918	5,481.68	5,482	5,482			
1919	401.64	402	402			
1920	1,418.08	1,418	1,418			
1921	678.29	678	678			
1922	6,710.76	6,711	6,711			
1923	24,691.49	24,691	24,691			
1924	29,587.30	29,587	29,587			
1925	15,035.54	14,941	15,036			
1926	27,915.28	27,390	27,915			
1927	59,155.94	57,304	59,156			
1928	61,662.45	58,962	61,662			
1929	43,802.47	41,336	43,802			
1930	73,099.67	68,070	73,100			
1931	28,987.97	26,631	28,988			
1932	11,739.37	10,638	11,739			
1933	14,032.50	12,541	14,033			
1934	14,594.95	12,861	14,595			
1935	15,971.76	13,875	15,972			
1936	2,459,029.58	2,105,421	2,459,030			
1937	300,053.57	253,155	300,054			
1938	151,681.26	126,077	151,681			
1939	183,973.09	150,619	183,973			
1940	210,881.25	170,012	210,881			
1941	302,363.04	239,986	302,363			
1942	155,909.67	121,797	155,910			
1943	258,154.66	198,443	258,155			
1944	944,917.65	714,547	944,918			
1945	568,383.81	422,707	568,384			
1946	1,004,639.00	734,592	1,004,639			
1947	1,164,789.60	837,134	1,164,790			
1948	552,985.17	390,518	552,985			
1949	428,411.40	297,189	428,411			

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.4 POLES, TOWERS AND FIXTURES - POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-01						
NET SALVAGE PERCENT.. 0						
1950	469,928.58	320,115	469,929			
1951	696,270.90	465,596	693,238	3,033	13.25	229
1952	934,238.77	613,047	912,782	21,457	13.75	1,561
1953	828,831.42	533,519	794,371	34,460	14.25	2,418
1954	828,199.63	522,760	778,351	49,849	14.75	3,380
1955	1,444,773.07	893,881	1,330,923	113,850	15.25	7,466
1956	1,432,243.79	868,226	1,292,725	139,519	15.75	8,858
1957	1,352,877.85	803,204	1,195,912	156,966	16.25	9,659
1958	1,197,986.21	696,270	1,036,695	161,291	16.75	9,629
1959	1,752,814.28	996,825	1,484,199	268,615	17.25	15,572
1960	1,658,481.54	922,447	1,373,456	285,026	17.75	16,058
1961	1,883,456.89	1,024,036	1,524,714	358,743	18.25	19,657
1962	1,847,597.52	981,444	1,461,298	386,300	18.75	20,603
1963	2,687,121.96	1,393,810	2,075,281	611,841	19.25	31,784
1964	2,785,668.55	1,410,105	2,099,543	686,126	19.75	34,741
1965	3,269,774.58	1,614,288	2,403,556	866,219	20.25	42,776
1966	3,489,878.35	1,679,329	2,500,398	989,480	20.75	47,686
1967	4,283,763.56	2,007,800	2,989,467	1,294,297	21.25	60,908
1968	4,413,460.89	2,013,421	2,997,836	1,415,625	21.75	65,086
1969	6,136,849.61	2,722,920	4,054,228	2,082,622	22.25	93,601
1970	5,565,392.75	2,399,797	3,573,122	1,992,271	22.75	87,572
1971	6,175,715.27	2,585,772	3,850,025	2,325,690	23.25	100,030
1972	8,452,335.08	3,433,339	5,111,990	3,340,345	23.75	140,646
1973	13,780,834.04	5,425,514	8,078,192	5,702,642	24.25	235,160
1974	10,784,957.84	4,111,226	6,121,314	4,663,644	24.75	188,430
1975	11,564,072.87	4,263,674	6,348,298	5,215,775	25.25	206,565
1976	12,919,467.92	4,601,914	6,851,912	6,067,556	25.75	235,633
1977	12,729,658.71	4,375,184	6,514,328	6,215,331	26.25	236,775
1978	13,632,888.45	4,515,213	6,722,821	6,910,067	26.75	258,320
1979	13,422,914.24	4,277,883	6,369,454	7,053,460	27.25	258,843
1980	13,242,642.60	4,054,897	6,037,444	7,205,199	27.75	259,647
1981	11,573,694.91	3,399,194	5,061,150	6,512,545	28.25	230,533
1982	11,303,011.68	3,178,407	4,732,415	6,570,597	28.75	228,543
1983	11,116,858.67	2,987,100	4,447,573	6,669,286	29.25	228,010
1984	14,369,924.97	3,681,575	5,481,595	8,888,330	29.75	298,767
1985	14,992,613.22	3,653,700	5,440,091	9,552,522	30.25	315,786
1986	17,271,836.99	3,993,249	5,945,655	11,326,182	30.75	368,331

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.4 POLES, TOWERS AND FIXTURES - POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-01						
NET SALVAGE PERCENT.. 0						
1987	18,428,712.52	4,030,359	6,000,909	12,427,804	31.25	397,690
1988	17,176,870.83	3,541,871	5,273,586	11,903,285	31.75	374,907
1989	17,273,450.34	3,345,867	4,981,751	12,291,699	32.25	381,138
1990	18,637,231.46	3,377,066	5,028,203	13,609,028	32.75	415,543
1991	19,908,454.79	3,358,556	5,000,644	14,907,811	33.25	448,355
1992	19,085,142.20	2,981,099	4,438,638	14,646,504	33.75	433,970
1993	21,478,020.01	3,086,391	4,595,410	16,882,610	34.25	492,923
1994	20,761,982.59	2,723,972	4,055,794	16,706,189	34.75	480,754
1995	21,861,123.60	2,594,915	3,863,638	17,997,486	35.25	510,567
1996	16,827,067.95	1,787,035	2,660,764	14,166,304	35.75	396,260
1997	18,286,496.64	1,713,445	2,551,194	15,735,303	36.25	434,077
1998	16,110,168.33	1,308,146	1,947,733	14,162,435	36.75	385,372
1999	23,476,002.80	1,612,801	2,401,342	21,074,661	37.25	565,763
2000	24,848,751.77	1,396,500	2,079,286	22,769,466	37.75	603,165
2001	21,637,980.73	945,580	1,407,899	20,230,082	38.25	528,891
2002	28,685,803.13	894,997	1,332,585	27,353,218	38.75	705,889
2003	24,485,590.24	457,881	681,752	23,803,838	39.25	606,467
2004	27,687,017.39	171,660	255,589	27,431,428	39.75	690,099
	632,082,535.32	133,937,027	197,846,629	434,235,912		13,221,093
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					32.8	2.09

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.6 POLES, TOWERS AND FIXTURES - CLEARING TOWERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-S3						
NET SALVAGE PERCENT.. 0						
1995	200,615.64	38,117	33,496	167,120	40.50	4,126
2000	501.02	45	40	461	45.50	10
2001	9,302.74	651	572	8,731	46.50	188
2002	12,050.17	603	530	11,520	47.50	243
	222,469.57	39,416	34,638	187,832		4,567
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					41.1	2.05

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.8 POLES, TOWERS AND FIXTURES - CLEARING POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R3						
NET SALVAGE PERCENT.. 0						
1908	924.88	907	925			
1928	24,444.40	21,897	24,444			
1936	247,497.38	211,734	247,497			
1937	86,151.72	73,203	86,152			
1938	19,674.32	16,599	19,674			
1939	6,221.91	5,210	6,222			
1940	17,024.14	14,144	17,024			
1941	63,877.21	52,635	63,877			
1942	65,105.12	53,191	65,105			
1944	58,711.47	47,098	58,711			
1945	68,603.75	54,492	68,604			
1946	271,683.39	213,597	271,683			
1947	502,850.33	391,117	502,850			
1948	307,115.50	236,233	307,116			
1949	222,560.27	169,213	222,560			
1951	449,495.21	333,436	449,495			
1952	256,305.00	187,667	256,305			
1953	501,275.44	362,071	501,275			
1955	431,798.25	303,036	431,798			
1957	413,830.91	281,529	405,750	8,081	19.18	421
1958	523,519.06	350,391	504,996	18,523	19.84	934
1961	237,548.64	150,891	217,469	20,080	21.89	917
1962	183,072.61	114,109	164,458	18,615	22.60	824
1963	50,490.96	30,865	44,484	6,007	23.32	258
1964	78,156.08	46,831	67,494	10,662	24.05	443
1965	108,476.17	63,654	91,740	16,736	24.79	675
1966	83,307.29	47,860	68,978	14,329	25.53	561
1967	202,034.71	113,503	163,585	38,450	26.29	1,463
1968	58,406.93	32,065	46,213	12,194	27.06	451
1969	225,911.61	121,089	174,518	51,394	27.84	1,846
1970	133,061.83	69,565	100,260	32,802	28.63	1,146
1971	277,232.38	141,305	203,654	73,578	29.42	2,501
1972	358,300.22	177,789	256,236	102,064	30.23	3,376
1973	305,192.51	147,316	212,317	92,876	31.04	2,992
1974	242,142.00	113,565	163,674	78,468	31.86	2,463
1975	415,175.61	188,988	272,376	142,800	32.69	4,368
1976	271,800.35	119,918	172,830	98,970	33.53	2,952

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.8 POLES, TOWERS AND FIXTURES - CLEARING POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R3						
NET SALVAGE PERCENT.. 0						
1977	552,411.00	235,879	339,957	212,454	34.38	6,180
1978	218,606.54	90,241	130,058	88,549	35.23	2,513
1979	728,112.80	290,153	418,179	309,934	36.09	8,588
1980	998,040.65	383,248	552,350	445,691	36.96	12,059
1981	877,895.59	324,207	467,259	410,637	37.84	10,852
1982	764,332.83	271,109	390,732	373,601	38.72	9,649
1983	734,653.40	249,635	359,783	374,870	39.61	9,464
1984	1,266,219.93	411,268	592,734	673,486	40.51	16,625
1985	1,197,635.41	371,027	534,737	662,898	41.41	16,008
1986	1,232,148.45	363,114	523,333	708,815	42.32	16,749
1987	1,163,590.33	324,991	468,388	695,202	43.24	16,078
1988	1,252,007.92	330,530	476,371	775,637	44.16	17,564
1989	1,203,833.40	299,393	431,496	772,337	45.08	17,133
1990	1,277,408.60	297,636	428,963	848,446	46.02	18,436
1991	1,389,992.86	302,045	435,318	954,675	46.96	20,330
1992	1,542,943.75	311,212	448,530	1,094,414	47.90	22,848
1993	1,394,963.33	259,184	373,545	1,021,418	48.85	20,909
1994	1,452,615.18	246,945	355,906	1,096,709	49.80	22,022
1995	1,681,640.18	259,309	373,725	1,307,915	50.75	25,772
1996	815,725.28	112,733	162,475	653,250	51.71	12,633
1997	1,062,081.66	129,574	186,746	875,336	52.68	16,616
1998	713,048.25	75,441	108,728	604,320	53.65	11,264
1999	10,730.02	962	1,386	9,344	54.62	171
2000	14,046.76	1,032	1,487	12,560	55.59	226
2001	39,518.32	2,264	3,263	36,255	56.56	641
2002	9,086.21	373	538	8,548	57.54	149
2003	219,429.76	5,420	7,812	211,618	58.52	3,616
2004	2,671,697.69	21,908	31,575	2,640,123	59.51	44,364
	34,253,395.66	11,029,546	15,537,723	18,715,671		408,050

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 45.9 1.19

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-R1.5						
NET SALVAGE PERCENT.. 0						
1908	17,514.39	17,514	17,514			
1909	20,920.35	20,920	20,920			
1910	11,612.19	11,612	11,612			
1912	135.07	135		135		
1913	663.04	663		663		
1914	75,739.95	75,740	75,740			
1915	60,772.46	60,772	60,772			
1916	27,600.38	27,600	27,600			
1917	37,568.53	37,569	37,569			
1918	13,088.40	13,088	13,088			
1919	39,158.02	39,158	39,158			
1920	14,939.93	14,940	14,940			
1921	8,622.73	8,623	8,623			
1922	25,447.13	25,447	25,447			
1923	195,001.28	193,480	195,001			
1924	58,775.28	57,870	58,775			
1925	30,666.40	29,949	30,666			
1926	212,893.23	206,187	212,893			
1927	75,361.71	72,362	75,362			
1928	33,847.22	32,223	33,847			
1929	57,093.30	53,890	57,093			
1930	63,768.35	59,738	63,768			
1931	33,571.20	31,238	33,571			
1932	20,941.56	19,363	20,942			
1933	8,268.80	7,599	8,269			
1934	12,045.01	11,002	12,045			
1935	56,748.49	51,528	56,748			
1936	1,449,679.54	1,308,191	1,449,680			
1937	241,229.72	216,287	241,230			
1938	143,041.65	127,379	143,042			
1939	142,281.33	125,834	142,281			
1940	222,845.86	195,659	222,846			
1941	155,335.46	135,375	155,335			
1942	138,436.52	119,734	138,437			
1943	49,783.40	42,714	49,783			
1944	399,966.15	340,451	399,966			
1945	362,253.73	305,778	362,254			

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-R1.5						
NET SALVAGE PERCENT.. 0						
1946	443,655.64	371,251	443,656			
1947	324,123.56	268,860	324,124			
1948	365,557.58	300,561	365,558			
1949	376,990.83	307,097	376,991			
1950	437,663.60	353,107	437,664			
1951	480,244.42	383,619	480,244			
1952	456,019.52	360,575	456,020			
1953	814,739.77	637,452	814,740			
1954	702,360.42	543,416	702,360			
1955	837,382.83	640,514	837,383			
1956	1,025,287.41	775,015	1,025,287			
1957	1,127,735.65	841,967	1,127,736			
1958	1,039,954.44	766,238	1,039,954			
1959	1,110,231.43	806,916	1,110,231			
1960	1,119,290.57	802,307	1,119,291			
1961	1,483,227.53	1,047,307	1,483,228			
1962	1,451,384.33	1,009,293	1,451,384			
1963	1,498,173.47	1,024,900	1,483,321	14,852	12.95	1,147
1964	1,680,649.05	1,130,573	1,636,259	44,390	13.42	3,308
1965	1,808,487.53	1,195,410	1,730,097	78,391	13.90	5,640
1966	2,151,448.50	1,396,290	2,020,827	130,622	14.39	9,077
1967	3,544,229.08	2,256,256	3,265,442	278,787	14.90	18,711
1968	3,896,764.97	2,431,192	3,518,623	378,142	15.42	24,523
1969	4,867,982.68	2,972,877	4,302,595	565,388	15.96	35,425
1970	4,398,635.80	2,628,625	3,804,365	594,271	16.50	36,016
1971	4,785,861.40	2,794,464	4,044,381	741,480	17.06	43,463
1972	5,780,283.89	3,294,762	4,768,454	1,011,830	17.63	57,393
1973	7,284,479.89	4,049,442	5,860,690	1,423,790	18.21	78,187
1974	5,338,950.02	2,891,041	4,184,155	1,154,795	18.80	61,425
1975	6,283,657.42	3,308,974	4,789,023	1,494,634	19.41	77,003
1976	5,770,971.93	2,953,006	4,273,836	1,497,136	20.02	74,782
1977	6,174,667.50	3,064,487	4,435,181	1,739,487	20.65	84,237
1978	6,191,096.66	2,976,060	4,307,202	1,883,895	21.29	88,487
1979	8,190,947.21	3,809,610	5,513,585	2,677,362	21.93	122,087
1980	10,255,873.96	4,604,887	6,664,576	3,591,298	22.59	158,977
1981	6,595,021.53	2,853,666	4,130,063	2,464,959	23.26	105,974
1982	7,736,860.81	3,220,855	4,661,489	3,075,372	23.93	128,515

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-R1.5						
NET SALVAGE PERCENT.. 0						
1983	7,183,572.48	2,869,837	4,153,467	3,030,105	24.62	123,075
1984	9,826,204.11	3,760,488	5,442,491	4,383,713	25.31	173,201
1985	9,813,984.31	3,587,993	5,192,842	4,621,142	26.01	177,668
1986	10,961,117.62	3,817,757	5,525,376	5,435,742	26.72	203,433
1987	12,973,881.02	4,290,462	6,209,514	6,764,367	27.44	246,515
1988	15,134,280.97	4,740,057	6,860,205	8,274,076	28.16	293,824
1989	22,486,019.92	6,642,370	9,613,391	12,872,629	28.89	445,574
1990	24,435,219.22	6,775,886	9,806,626	14,628,593	29.63	493,709
1991	23,140,255.96	5,993,326	8,674,040	14,466,216	30.38	476,176
1992	23,159,841.03	5,574,574	8,067,988	15,091,853	31.13	484,801
1993	23,328,571.30	5,188,274	7,508,902	15,819,669	31.88	496,226
1994	26,402,969.49	5,378,285	7,783,902	18,619,067	32.65	570,262
1995	24,918,525.33	4,612,419	6,675,477	18,243,048	33.41	546,036
1996	20,840,285.81	3,461,571	5,009,874	15,830,412	34.19	463,013
1997	23,896,047.80	3,515,109	5,087,358	18,808,690	34.97	537,852
1998	20,281,397.98	2,596,019	3,757,175	16,524,223	35.75	462,216
1999	19,353,860.88	2,099,894	3,039,141	16,314,720	36.55	446,367
2000	18,403,612.44	1,643,443	2,378,528	16,025,084	37.34	429,167
2001	15,950,905.80	1,108,588	1,604,441	14,346,465	38.15	376,054
2002	16,371,410.01	818,571	1,184,704	15,186,706	38.95	389,903
2003	14,933,360.69	448,001	648,384	14,284,977	39.77	359,190
2004	30,574,830.58	305,748	442,504	30,132,327	40.59	742,358
	536,718,665.34	148,399,156	212,173,960	324,544,705		10,150,997

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 32.0 1.89

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S1.5						
NET SALVAGE PERCENT.. 0						
1903	29,250.99	28,069	27,000	2,251	2.22	1,014
1907	17,746.62	16,698	16,062	1,685	3.25	518
1908	4,132.17	3,869	3,722	410	3.50	117
1909	10,605.82	9,883	9,507	1,099	3.75	293
1911	1,207.75	1,114	1,072	136	4.26	32
1912	23,460.90	21,537	20,717	2,744	4.51	608
1913	2,420.31	2,211	2,127	293	4.76	62
1914	7,837.41	7,123	6,852	985	5.01	197
1915	18,719.27	16,926	16,281	2,438	5.27	463
1916	82,718.82	74,414	71,580	11,139	5.52	2,018
1917	7,462.47	6,678	6,424	1,038	5.78	180
1919	4,266.62	3,779	3,635	632	6.29	100
1920	1,217.43	1,072	1,031	186	6.55	28
1921	1,230.04	1,078	1,037	193	6.81	28
1922	42,296.42	36,861	35,457	6,839	7.07	967
1923	12,927.37	11,202	10,775	2,152	7.34	293
1924	21,842.67	18,824	18,107	3,736	7.60	492
1925	22,962.16	19,676	18,927	4,035	7.87	513
1926	58,913.68	50,194	48,282	10,632	8.14	1,306
1927	45,565.88	38,590	37,120	8,446	8.42	1,003
1928	53,174.23	44,762	43,057	10,117	8.70	1,163
1929	24,135.61	20,194	19,425	4,711	8.98	525
1930	24,632.76	20,485	19,705	4,928	9.26	532
1931	82,720.90	68,361	65,758	16,963	9.55	1,776
1932	252,215.85	207,094	199,207	53,009	9.84	5,387
1933	51,146.97	41,715	40,126	11,021	10.14	1,087
1934	21,740.92	17,614	16,943	4,798	10.44	460
1935	39,202.27	31,538	30,337	8,865	10.75	825
1936	12,759.15	10,193	9,805	2,954	11.06	267
1937	15,685.31	12,443	11,969	3,716	11.37	327
1938	12,852.37	10,121	9,736	3,116	11.69	267
1939	38,036.54	29,726	28,594	9,443	12.02	786
1940	60,842.97	47,184	45,387	15,456	12.35	1,251
1941	32,094.36	24,697	23,756	8,338	12.68	658
1942	13,537.77	10,333	9,939	3,599	13.02	276
1943	296.02	224	215	81	13.37	6
1944	953.71	716	689	265	13.73	19

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S1.5						
NET SALVAGE PERCENT.. 0						
1945	8,704.15	6,474	6,227	2,477	14.09	176
1946	32,743.59	24,135	23,216	9,528	14.46	659
1947	24,801.48	18,115	17,425	7,376	14.83	497
1948	74,391.87	53,823	51,773	22,619	15.21	1,487
1949	229,596.41	164,483	158,219	71,377	15.60	4,575
1950	114,448.00	81,155	78,064	36,384	16.00	2,274
1951	100,378.42	70,446	67,763	32,615	16.40	1,989
1952	331,298.04	229,987	221,228	110,070	16.82	6,544
1953	202,513.68	139,026	133,731	68,783	17.24	3,990
1954	128,162.21	86,984	83,671	44,491	17.67	2,518
1955	88,853.08	59,594	57,324	31,529	18.11	1,741
1956	70,379.71	46,627	44,851	25,529	18.56	1,375
1957	105,448.12	68,984	66,357	39,091	19.02	2,055
1958	76,416.18	49,350	47,471	28,945	19.48	1,486
1959	117,308.82	74,737	71,891	45,418	19.96	2,275
1960	115,948.57	72,839	70,065	45,884	20.45	2,244
1961	112,588.07	69,703	67,048	45,540	20.95	2,174
1962	53,480.49	32,612	31,370	22,110	21.46	1,030
1963	94,375.26	56,663	54,505	39,870	21.98	1,814
1964	228,054.05	134,666	129,537	98,517	22.52	4,375
1965	136,612.44	79,331	76,310	60,302	23.06	2,615
1966	228,099.50	130,131	125,175	102,925	23.62	4,358
1967	814,430.20	456,244	438,869	375,561	24.19	15,525
1968	540,914.03	297,286	285,964	254,950	24.77	10,293
1969	750,631.77	404,365	388,965	361,667	25.37	14,256
1970	619,063.82	326,618	314,179	304,885	25.98	11,735
1971	1,072,303.02	553,737	532,649	539,654	26.60	20,288
1972	1,631,010.62	823,497	792,135	838,876	27.23	30,807
1973	3,115,466.63	1,536,237	1,477,732	1,637,735	27.88	58,742
1974	1,473,622.70	708,960	681,960	791,663	28.54	27,739
1975	2,243,135.49	1,051,358	1,011,318	1,231,817	29.22	42,157
1976	2,580,401.46	1,177,179	1,132,348	1,448,053	29.91	48,414
1977	1,244,322.12	551,608	530,601	713,721	30.62	23,309
1978	2,151,781.06	925,696	890,442	1,261,339	31.34	40,247
1979	1,591,999.77	663,705	638,429	953,571	32.07	29,734
1980	1,520,898.19	613,378	590,018	930,880	32.82	28,363
1981	1,295,223.97	504,490	485,277	809,947	33.58	24,120

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S1.5						
NET SALVAGE PERCENT.. 0						
1982	1,226,212.43	460,198	442,672	783,540	34.36	22,804
1983	848,728.13	306,306	294,641	554,087	35.15	15,763
1984	1,295,745.85	448,587	431,503	864,243	35.96	24,033
1985	1,933,768.58	640,658	616,259	1,317,510	36.78	35,821
1986	2,362,303.00	746,960	718,513	1,643,790	37.61	43,706
1987	3,501,025.26	1,052,758	1,012,665	2,488,360	38.46	64,700
1988	2,906,320.29	828,592	797,036	2,109,284	39.32	53,644
1989	3,850,769.62	1,037,012	997,519	2,853,251	40.19	70,994
1990	3,761,427.15	952,017	915,761	2,845,666	41.08	69,271
1991	5,749,628.96	1,360,937	1,309,108	4,440,521	41.98	105,777
1992	5,166,249.12	1,137,608	1,094,284	4,071,965	42.89	94,940
1993	5,659,194.99	1,151,646	1,107,787	4,551,408	43.81	103,890
1994	7,791,573.95	1,453,129	1,397,789	6,393,785	44.74	142,910
1995	5,925,525.15	1,003,191	964,986	4,960,539	45.69	108,569
1996	3,697,690.96	562,049	540,644	3,157,047	46.64	67,690
1997	4,307,765.48	579,394	557,329	3,750,436	47.60	78,791
1998	3,128,152.04	365,681	351,754	2,776,398	48.57	57,163
1999	3,354,049.30	333,057	320,373	3,033,676	49.54	61,237
2000	4,398,279.67	358,460	344,809	4,053,471	50.52	80,235
2001	5,300,093.88	336,556	323,739	4,976,355	51.51	96,609
2002	4,446,970.90	201,448	193,776	4,253,195	52.51	80,998
2003	3,614,604.03	98,679	94,921	3,519,683	53.50	65,788
2004	4,211,612.95	38,326	36,866	4,174,747	54.50	76,601
	114,910,311.19	28,764,670	27,669,204	87,241,105		2,125,758

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 41.0 1.85

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-S1.5						
NET SALVAGE PERCENT.. 0						
1903	73.54	74	74			
1908	1.18	1	1			
1910	608.17	608	608			
1912	48.73	49	49			
1916	280.54	281	281			
1922	28.54	29	29			
1923	46.74	47	47			
1927	51.48	51	51			
1928	891.34	882	891			
1930	112.72	110	113			
1931	205.67	199	206			
1932	525.43	506	525			
1933	178.47	171	178			
1935	11,006.99	10,383	11,007			
1936	1,118.19	1,048	1,118			
1937	647.88	603	648			
1938	7,035.00	6,499	7,035			
1939	5,435.67	4,987	5,436			
1940	13,351.83	12,164	13,352			
1941	5,977.87	5,406	5,978			
1942	3,798.20	3,410	3,798			
1943	3,295.28	2,938	3,295			
1944	209.75	186	210			
1945	1,839.15	1,615	1,839			
1946	1,336.79	1,165	1,337			
1947	2,084.61	1,802	2,085			
1948	6,433.50	5,518	6,434			
1949	68,529.83	58,305	68,530			
1950	54,201.14	45,724	54,201			
1951	83,734.64	70,036	83,735			
1952	77,535.44	64,292	77,535			
1953	56,470.41	46,407	56,470			
1954	59,925.86	48,786	59,926			
1955	143,486.67	115,708	143,487			
1956	48,941.92	39,080	48,942			
1957	83,705.20	66,152	83,705			
1958	46,673.73	36,504	46,674			

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-S1.5						
NET SALVAGE PERCENT.. 0						
1959	439,138.44	339,717	439,138			
1960	88,104.73	67,391	87,418	687	9.17	75
1961	62,448.00	47,204	61,232	1,216	9.52	128
1962	141,996.61	106,029	137,538	4,459	9.88	451
1963	164,261.08	121,126	157,122	7,139	10.24	697
1964	216,236.28	157,355	204,117	12,119	10.62	1,141
1965	235,283.06	168,863	219,045	16,238	11.01	1,475
1966	300,784.83	212,865	276,123	24,662	11.40	2,163
1967	311,841.26	217,416	282,027	29,814	11.81	2,524
1968	441,533.28	303,068	393,132	48,401	12.23	3,958
1969	483,905.25	326,830	423,956	59,949	12.66	4,735
1970	474,100.43	314,708	408,231	65,869	13.11	5,024
1971	1,255,306.08	818,585	1,061,848	193,458	13.57	14,256
1972	2,099,739.79	1,343,833	1,743,187	356,553	14.04	25,396
1973	3,494,280.47	2,192,312	2,843,813	650,467	14.53	44,767
1974	2,043,614.95	1,256,006	1,629,260	414,355	15.03	27,569
1975	2,832,357.45	1,703,097	2,209,216	623,141	15.55	40,073
1976	3,572,515.03	2,099,567	2,723,507	849,008	16.08	52,799
1977	2,896,662.71	1,660,657	2,154,163	742,500	16.64	44,621
1978	3,183,587.54	1,779,625	2,308,486	875,102	17.20	50,878
1979	2,785,831.79	1,514,935	1,965,136	820,696	17.79	46,132
1980	2,905,319.25	1,534,590	1,990,632	914,687	18.40	49,711
1981	3,189,290.58	1,633,874	2,119,421	1,069,870	19.02	56,250
1982	3,118,070.73	1,546,251	2,005,759	1,112,312	19.66	56,577
1983	2,590,307.99	1,240,758	1,609,481	980,827	20.32	48,269
1984	3,066,072.06	1,414,379	1,834,698	1,231,374	21.01	58,609
1985	4,525,767.90	2,006,273	2,602,488	1,923,280	21.71	88,590
1986	4,920,549.23	2,090,741	2,712,058	2,208,491	22.43	98,461
1987	7,343,911.69	2,978,691	3,863,885	3,480,027	23.18	150,131
1988	6,604,045.34	2,550,482	3,308,423	3,295,622	23.94	137,662
1989	7,808,809.29	2,859,586	3,709,385	4,099,424	24.72	165,834
1990	13,373,363.88	4,619,160	5,991,861	7,381,503	25.53	289,131
1991	15,649,683.99	5,076,757	6,585,445	9,064,239	26.35	343,994
1992	17,041,093.53	5,160,043	6,693,481	10,347,613	27.19	380,567
1993	14,784,277.80	4,146,990	5,379,374	9,404,904	28.06	335,171
1994	19,037,343.17	4,909,731	6,368,782	12,668,561	28.94	437,753
1995	15,266,009.06	3,589,039	4,655,613	10,610,396	29.83	355,695

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-S1.5						
NET SALVAGE PERCENT.. 0						
1996	15,010,151.85	3,174,647	4,118,074	10,892,078	30.75	354,214
1997	14,028,687.85	2,633,185	3,415,703	10,612,985	31.68	335,006
1998	11,588,719.66	1,895,915	2,459,334	9,129,386	32.62	279,871
1999	12,578,496.74	1,748,411	2,267,996	10,310,501	33.58	307,043
2000	11,861,391.86	1,356,943	1,760,193	10,101,199	34.54	292,449
2001	12,623,462.77	1,126,013	1,460,637	11,162,826	35.52	314,269
2002	14,614,607.68	932,412	1,209,502	13,405,106	36.51	367,163
2003	13,197,122.85	508,089	659,080	12,538,043	37.50	334,348
2004	11,415,664.40	146,121	189,545	11,226,119	38.50	291,588
	286,455,578.31	78,281,996	101,488,375	184,967,206		6,297,218
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					29.4	2.20

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.2 LINE TRANSFORMERS - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 34-SQUARE						
NET SALVAGE PERCENT.. 0						
1970	775,152.17	775,152	775,152			
1971	3,681,443.57	3,627,326	3,439,590	241,854	0.50	241,854
1972	4,827,694.12	4,614,793	4,375,950	451,744	1.50	301,163
1973	5,536,772.27	5,129,820	4,864,322	672,450	2.50	268,980
1974	5,914,613.08	5,305,999	5,031,382	883,231	3.50	252,352
1975	2,281,645.32	1,979,555	1,877,101	404,544	4.50	89,899
1976	3,286,269.91	2,754,551	2,611,987	674,283	5.50	122,597
1977	4,323,166.74	3,496,577	3,315,609	1,007,558	6.50	155,009
1978	4,181,128.08	3,258,771	3,090,110	1,091,018	7.50	145,469
1979	4,984,079.93	3,738,060	3,544,593	1,439,487	8.50	169,351
1980	4,576,031.47	3,297,488	3,126,824	1,449,207	9.50	152,548
1981	6,143,897.25	4,246,662	4,026,872	2,117,025	10.50	201,621
1982	4,617,373.89	3,055,778	2,897,623	1,719,751	11.50	149,544
1983	6,406,618.21	4,051,545	3,841,854	2,564,764	12.50	205,181
1984	7,028,830.23	4,237,682	4,018,357	3,010,473	13.50	222,998
1985	8,724,798.94	5,003,672	4,744,703	3,980,096	14.50	274,489
1986	6,533,907.79	3,555,099	3,371,102	3,162,806	15.50	204,052
1987	8,347,832.39	4,296,629	4,074,253	4,273,579	16.50	259,005
1988	11,684,108.94	5,670,298	5,376,827	6,307,282	17.50	360,416
1989	6,891,447.25	3,141,811	2,979,204	3,912,243	18.50	211,473
1990	7,127,601.94	3,039,922	2,882,588	4,245,014	19.50	217,693
1991	8,372,186.11	3,324,595	3,152,527	5,219,659	20.50	254,618
1992	7,800,104.53	2,867,318	2,718,917	5,081,188	21.50	236,334
1993	8,530,472.28	2,885,006	2,735,690	5,794,782	22.50	257,546
1994	7,972,490.64	2,461,905	2,334,487	5,638,004	23.50	239,915
1995	6,345,309.72	1,772,880	1,681,123	4,664,187	24.50	190,375
1996	3,463,116.20	865,779	820,970	2,642,146	25.50	103,614
1997	5,827,430.60	1,285,531	1,218,997	4,608,434	26.50	173,903
1998	4,065,579.46	777,339	737,107	3,328,472	27.50	121,035
1999	4,725,100.46	764,521	724,953	4,000,147	28.50	140,356
2000	5,364,427.80	710,250	673,490	4,690,938	29.50	159,015
2001	4,224,631.70	434,715	412,216	3,812,416	30.50	124,997
2002	4,560,494.33	335,196	317,848	4,242,646	31.50	134,687
2003	5,506,706.54	242,846	230,277	5,276,430	32.50	162,352
2004	5,348,335.19	78,621	74,552	5,273,783	33.50	157,426
	199,980,799.05	97,083,692	92,099,157	107,881,641		6,661,867

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 16.2 3.33

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.4 LINE TRANSFORMERS - SUBMERSIBLE OR PAD MOUNT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 48-SQUARE						
NET SALVAGE PERCENT.. 0						
1956	87,960.32	87,960	87,960			
1957	47,309.82	46,818	47,310			
1958	47,997.82	46,495	47,998			
1959	1,518.86	1,440	1,519			
1960	34,700.61	32,171	34,701			
1961	37,183.55	33,696	37,184			
1962	69,195.81	61,266	69,196			
1963	195,577.48	169,096	195,577			
1964	215,109.61	181,488	215,110			
1965	134,244.94	110,470	131,102	3,143	8.50	370
1966	601,811.20	482,713	572,868	28,943	9.50	3,047
1967	547,818.37	427,956	507,884	39,934	10.50	3,803
1968	538,399.25	409,399	485,862	52,537	11.50	4,568
1969	811,662.62	600,306	712,424	99,239	12.50	7,939
1970	1,183,044.03	850,254	1,009,054	173,990	13.50	12,888
1971	1,747,528.92	1,219,600	1,447,382	300,147	14.50	20,700
1972	1,587,624.88	1,074,981	1,275,753	311,872	15.50	20,121
1973	3,138,910.87	2,059,753	2,444,448	694,463	16.50	42,089
1974	1,450,988.70	921,958	1,094,150	356,839	17.50	20,391
1975	1,553,355.71	954,692	1,132,998	420,358	18.50	22,722
1976	1,723,844.89	1,023,447	1,214,594	509,251	19.50	26,115
1977	1,655,947.05	948,692	1,125,877	530,070	20.50	25,857
1978	1,981,886.81	1,094,200	1,298,561	683,326	21.50	31,783
1979	2,429,607.07	1,290,607	1,531,651	897,956	22.50	39,909
1980	1,411,078.82	720,215	854,728	556,351	23.50	23,675
1981	2,360,921.26	1,155,907	1,371,793	989,128	24.50	40,373
1982	1,326,275.99	621,626	737,726	588,550	25.50	23,080
1983	2,333,106.59	1,044,998	1,240,170	1,092,937	26.50	41,243
1984	3,206,872.71	1,369,655	1,625,462	1,581,411	27.50	57,506
1985	3,885,317.41	1,578,216	1,872,976	2,012,341	28.50	70,608
1986	4,612,191.18	1,777,538	2,109,525	2,502,666	29.50	84,836
1987	5,735,671.70	2,091,226	2,481,799	3,253,873	30.50	106,684
1988	9,950,955.61	3,420,143	4,058,915	5,892,041	31.50	187,049
1989	3,321,409.14	1,072,483	1,272,788	2,048,621	32.50	63,034
1990	6,713,758.37	2,028,226	2,407,033	4,306,725	33.50	128,559
1991	4,879,319.83	1,372,065	1,628,322	3,250,998	34.50	94,232
1992	4,785,646.33	1,246,182	1,478,929	3,306,717	35.50	93,147

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.4 LINE TRANSFORMERS - SUBMERSIBLE OR PAD MOUNT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 48-SQUARE						
NET SALVAGE PERCENT.. 0						
1993	6,172,371.85	1,478,900	1,755,111	4,417,261	36.50	121,021
1994	7,037,437.13	1,539,088	1,826,540	5,210,897	37.50	138,957
1995	5,483,386.88	1,085,162	1,287,835	4,195,552	38.50	108,975
1996	4,175,517.44	739,484	877,596	3,297,921	39.50	83,492
1997	5,657,946.02	883,771	1,048,831	4,609,115	40.50	113,805
1998	5,148,448.29	697,100	827,296	4,321,152	41.50	104,124
1999	3,013,500.39	345,347	409,847	2,603,653	42.50	61,262
2000	3,548,163.00	332,463	394,556	3,153,607	43.50	72,497
2001	4,627,492.83	337,344	400,349	4,227,144	44.50	94,992
2002	3,654,880.39	190,419	225,983	3,428,897	45.50	75,360
2003	4,770,062.78	148,826	176,622	4,593,441	46.50	98,784
2004	4,834,425.15	50,278	59,668	4,774,757	47.50	100,521
	134,469,386.28	41,456,120	49,151,563	85,317,824		2,470,118
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					34.5	1.84

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 368.6 LINE TRANSFORMERS - NON-NETWORK HOUSING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 35-SQUARE						
NET SALVAGE PERCENT.. 0						
1969	108,561.38	108,561	108,561			
1970	169,451.33	167,028	160,287	9,164	0.50	9,164
1971	129,577.14	124,018	119,013	10,564	1.50	7,043
1972	190,207.20	176,626	169,497	20,710	2.50	8,284
1973	280,989.11	252,890	242,683	38,306	3.50	10,945
1974	96,107.56	83,748	80,368	15,740	4.50	3,498
1975	94,479.13	79,636	76,422	18,057	5.50	3,283
1976	92,559.77	75,371	72,329	20,231	6.50	3,112
1977	64,870.26	50,969	48,912	15,958	7.50	2,128
1978	49,676.49	37,610	36,092	13,584	8.50	1,598
1979	47,280.25	34,448	33,058	14,222	9.50	1,497
1980	27,976.48	19,584	18,794	9,182	10.50	874
1981	12,538.17	8,418	8,078	4,460	11.50	388
1982	2,824.21	1,816	1,743	1,081	12.50	86
1983	7,194.34	4,419	4,241	2,953	13.50	219
1984	5,993.64	3,510	3,368	2,626	14.50	181
1985	19,214.89	10,705	10,273	8,942	15.50	577
1986	2,233.50	1,181	1,133	1,101	16.50	67
1987	4,901.98	2,451	2,352	2,550	17.50	146
1988	1,949.15	919	882	1,067	18.50	58
1989	7,760.50	3,437	3,298	4,463	19.50	229
1990	2,484.23	1,029	987	1,497	20.50	73
1991	6,686.78	2,579	2,475	4,212	21.50	196
1992	26,949.65	9,624	9,236	17,714	22.50	787
	1,452,467.14	1,260,577	1,214,082	238,384		54,433

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 4.4 3.75

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 369 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 34-R2						
NET SALVAGE PERCENT.. 0						
1903	2,863.26	2,863	2,863			
1907	12.08	12	12			
1909	3.56	4	4			
1911	115.45	115	115			
1912	27.21	27	27			
1914	106.26	106	106			
1915	579.03	579	579			
1916	25,269.41	25,269	25,269			
1919	13.68	14	14			
1920	869.23	869	869			
1921	275.86	276	276			
1922	4,852.66	4,853	4,853			
1923	1,807.05	1,807	1,807			
1924	18,724.17	18,724	18,724			
1925	2,363.49	2,363	2,363			
1926	8,020.71	8,021	8,021			
1927	2,700.50	2,701	2,701			
1928	5,207.28	5,207	5,207			
1929	5,677.33	5,677	5,677			
1930	25,500.56	25,501	25,501			
1931	6,492.34	6,492	6,492			
1932	24,465.81	24,466	24,466			
1933	9,289.18	9,289	9,289			
1934	2,263.19	2,263	2,263			
1935	3,007.52	3,008	3,008			
1936	19,073.75	19,074	19,074			
1937	3,783.89	3,784	3,784			
1938	2,416.30	2,416	2,416			
1939	4,098.75	4,099	4,099			
1940	6,409.00	6,409	6,409			
1941	4,711.34	4,711	4,711			
1942	1,610.59	1,603	1,611			
1943	1,957.41	1,933	1,957			
1944	13,165.25	12,902	13,165			
1945	4,859.88	4,724	4,860			
1946	14,281.61	13,773	14,282			
1947	23,109.46	22,097	23,109			

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 369 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 34-R2						
NET SALVAGE PERCENT.. 0						
1948	42,555.92	40,352	42,556			
1949	43,815.05	41,173	43,815			
1950	56,216.67	52,366	56,217			
1951	74,023.44	68,316	74,023			
1952	100,276.18	91,693	100,276			
1953	127,802.16	115,776	127,802			
1954	114,140.17	102,429	114,140			
1955	223,823.18	198,934	223,823			
1956	244,923.09	215,532	244,923			
1957	284,351.15	247,812	284,351			
1958	292,051.68	251,865	292,052			
1959	370,580.89	316,291	370,581			
1960	452,617.19	382,054	452,617			
1961	642,141.54	535,803	642,142			
1962	773,013.87	637,505	773,014			
1963	550,148.76	448,041	550,149			
1964	637,458.79	512,389	637,459			
1965	823,348.53	652,586	823,349			
1966	1,239,809.65	968,539	1,239,810			
1967	1,683,723.10	1,294,951	1,683,723			
1968	2,225,351.87	1,684,146	2,225,352			
1969	3,572,318.22	2,657,090	3,572,318			
1970	3,694,614.99	2,698,177	3,694,615			
1971	4,665,124.49	3,341,162	4,665,124			
1972	5,730,154.90	4,021,423	5,730,155			
1973	6,377,579.63	4,380,122	6,377,580			
1974	5,007,145.41	3,360,796	5,007,145			
1975	4,896,655.94	3,208,779	4,896,656			
1976	5,737,120.77	3,663,152	5,737,121			
1977	5,676,454.92	3,527,917	5,676,455			
1978	7,186,263.54	4,341,222	7,025,823	160,441	13.46	11,920
1979	7,567,418.38	4,436,021	7,179,246	388,172	14.07	27,589
1980	7,203,876.34	4,088,920	6,617,498	586,378	14.70	39,890
1981	6,777,728.02	3,719,617	6,019,819	757,909	15.34	49,407
1982	6,439,856.47	3,409,260	5,517,538	922,318	16.00	57,645
1983	7,076,759.57	3,604,901	5,834,163	1,242,597	16.68	74,496
1984	10,320,646.28	5,050,924	8,174,403	2,146,243	17.36	123,632

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 369 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 34-R2						
NET SALVAGE PERCENT.. 0						
1985	11,742,791.73	5,505,021	8,909,313	2,833,479	18.06	156,893
1986	13,320,111.48	5,962,082	9,649,019	3,671,092	18.78	195,479
1987	16,224,293.34	6,914,794	11,190,886	5,033,407	19.51	257,991
1988	17,894,251.37	7,236,435	11,711,429	6,182,822	20.25	305,325
1989	18,593,207.12	7,110,042	11,506,875	7,086,332	21.00	337,444
1990	17,889,814.23	6,440,333	10,423,020	7,466,794	21.76	343,143
1991	18,236,774.26	6,147,617	9,949,289	8,287,485	22.54	367,679
1992	18,034,419.91	5,659,201	9,158,838	8,875,582	23.33	380,436
1993	19,494,119.18	5,664,991	9,168,208	10,325,911	24.12	428,106
1994	20,545,455.53	5,481,528	8,871,292	11,674,164	24.93	468,278
1995	20,928,598.96	5,077,278	8,217,055	12,711,544	25.75	493,652
1996	19,806,959.56	4,321,879	6,994,519	12,812,441	26.58	482,033
1997	17,166,677.63	3,321,752	5,375,916	11,790,762	27.42	430,006
1998	14,822,873.46	2,497,654	4,042,197	10,780,676	28.27	381,347
1999	15,835,290.22	2,267,614	3,669,901	12,165,389	29.13	417,624
2000	17,203,804.44	2,023,167	3,274,289	13,929,515	30.00	464,317
2001	17,879,744.40	1,646,724	2,665,054	15,214,690	30.87	492,863
2002	24,733,131.42	1,629,913	2,637,848	22,095,283	31.76	695,695
2003	21,288,274.60	845,145	1,367,780	19,920,495	32.65	610,122
2004	15,262,272.45	201,462	326,046	14,936,226	33.55	445,193
	466,084,740.09	154,570,699	242,086,590	223,998,147		8,538,205
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.2	1.83

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 370.1 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 28-SQUARE						
NET SALVAGE PERCENT.. 0						
1951	1,045.31	1,045	1,045			
1961	98,538.83	98,539	98,539			
1962	383.90	384	384			
1965	22,011.84	22,012	22,012			
1967	276.98	277	277			
1976	272,890.39	272,890	272,890			
1977	1,274,213.88	1,251,405	1,046,096	228,118	0.50	228,118
1978	1,622,822.55	1,535,839	1,283,865	338,958	1.50	225,972
1979	1,574,838.65	1,434,206	1,198,906	375,933	2.50	150,373
1980	2,020,371.77	1,767,825	1,477,790	542,582	3.50	155,023
1981	1,691,813.37	1,419,939	1,186,979	504,834	4.50	112,185
1982	3,641,003.63	2,925,911	2,445,877	1,195,127	5.50	217,296
1983	2,859,736.52	2,195,992	1,835,711	1,024,026	6.50	157,542
1984	1,948,977.37	1,426,846	1,192,753	756,224	7.50	100,830
1985	2,140,962.15	1,490,966	1,246,354	894,608	8.50	105,248
1986	3,616,743.42	2,389,582	1,997,540	1,619,203	9.50	170,442
1987	3,819,862.38	2,387,414	1,995,728	1,824,134	10.50	173,727
1988	4,881,505.79	2,876,671	2,404,716	2,476,790	11.50	215,373
1989	3,674,273.19	2,034,078	1,700,361	1,973,912	12.50	157,913
1990	4,561,921.34	2,362,619	1,975,000	2,586,921	13.50	191,624
1991	4,591,941.96	2,213,775	1,850,576	2,741,366	14.50	189,060
1992	4,547,347.50	2,029,936	1,696,899	2,850,449	15.50	183,900
1993	4,369,712.57	1,794,641	1,500,207	2,869,506	16.50	173,909
1994	3,620,442.11	1,357,666	1,134,923	2,485,519	17.50	142,030
1995	4,293,228.37	1,456,692	1,217,703	3,075,525	18.50	166,245
1996	4,138,481.96	1,256,443	1,050,307	3,088,175	19.50	158,368
1997	3,371,960.81	903,348	755,142	2,616,819	20.50	127,650
1998	2,920,928.56	677,948	566,722	2,354,207	21.50	109,498
1999	3,537,012.77	694,669	580,699	2,956,314	22.50	131,392
2000	2,853,260.95	458,519	383,293	2,469,968	23.50	105,105
2001	1,337,213.05	167,152	139,728	1,197,485	24.50	48,877
2002	344,274.63	30,744	25,700	318,575	25.50	12,493
	79,649,998.50	40,935,973	34,284,722	45,365,278		3,910,193

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 11.6 4.91

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 370.2 METERS - AMR

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2002	68,512,128.23	11,420,972	5,842,943	62,669,185	12.50	5,013,535
2003	78,437,468.78	7,843,747	4,012,842	74,424,627	13.50	5,512,935
2004	18,895,092.79	629,207	321,901	18,573,192	14.50	1,280,910
	165,844,689.80	19,893,926	10,177,686	155,667,004		11,807,380
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.2	7.12

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 371.2 INSTALLATIONS ON CUSTOMERS' PREMISES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R3						
NET SALVAGE PERCENT.. 0						
1975	54,149.90	42,795	67,703-	121,853	6.29	19,372
1992	243,865.53	95,425	150,965-	394,831	18.26	21,623
1994	9,345.34	3,105	4,912-	14,257	20.03	712
1995	11,867.59	3,588	5,677-	17,545	20.93	838
	319,228.36	144,913	229,257-	548,486		42,545
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					12.9	13.33

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 371.4 AREA LIGHTING FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 17-L0.5						
NET SALVAGE PERCENT.. 0						
1940	31.58	29	32			
1965	11,011.61	8,285	11,012			
1966	19,991.97	14,900	19,992			
1967	23,492.80	17,328	23,493			
1968	31,919.50	23,282	31,920			
1969	36,109.68	26,021	36,110			
1970	48,348.51	34,414	48,349			
1971	48,337.02	33,923	48,337			
1972	59,121.41	40,936	59,121			
1973	55,778.44	38,030	55,778			
1974	42,638.29	28,593	42,638			
1975	53,204.31	35,083	53,204			
1976	58,917.01	38,155	58,917			
1977	46,215.63	29,389	46,216			
1978	49,433.52	30,792	49,434			
1979	104,568.76	63,787	104,569			
1980	118,966.87	70,964	118,967			
1981	132,198.07	76,992	132,198			
1982	108,617.10	61,651	108,617			
1983	109,886.63	60,756	108,311	1,576	7.60	207
1984	110,882.28	59,610	106,268	4,614	7.86	587
1985	116,670.69	60,809	108,406	8,265	8.14	1,015
1986	119,365.35	60,244	107,399	11,966	8.42	1,421
1987	129,653.42	63,219	112,702	16,951	8.71	1,946
1988	125,799.99	59,126	105,405	20,395	9.01	2,264
1989	135,262.19	61,193	109,090	26,172	9.31	2,811
1990	138,222.90	59,920	106,821	31,402	9.63	3,261
1991	147,204.96	60,958	108,671	38,534	9.96	3,869
1992	175,257.92	68,964	122,944	52,314	10.31	5,074
1993	181,252.00	67,589	120,493	60,759	10.66	5,700
1994	212,435.68	74,735	133,232	79,204	11.02	7,187
1995	259,970.63	85,634	152,662	107,309	11.40	9,413
1996	294,761.97	90,168	160,745	134,017	11.80	11,357
1997	241,437.04	67,892	121,033	120,404	12.22	9,853
1998	262,174.49	66,461	118,482	143,692	12.69	11,323
1999	274,741.03	61,405	109,468	165,273	13.20	12,521
2000	188,983.82	36,020	64,214	124,770	13.76	9,068

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 371.4 AREA LIGHTING FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 17-L0.5						
NET SALVAGE PERCENT.. 0						
2001	199,534.06	30,868	55,029	144,505	14.37	10,056
2002	212,418.34	24,492	43,663	168,755	15.04	11,220
2003	251,546.70	18,338	32,691	218,856	15.76	13,887
2004	333,785.77	8,645	15,412	318,374	16.56	19,225
	5,270,149.94	1,919,600	3,272,045	1,998,107		153,265
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.0	2.91

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 26-S1						
NET SALVAGE PERCENT.. 0						
1924	1,288.20	1,288	1,288			
1926	628.73	629	629			
1929	1,359.57	1,360	1,360			
1930	4,144.10	4,144	4,144			
1931	2,869.06	2,869	2,869			
1936	195,152.87	195,153	195,153			
1937	5,351.64	5,352	5,352			
1938	3,697.68	3,698	3,698			
1939	2,509.42	2,509	2,509			
1940	1,071.55	1,072	1,072			
1941	564.80	565	565			
1942	3,252.00	3,252	3,252			
1943	270.96	271	271			
1944	4,832.29	4,832	4,832			
1945	3,313.77	3,314	3,314			
1946	4,183.63	4,184	4,184			
1947	18,157.95	18,158	18,158			
1948	44,725.09	44,725	44,725			
1949	83,877.01	83,877	83,877			
1950	54,720.59	54,721	54,721			
1951	44,999.72	45,000	45,000			
1952	139,304.77	139,305	139,305			
1953	104,216.05	103,570	104,216			
1954	94,997.51	93,535	94,998			
1955	209,194.03	203,881	209,194			
1956	173,912.99	167,687	173,913			
1957	37,426.12	35,686	37,426			
1958	154,950.24	146,134	154,950			
1959	54,025.29	50,346	54,025			
1960	85,147.88	78,438	85,148			
1961	100,033.54	91,031	100,034			
1962	254,339.00	228,600	254,339			
1963	212,007.32	188,114	212,007			
1964	227,444.86	199,196	227,445			
1965	224,403.52	193,840	224,404			
1966	217,245.01	185,071	217,245			
1967	180,661.02	151,683	180,661			

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 26-S1						
NET SALVAGE PERCENT.. 0						
1968	345,096.12	285,498	345,096			
1969	218,102.95	177,667	218,103			
1970	241,319.56	193,418	241,320			
1971	356,784.77	281,325	356,785			
1972	320,095.37	248,074	320,095			
1973	246,262.12	187,455	246,262			
1974	294,588.90	220,028	294,589			
1975	412,617.04	302,325	412,617			
1976	306,770.05	220,169	306,770			
1977	169,857.43	119,359	169,857			
1978	334,298.53	229,630	334,299			
1979	267,299.08	179,304	267,299			
1980	473,041.82	309,464	473,042			
1981	392,500.17	250,140	392,500			
1982	377,333.87	233,947	377,334			
1983	589,868.54	355,042	573,592	16,277	10.35	1,573
1984	951,613.50	554,886	896,453	55,161	10.84	5,089
1985	1,142,839.57	644,333	1,040,960	101,880	11.34	8,984
1986	1,292,320.05	702,764	1,135,359	156,961	11.86	13,234
1987	2,204,080.42	1,152,954	1,862,668	341,412	12.40	27,533
1988	5,968,142.51	2,995,411	4,839,271	1,128,872	12.95	87,172
1989	4,509,467.21	2,162,740	3,494,040	1,015,427	13.53	75,050
1990	3,667,701.84	1,674,306	2,704,945	962,757	14.13	68,136
1991	4,050,044.69	1,750,834	2,828,580	1,221,465	14.76	82,755
1992	5,640,136.87	2,297,228	3,711,313	1,928,824	15.41	125,167
1993	3,599,062.23	1,371,963	2,216,491	1,382,571	16.09	85,927
1994	3,711,659.31	1,314,670	2,123,930	1,587,729	16.79	94,564
1995	4,493,087.41	1,465,645	2,367,840	2,125,247	17.52	121,304
1996	3,545,205.33	1,051,153	1,698,202	1,847,003	18.29	100,984
1997	2,642,496.65	703,433	1,136,439	1,506,058	19.08	78,934
1998	3,238,567.74	758,473	1,225,360	2,013,208	19.91	101,115
1999	3,207,812.53	645,412	1,042,703	2,165,110	20.77	104,242
2000	2,883,016.41	481,175	777,368	2,105,648	21.66	97,214
2001	3,134,524.57	412,190	665,919	2,468,606	22.58	109,327
2002	3,924,003.79	372,780	602,249	3,321,755	23.53	141,171
2003	3,009,728.76	172,457	278,615	2,731,114	24.51	111,429
2004	3,482,461.16	66,863	108,021	3,374,440	25.50	132,331
	78,594,088.65	29,281,605	45,036,569	33,557,525		1,773,235

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 18.9

2.26

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 389.4 LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R4						
NET SALVAGE PERCENT.. 0						
1945	147.18	119	40	107	12.45	9
1946	373.09	298	101	272	13.06	21
1948	312.97	244	83	230	14.34	16
1971	169.77	85	29	141	32.37	4
1974	100.00	46	16	84	35.12	2
1975	62.67	28	9	54	36.05	1
1977	828.10	345	117	711	37.93	19
1982	2,404.75	824	280	2,125	42.72	50
	4,398.53	1,989	675	3,724		122
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					30.5	2.77

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FRACKVILLE SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2021						
NET SALVAGE PERCENT.. 0						
1971	676,784.17	438,150	354,020	322,764	15.09	21,389
1974	6,162.04	3,872	3,129	3,033	15.21	199
1980	451,649.67	262,228	211,877	239,773	15.46	15,509
1981	14,010.00	8,003	6,466	7,544	15.50	487
1984	2,000.00	1,080	873	1,127	15.62	72
1985	5,305.30	2,801	2,263	3,042	15.66	194
1988	23,613.40	11,535	9,320	14,293	15.78	906
1990	1,685.00	771	623	1,062	15.87	67
1994	5,336.80	2,035	1,644	3,693	16.04	230
1997	14,861.13	4,570	3,693	11,168	16.17	691
1999	659,502.30	162,567	131,353	528,149	16.26	32,481
2001	181,513.93	31,293	25,284	156,230	16.37	9,544
2003	11,059.48	918	742	10,317	16.47	626
	2,053,483.22	929,823	751,287	1,302,195		82,395

SCHUYLKILL AREA OFFICE BLDG
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2025
NET SALVAGE PERCENT.. 0

1980	773,509.15	410,115	331,368	442,141	18.61	23,758
1983	553.43	277	224	329	18.79	18
1994	65,865.77	22,045	17,812	48,054	19.46	2,469
1999	23,826.70	5,016	4,053	19,774	19.80	999
	863,755.05	437,453	353,457	510,298		27,244

HAMLIN SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2047
NET SALVAGE PERCENT.. 0

1997	1,575,165.16	251,711	203,380	1,371,785	35.96	38,148
1999	38,415.50	4,733	3,824	34,592	36.44	949

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HAMLIN SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2047						
NET SALVAGE PERCENT.. 0						
2002	1,038,432.44	62,929	50,846	987,586	37.21	26,541
	2,652,013.10	319,373	258,050	2,393,963		65,638
WILKES-BARRE SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2021						
NET SALVAGE PERCENT.. 0						
1971	640,469.75	414,640	335,025	305,445	15.09	20,242
1974	7,388.37	4,642	3,751	3,637	15.21	239
1976	10,502.65	6,445	5,207	5,296	15.30	346
1978	18,176.35	10,869	8,782	9,394	15.38	611
1979	77,869.08	45,912	37,096	40,773	15.42	2,644
1981	1,998.00	1,141	922	1,076	15.50	69
1982	6,725.00	3,775	3,050	3,675	15.54	236
1990	6,318.75	2,890	2,335	3,984	15.87	251
1991	3,498.98	1,541	1,245	2,254	15.91	142
1994	208,980.76	79,705	64,401	144,580	16.04	9,014
1996	14,787.53	4,945	3,996	10,792	16.12	669
1997	276,058.00	84,888	68,589	207,469	16.17	12,830
1999	4,348.98	1,072	866	3,483	16.26	214
2000	799,364.54	169,225	136,732	662,633	16.31	40,627
2003	203,174.18	16,863	13,625	189,549	16.47	11,509
2004	832,860.00	23,986	19,380	813,480	16.54	49,183
	3,112,520.92	872,539	705,002	2,407,520		148,826
SYSTEM FACILITIES CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2042						
NET SALVAGE PERCENT.. 0						
1992	11,489,532.52	2,955,108	2,387,697	9,101,836	31.79	286,311
1993	6,006,368.08	1,454,742	1,175,416	4,830,952	31.97	151,109

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SYSTEM FACILITIES CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2042						
NET SALVAGE PERCENT.. 0						
1994	88,560.92	20,050	16,200	72,361	32.15	2,251
1995	14,814,923.10	3,106,689	2,510,173	12,304,750	32.34	380,481
1998	31,560.27	4,889	3,950	27,610	32.91	839
1999	215,829.15	29,051	23,473	192,356	33.11	5,810
2001	12,738.24	1,154	932	11,806	33.52	352
2002	10,449.11	697	563	9,886	33.74	293
2003	435,565.84	17,945	14,500	421,066	33.96	12,399
	33,105,527.23	7,590,325	6,132,904	26,972,623		839,845

HONESDALE SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2019
NET SALVAGE PERCENT.. 0

1949	4,158.87	3,160	2,553	1,606	12.65	127
1969	587,734.51	403,010	325,628	262,107	13.45	19,488
1973	35,247.02	23,351	18,867	16,380	13.59	1,205
1979	10,157.00	6,285	5,078	5,079	13.78	369
1982	457,883.65	270,609	218,649	239,235	13.88	17,236
1983	9,348.43	5,430	4,387	4,961	13.91	357
1984	46,034.30	26,240	21,202	24,832	13.94	1,781
1985	4,240.00	2,368	1,913	2,327	13.97	167
1986	124,043.17	67,752	54,743	69,300	14.00	4,950
1987	39,295.00	20,940	16,919	22,376	14.04	1,594
1988	24,858.01	12,901	10,424	14,434	14.07	1,026
1991	23,941.78	11,269	9,105	14,837	14.17	1,047
1993	1,931.80	836	675	1,257	14.23	88
1995	175,039.15	67,845	54,819	120,220	14.30	8,407
1997	18,919.87	6,321	5,108	13,812	14.37	961
1998	11,664.31	3,540	2,860	8,804	14.41	611
2000	4,154.93	964	779	3,376	14.49	233
2001	40,768.64	7,787	6,292	34,477	14.53	2,373
2003	53,075.93	4,878	3,941	49,135	14.62	3,361
2004	69,405.00	2,242	1,812	67,593	14.67	4,608
	1,741,901.37	947,728	765,754	976,148		69,989

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWPORT AREA SER CENT NEW						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2035						
NET SALVAGE PERCENT.. 0						
1985	3,200,949.54	1,242,289	1,003,757	2,197,193	26.19	83,894
1991	21,705.17	6,694	5,409	16,296	26.93	605
2000	4,154.93	550	444	3,711	28.13	132
2002	299,194.34	23,457	18,953	280,241	28.43	9,857
	3,526,003.98	1,272,990	1,028,563	2,497,441		94,488
HARRISBURG ANNEX						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2000	986,882.88	105,399	85,161	901,722	35.38	25,487
2003	25,291.62	984	795	24,497	36.11	678
	1,012,174.50	106,383	85,956	926,219		26,165
WEST SHORE/CARLISLE SERV CTR						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2043						
NET SALVAGE PERCENT.. 0						
1993	3,141,898.03	748,086	604,446	2,537,452	32.61	77,812
2003	3,557,011.85	143,703	116,110	3,440,902	34.69	99,190
	6,698,909.88	891,789	720,556	5,978,354		177,002
QUARRYVILLE SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2025						
NET SALVAGE PERCENT.. 0						
1975	617,191.97	353,281	285,447	331,745	18.30	18,128
1982	2,523.00	1,288	1,041	1,482	18.73	79
1984	5,332.11	2,605	2,105	3,227	18.85	171

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
QUARRYVILLE SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2025						
NET SALVAGE PERCENT.. 0						
1987	5,235.00	2,363	1,909	3,326	19.03	175
1992	22,066.99	8,240	6,658	15,409	19.33	797
1997	171,925.68	45,663	36,895	135,031	19.66	6,868
2000	455,441.35	81,797	66,091	389,350	19.87	19,595
2004	34,702.50	840	679	34,024	20.19	1,685
	1,314,418.60	496,077	400,825	913,594		47,498

SINKING SPRING SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2015
NET SALVAGE PERCENT.. 0

1970	203,502.50	151,101	122,088	81,415	10.20	7,982
1978	1,298.06	903	730	568	10.34	55
1981	11,381.00	7,643	6,175	5,206	10.39	501
1982	1,946.00	1,289	1,042	904	10.41	87
1985	544,963.39	344,471	278,329	266,634	10.46	25,491
1992	38,304.28	20,251	16,363	21,941	10.59	2,072
1997	144,907.13	58,658	47,395	97,512	10.69	9,122
2000	4,154.99	1,209	977	3,178	10.75	296
2004	763,455.00	33,668	27,203	736,252	10.85	67,857
	1,713,912.35	619,193	500,302	1,213,610		113,463

LOCK HAVEN SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2028
NET SALVAGE PERCENT.. 0

1978	1,319,214.53	681,770	550,863	768,352	20.68	37,154
1983	6,399.00	2,997	2,422	3,977	21.06	189
1984	941.80	430	347	595	21.14	28
1990	89,513.71	33,774	27,289	62,225	21.60	2,881
1998	19,732.21	4,282	3,460	16,272	22.26	731

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LOCK HAVEN SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2028						
NET SALVAGE PERCENT.. 0						
2000	4,154.93	671	542	3,613	22.45	161
2001	309,415.46	40,441	32,676	276,739	22.54	12,278
	1,749,371.64	764,365	617,599	1,131,773		53,422

SUNBURY SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2025						
NET SALVAGE PERCENT.. 0						
1975	1,642,571.74	940,208	759,678	882,894	18.30	48,246
1977	14,867.40	8,278	6,689	8,178	18.42	444
1981	2,400.66	1,250	1,010	1,391	18.67	75
1983	88,416.94	44,200	35,713	52,704	18.79	2,805
1984	963.10	471	381	582	18.85	31
1986	8,339.13	3,873	3,129	5,210	18.97	275
1989	4,792.61	2,026	1,637	3,156	19.15	165
1993	9,942.74	3,526	2,849	7,094	19.40	366
1999	475,307.27	100,052	80,841	394,466	19.80	19,923
2001	177,896.15	25,973	20,986	156,910	19.94	7,869
2002	51,841.67	5,651	4,566	47,276	20.02	2,361
2003	21,474.04	1,473	1,190	20,284	20.10	1,009
	2,498,813.45	1,136,981	918,669	1,580,145		83,569

ELIZABETHVILLE SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2029						
NET SALVAGE PERCENT.. 0						
1979	1,023,093.36	510,114	412,167	610,926	21.46	28,468
1988	2,809.00	1,116	902	1,907	22.21	86
1997	13,050.86	3,066	2,477	10,574	23.00	460
1999	211,362.59	38,954	31,474	179,889	23.19	7,757
	1,250,315.81	553,250	447,020	803,296		36,771

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BUXMONT SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2017						
NET SALVAGE PERCENT.. 0						
1972	516,467.91	361,063	291,735	224,733	11.92	18,853
1973	5,556.35	3,851	3,112	2,444	11.95	205
1975	7,219.38	4,914	3,970	3,249	12.00	271
1978	1,858.68	1,225	990	869	12.07	72
1980	5,079.85	3,266	2,639	2,441	12.12	201
1983	2,442.00	1,501	1,213	1,229	12.19	101
1984	8,053.20	4,866	3,932	4,121	12.21	338
1985	5,890.00	3,492	2,821	3,069	12.24	251
1986	7,380.00	4,287	3,464	3,916	12.26	319
1992	30,580.47	14,911	12,048	18,532	12.41	1,493
1993	127,574.91	59,603	48,159	79,416	12.44	6,384
1998	9,471.19	3,162	2,555	6,916	12.57	550
2000	4,154.93	1,074	868	3,287	12.63	260
2001	72,623.99	15,520	12,540	60,084	12.66	4,746
2002	1,430,217.03	232,124	187,553	1,242,664	12.70	97,848
2004	624,645.00	23,549	19,027	605,618	12.77	47,425
	2,859,214.89	738,408	596,626	2,262,588		179,317

SUSQUEHANNA SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2020
NET SALVAGE PERCENT.. 0

1970	2,014,968.88	1,343,178	1,085,274	929,695	14.27	65,150
1971	446.92	295	238	209	14.31	15
1972	1,597.77	1,046	845	753	14.35	52
1973	117,057.08	75,888	61,317	55,740	14.39	3,874
1974	25,586.85	16,424	13,270	12,317	14.42	854
1975	30,533.59	19,386	15,664	14,870	14.46	1,028
1976	7,862.83	4,935	3,987	3,876	14.50	267
1977	30,063.59	18,645	15,065	14,999	14.53	1,032
1978	4,024.12	2,464	1,991	2,033	14.57	140
1979	13,044.60	7,874	6,362	6,683	14.61	457
1980	12,842.00	7,641	6,174	6,668	14.64	455

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SUSQUEHANNA SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2020						
NET SALVAGE PERCENT.. 0						
1981	592,421.80	346,863	280,262	312,160	14.68	21,264
1982	40,633.62	23,405	18,911	21,723	14.71	1,477
1984	31,163.62	17,271	13,955	17,209	14.79	1,164
1985	515,723.76	279,986	226,226	289,498	14.82	19,534
1986	95,134.62	50,450	40,763	54,372	14.86	3,659
1987	327,069.00	169,193	136,706	190,363	14.89	12,785
1988	21,958.00	11,051	8,929	13,029	14.93	873
1989	7,424.00	3,624	2,928	4,496	14.97	300
1990	36,328.39	17,162	13,867	22,461	15.00	1,497
1991	40,605.46	18,488	14,938	25,667	15.04	1,707
1992	1,266.24	553	447	819	15.08	54
1993	71,679.92	29,883	24,145	47,535	15.12	3,144
1994	168,360.98	66,587	53,802	114,559	15.16	7,557
1995	104,297.44	38,840	31,382	72,915	15.20	4,797
1998	13,489.31	3,913	3,162	10,327	15.32	674
1999	607,699.06	156,543	126,485	481,214	15.36	31,329
2001	297,854.80	53,971	43,608	254,247	15.45	16,456
2002	77,213.60	10,578	8,547	68,667	15.50	4,430
2003	24,542.38	2,133	1,723	22,819	15.55	1,467
2004	69,405.00	2,158	1,744	67,661	15.60	4,337
	5,402,299.23	2,800,428	2,262,717	3,139,584		211,829

HARRISBURG SERV CENTER&ANNEXES
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2017
NET SALVAGE PERCENT.. 0

1941	340.00	272	220	120	10.90	11
1948	2,474.65	1,945	1,572	903	11.19	81
1950	12,940.55	10,109	8,168	4,773	11.27	424
1957	882,420.86	672,405	543,296	339,125	11.50	29,489
1958	18,612.59	14,125	11,413	7,200	11.53	624
1964	2,829.44	2,086	1,685	1,144	11.71	98
1965	1,339.09	982	793	546	11.74	47

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
HARRISBURG SERV CENTER&ANNEXES						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2017						
NET SALVAGE PERCENT.. 0						
1966	10,658.88	7,770	6,278	4,381	11.76	373
1967	35,052.44	25,395	20,519	14,533	11.79	1,233
1968	203,256.30	146,304	118,212	85,044	11.82	7,195
1969	353,298.16	252,644	204,134	149,164	11.84	12,598
1970	16,024.51	11,376	9,192	6,833	11.87	576
1971	13,765.97	9,698	7,836	5,930	11.90	498
1972	49,194.32	34,392	27,788	21,406	11.92	1,796
1973	105,262.16	72,957	58,949	46,313	11.95	3,876
1975	140,045.55	95,315	77,014	63,032	12.00	5,253
1977	509.00	339	274	235	12.04	20
1978	1,080.00	712	575	505	12.07	42
1979	27,045.12	17,620	14,237	12,808	12.09	1,059
1981	37,220.30	23,601	19,069	18,151	12.14	1,495
1982	2,139.00	1,336	1,079	1,060	12.17	87
1984	56,543.31	34,163	27,603	28,940	12.21	2,370
1985	23,117.70	13,704	11,073	12,045	12.24	984
1986	330,759.54	192,138	155,246	175,514	12.26	14,316
1987	820,417.25	465,751	376,322	444,095	12.29	36,135
1988	35,536.57	19,691	15,910	19,627	12.31	1,594
1989	664,286.11	358,050	289,301	374,985	12.34	30,388
1990	6,000.00	3,140	2,537	3,463	12.36	280
1992	78,217.93	38,139	30,816	47,402	12.41	3,820
1993	34,639.36	16,184	13,076	21,563	12.44	1,733
1994	65,954.81	29,383	23,741	42,214	12.46	3,388
1995	126,023.82	53,081	42,889	83,135	12.49	6,656
1997	1,597,179.64	583,769	471,679	1,125,501	12.55	89,681
1999	104,113.22	31,067	25,102	79,011	12.60	6,271
2000	74,002.27	19,122	15,450	58,552	12.63	4,636
2004	69,405.00	2,617	2,115	67,290	12.77	5,269
	6,001,705.42	3,261,382	2,635,163	3,366,543		274,396

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NORTHEAST SERVICE CENTER - HAZ						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2046						
NET SALVAGE PERCENT.. 0						
1924	8,498.14	6,355	5,135	3,363	15.13	222
1940	3,115.77	2,003	1,618	1,498	21.35	70
1957	22,067.49	11,991	9,689	12,378	26.45	468
1970	24,968.88	11,486	9,281	15,688	29.57	531
1971	6,407.63	2,901	2,344	4,064	29.79	136
1974	3,913.73	1,684	1,361	2,553	30.44	84
1996	3,117,578.51	560,229	452,659	2,664,920	35.11	75,902
1997	1,117,975.92	181,559	146,697	971,279	35.34	27,484
2000	843,780.26	88,597	71,586	772,194	36.04	21,426
2003	296,902.35	11,342	9,164	287,738	36.80	7,819
	5,445,208.68	878,147	709,534	4,735,675		134,142

ORWIGSBURG SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2029
NET SALVAGE PERCENT.. 0

1979	1,571,908.90	783,754	633,265	938,644	21.46	43,739
1997	235,525.14	55,325	44,702	190,823	23.00	8,297
2000	4,154.93	650	525	3,630	23.29	156
2001	25,728.85	3,250	2,626	23,103	23.39	988
2002	96,611.29	9,091	7,346	89,265	23.49	3,800
	1,933,929.11	852,070	688,464	1,245,465		56,980

BLOOMSBURG SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2023
NET SALVAGE PERCENT.. 0

1973	809,180.06	493,438	398,692	410,488	16.70	24,580
1978	5,846.23	3,343	2,701	3,145	16.96	185
1979	8,532.61	4,806	3,883	4,650	17.01	273
1981	10,493.51	5,715	4,618	5,876	17.11	343

PPL ELECTRIC DIVISION
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ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BLOOMSBURG SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2023						
NET SALVAGE PERCENT.. 0						
1983	6,035.00	3,162	2,555	3,480	17.21	202
1986	6,322.00	3,088	2,495	3,827	17.36	220
1992	4,913.30	1,947	1,573	3,340	17.66	189
1995	100,574.85	33,622	27,166	73,409	17.82	4,119
1996	152,895.30	47,474	38,359	114,536	17.88	6,406
1997	19,333.93	5,512	4,454	14,880	17.93	830
1998	10,231.97	2,632	2,127	8,105	17.99	451
1999	9,725.88	2,208	1,784	7,942	18.05	440
2001	979,901.81	154,824	125,096	854,806	18.17	47,045
2004	208,215.00	5,414	4,374	203,841	18.38	11,090
	2,332,201.45	767,185	619,877	1,712,325		96,373

MARION HEIGHTS SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2018
NET SALVAGE PERCENT.. 0

1973	522,626.87	354,132	286,135	236,492	12.77	18,519
1979	46,038.28	29,220	23,609	22,429	12.94	1,733
1981	6,875.00	4,242	3,428	3,447	13.00	265
1985	5,549.10	3,191	2,578	2,971	13.11	227
1993	122,376.12	54,971	44,416	77,960	13.34	5,844
1997	13,882.26	4,850	3,919	9,963	13.46	740
1999	4,154.93	1,176	950	3,205	13.53	237
2001	225,368.32	45,389	36,674	188,694	13.60	13,875
2004	138,810.00	4,886	3,948	134,862	13.72	9,830
	1,085,680.88	502,057	405,657	680,023		51,270

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LANCASTER SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. 0						
1972	2,672,441.56	1,679,630	1,357,124	1,315,318	15.90	82,724
1974	10,793.65	6,641	5,366	5,428	15.99	339
1975	5,297.56	3,221	2,603	2,695	16.04	168
1977	219.00	130	105	114	16.13	7
1978	3,800.00	2,222	1,795	2,005	16.17	124
1979	72,692.69	41,878	33,837	38,856	16.22	2,396
1981	158,151.87	88,170	71,240	86,912	16.31	5,329
1982	28,976.31	15,870	12,823	16,153	16.35	988
1984	39,114.72	20,578	16,627	22,488	16.44	1,368
1985	112,227.08	57,696	46,618	65,609	16.49	3,979
1986	18,392.41	9,229	7,457	10,935	16.53	662
1987	909,916.87	444,585	359,220	550,697	16.58	33,215
1992	1,266.24	518	419	847	16.81	50
1993	42,200.00	16,433	13,278	28,922	16.86	1,715
1994	602,780.80	222,004	179,376	423,405	16.91	25,039
1997	116,359.23	34,396	27,792	88,567	17.06	5,192
1998	19,592.50	5,235	4,230	15,363	17.11	898
1999	122,316.26	28,903	23,353	98,963	17.16	5,767
2001	302,515.95	50,006	40,404	262,112	17.27	15,177
2002	305,291.97	37,826	30,563	274,729	17.33	15,853
2004	1,249,290.00	34,730	28,061	1,221,229	17.46	69,944
	6,793,636.67	2,799,901	2,262,291	4,531,347		270,934

COCALICO SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2024
NET SALVAGE PERCENT.. 0

1974	939,047.47	555,071	448,491	490,556	17.50	28,032
1977	3,581.02	2,035	1,644	1,937	17.67	110
1982	4,686.00	2,447	1,977	2,709	17.95	151
1984	12,758.44	6,384	5,158	7,600	18.06	421
1986	12,366.70	5,889	4,758	7,609	18.17	419
1987	6,160.00	2,853	2,305	3,855	18.22	212

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COCALICO SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2024						
NET SALVAGE PERCENT.. 0						
1994	59,792.00	20,634	16,672	43,120	18.62	2,316
1997	16,000.00	4,400	3,555	12,445	18.80	662
1998	47,138.16	11,690	9,445	37,693	18.86	1,999
2000	208,356.65	38,900	31,431	176,926	18.99	9,317
2001	1,407,943.23	213,726	172,690	1,235,253	19.06	64,809
	2,717,829.67	864,029	698,126	2,019,703		108,448

POCONO SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2033
NET SALVAGE PERCENT.. 0

1983	5,574,639.76	2,369,222	1,914,307	3,660,333	24.61	148,734
1991	18,571.17	5,971	4,824	13,747	25.49	539
1996	91,186.06	21,173	17,108	74,078	26.06	2,843
1998	336,869.25	63,601	51,389	285,480	26.30	10,855
2000	13,963.27	1,946	1,572	12,391	26.55	467
2002	39,971.70	3,322	2,684	37,288	26.82	1,390
2003	70,623.51	3,651	2,950	67,674	26.96	2,510
	6,145,824.72	2,468,886	1,994,834	4,150,991		167,338

ALLENTOWN GENERAL OFFICE
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2028
NET SALVAGE PERCENT.. 0

1928	2,518,239.99	1,891,702	1,528,476	989,764	14.77	67,012
1929	24,968.66	18,664	15,080	9,889	14.97	661
1930	5,890.85	4,381	3,540	2,351	15.17	155
1932	1,615.64	1,190	962	654	15.55	42
1933	808.42	592	478	330	15.73	21
1935	1,175.70	853	689	487	16.07	30
1936	16.02	12	10	6	16.23	

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ALLENTOWN GENERAL OFFICE						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2028						
NET SALVAGE PERCENT.. 0						
1937	3,554.80	2,555	2,064	1,491	16.39	91
1939	1,969.70	1,402	1,133	837	16.70	50
1940	1,477.55	1,046	845	633	16.85	38
1941	624.25	440	356	268	16.99	16
1942	1,315.17	922	745	570	17.13	33
1943	2,206.69	1,540	1,244	963	17.26	56
1944	6,761.81	4,695	3,794	2,968	17.40	171
1945	7,193.84	4,970	4,016	3,178	17.52	181
1946	9,047.91	6,219	5,025	4,023	17.65	228
1947	25,293.65	17,296	13,975	11,319	17.77	637
1948	14,480.11	9,848	7,957	6,523	17.89	365
1949	391.83	265	214	178	18.01	10
1950	10,552.39	7,096	5,733	4,819	18.13	266
1951	402,258.67	269,031	217,374	184,885	18.24	10,136
1952	58,070.86	38,611	31,197	26,874	18.35	1,465
1953	123,436.03	81,579	65,915	57,521	18.46	3,116
1954	89,141.48	58,566	47,321	41,820	18.56	2,253
1955	354,668.93	231,528	187,072	167,597	18.67	8,977
1956	16,303.16	10,574	8,544	7,759	18.77	413
1957	3,788.28	2,441	1,972	1,816	18.87	96
1958	7,935.27	5,079	4,104	3,831	18.97	202
1961	13,319.63	8,341	6,739	6,581	19.25	342
1962	4,271.81	2,655	2,145	2,127	19.34	110
1967	13,786.79	8,198	6,624	7,163	19.79	362
1968	80,252.49	47,253	38,180	42,072	19.87	2,117
1969	3,160.86	1,842	1,488	1,673	19.95	84
1970	118,180.12	68,119	55,039	63,141	20.04	3,151
1971	14,209.26	8,099	6,544	7,665	20.12	381
1972	35,168.71	19,807	16,004	19,165	20.20	949
1973	10,902,631.43	6,065,134	4,900,565	6,002,066	20.28	295,960
1974	2,840.91	1,560	1,260	1,581	20.36	78
1976	487,414.57	260,084	210,145	277,270	20.52	13,512
1977	35,932.88	18,876	15,252	20,681	20.60	1,004
1978	171,319.28	88,538	71,538	99,781	20.68	4,825
1979	91,842.89	46,675	37,713	54,130	20.75	2,609

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ALLENTOWN GENERAL OFFICE						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2028						
NET SALVAGE PERCENT.. 0						
1980	549,165.36	273,924	221,328	327,837	20.83	15,739
1981	378,997.41	185,330	149,745	229,252	20.91	10,964
1982	184,491.74	88,335	71,374	113,118	20.99	5,389
1983	141,106.75	66,080	53,392	87,715	21.06	4,165
1984	121,571.54	55,570	44,900	76,672	21.14	3,627
1985	275,064.40	122,514	98,990	176,074	21.22	8,298
1986	1,769,631.59	766,781	619,551	1,150,081	21.29	54,020
1987	820,960.81	344,968	278,731	542,230	21.37	25,373
1988	232,173.82	94,402	76,276	155,898	21.45	7,268
1989	1,031,313.80	404,481	326,816	704,498	21.53	32,722
1990	1,151,227.09	434,358	350,957	800,270	21.60	37,050
1991	503,894.16	182,007	147,060	356,834	21.68	16,459
1992	138,374.03	47,628	38,483	99,891	21.76	4,591
1993	3,286,929.35	1,072,525	866,589	2,420,340	21.84	110,821
1994	960,181.08	294,968	238,331	721,850	21.92	32,931
1995	1,420,086.53	406,855	328,734	1,091,353	22.01	49,584
1996	268,227.16	71,107	57,454	210,773	22.09	9,542
1997	664,554.74	160,623	129,782	534,773	22.18	24,111
1998	615,110.54	133,479	107,850	507,261	22.26	22,788
1999	558,846.86	106,460	86,018	472,829	22.35	21,156
2000	513,460.23	82,872	66,960	446,500	22.45	19,889
2001	2,028,045.75	265,066	214,170	1,813,876	22.54	80,474
2002	1,109,576.50	107,962	87,232	1,022,345	22.64	45,157
2003	16,059,771.81	981,252	792,841	15,266,931	22.74	671,369
2004	2,290,365.00	49,014	39,603	2,250,762	22.85	98,502
	52,740,647.34	16,116,839	13,022,238	39,718,413		1,834,194

LEHIGH SERVICE CENTER
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2030
NET SALVAGE PERCENT.. 0

1975	9,011,946.21	4,714,149	3,808,983	5,202,963	21.80	238,668
1977	4,708.00	2,387	1,929	2,779	21.98	126

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
LEHIGH SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2030						
NET SALVAGE PERCENT.. 0						
1978	19,723.00	9,830	7,943	11,780	22.07	534
1979	21,330.21	10,439	8,435	12,895	22.16	582
1980	14,208.30	6,821	5,511	8,697	22.25	391
1981	6,896.92	3,245	2,622	4,275	22.34	191
1982	14,224.10	6,547	5,290	8,934	22.43	398
1983	125,452.79	56,416	45,584	79,869	22.52	3,547
1984	48,888.44	21,438	17,322	31,566	22.61	1,396
1985	34,730.00	14,826	11,979	22,751	22.70	1,002
1986	8,235.00	3,415	2,759	5,476	22.79	240
1987	39,649.00	15,939	12,879	26,770	22.88	1,170
1988	27,203.00	10,579	8,548	18,655	22.96	813
1989	442,321.90	165,605	133,807	308,515	23.06	13,379
1990	763,633.20	274,602	221,875	541,758	23.15	23,402
1992	1,266.25	415	335	931	23.33	40
1993	427,940.28	132,661	107,189	320,751	23.42	13,696
1994	817,005.96	237,830	192,164	624,842	23.52	26,566
1997	477,838.39	109,043	88,105	389,733	23.81	16,368
1998	5,139.82	1,052	850	4,290	23.91	179
1999	1,019,781.43	182,643	147,573	872,208	24.01	36,327
2001	75,422.17	9,232	7,459	67,963	24.23	2,805
2002	1,037,484.25	94,204	76,116	961,368	24.34	39,497
2003	1,690,038.33	95,825	77,426	1,612,612	24.46	65,929
2004	13,881.00	276	223	13,658	24.58	556
	16,148,947.95	6,179,419	4,992,906	11,156,039		487,802

GEN OFF ANNEX COURT STREET
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2028
NET SALVAGE PERCENT.. 0

1970	47,179.50	27,194	21,972	25,208	20.04	1,258
2003	4,475,780.13	273,470	220,961	4,254,819	22.74	187,107
	4,522,959.63	300,664	242,933	4,280,027		188,365

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BETHLEHEM SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2017						
NET SALVAGE PERCENT.. 0						
1926	123.34	102	82	41	10.01	4
1929	80,395.70	66,158	53,455	26,941	10.23	2,634
1937	96.64	78	63	34	10.71	3
1940	243.03	195	158	85	10.85	8
1943	77.99	62	50	28	10.99	3
1944	240.55	191	154	87	11.03	8
1945	705.67	559	452	254	11.07	23
1946	83.48	66	53	30	11.11	3
1948	226.63	178	144	83	11.19	7
1952	345.71	268	217	129	11.34	11
1953	14,054.31	10,872	8,784	5,270	11.37	464
1954	2,220.43	1,711	1,382	838	11.41	73
1957	105,289.95	80,231	64,826	40,464	11.50	3,519
1961	500.00	374	302	198	11.62	17
1964	447.22	330	267	180	11.71	15
1967	2,001.58	1,450	1,172	830	11.79	70
1968	8,366.46	6,022	4,866	3,500	11.82	296
1970	896.38	636	514	382	11.87	32
1971	7,172.76	5,053	4,083	3,090	11.90	260
1976	65,733.01	44,297	35,791	29,942	12.02	2,491
1981	41,728.50	26,460	21,379	20,350	12.14	1,676
1983	2,896.91	1,781	1,439	1,458	12.19	120
1984	1,789.15	1,081	873	916	12.21	75
1985	15,119.00	8,963	7,242	7,877	12.24	644
1986	4,762.00	2,766	2,235	2,527	12.26	206
1987	5,100.00	2,895	2,339	2,761	12.29	225
1988	13,000.00	7,203	5,820	7,180	12.31	583
1991	1,016.59	514	415	602	12.39	49
1994	112,266.69	50,015	40,412	71,855	12.46	5,767
1997	2,255,737.16	824,472	666,165	1,589,572	12.55	126,659
2000	880,659.75	227,562	183,868	696,792	12.63	55,170
2003	18,533.11	1,942	1,569	16,964	12.73	1,333
	3,641,829.70	1,374,487	1,110,571	2,531,260		202,448

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRAINING & DEVELOPMENT CENTER						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2021						
NET SALVAGE PERCENT.. 0						
1971	373,062.45	241,521	195,146	177,916	15.09	11,790
1978	14,013.26	8,380	6,771	7,242	15.38	471
1979	471,168.08	277,801	224,460	246,708	15.42	15,999
1980	15,933.64	9,251	7,475	8,459	15.46	547
1996	90,622.91	30,304	24,485	66,138	16.12	4,103
1998	340,211.38	94,613	76,447	263,764	16.22	16,262
2003	94,602.36	7,852	6,344	88,258	16.47	5,359
2004	55,524.00	1,599	1,292	54,232	16.54	3,279
	1,455,138.08	671,321	542,420	912,717		57,810

HARRISBURG REGIONAL WAREHOUSE
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2028
NET SALVAGE PERCENT.. 0

1998	1,143,575.70	248,156	200,508	943,068	22.26	42,366
1999	54,119.83	10,310	8,330	45,790	22.35	2,049
2003	20,662.66	1,262	1,020	19,643	22.74	864
	1,218,358.19	259,728	209,858	1,008,501		45,279

NORTHEAST SERVICE CENTER - SCR
INTERIM SURVIVOR CURVE.. IOWA 60-S0
PROBABLE RETIREMENT YEAR.. 12-2032
NET SALVAGE PERCENT.. 0

1926	2,376.41	1,774	1,433	943	15.15	62
1934	825.49	586	473	352	17.14	21
1936	331,528.85	232,766	188,073	143,456	17.57	8,165
1939	12.47	9	7	5	18.17	
1940	60.29	41	33	27	18.36	1
1942	119.10	81	65	54	18.73	3
1944	196.50	132	107	90	19.08	5
1945	185.10	123	99	86	19.25	4

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NORTHEAST SERVICE CENTER - SCR						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2032						
NET SALVAGE PERCENT.. 0						
1946	642.23	425	343	299	19.41	15
1947	19.10	13	11	8	19.58	
1948	624.96	408	330	295	19.73	15
1949	1,694.07	1,100	889	805	19.89	40
1950	377.04	243	196	181	20.04	9
1951	2,064.24	1,323	1,069	995	20.19	49
1952	3,060.66	1,948	1,574	1,487	20.33	73
1953	1,356.96	858	693	664	20.47	32
1955	23,972.00	14,939	12,071	11,901	20.75	574
1958	11,518.77	7,016	5,669	5,850	21.15	277
1961	22,998.15	13,666	11,042	11,956	21.53	555
1962	265,875.79	156,627	126,553	139,323	21.65	6,435
1963	316.83	185	149	168	21.77	8
1967	11,313.26	6,348	5,129	6,184	22.23	278
1968	39,159.47	21,737	17,563	21,596	22.34	967
1969	6,364.92	3,491	2,821	3,544	22.46	158
1970	1,015.54	551	445	571	22.57	25
1971	9,142.25	4,896	3,956	5,186	22.67	229
1973	962.56	502	406	557	22.89	24
1975	59,158.14	29,952	24,201	34,957	23.10	1,513
1976	125,671.88	62,610	50,588	75,084	23.21	3,235
1977	303.95	149	120	184	23.31	8
1979	291,859.63	137,874	111,401	180,459	23.52	7,673
1981	92,914.00	42,136	34,045	58,869	23.72	2,482
1982	1,928,507.22	855,293	691,068	1,237,439	23.82	51,950
1983	6,786.73	2,937	2,373	4,414	23.93	184
1984	15,287.08	6,448	5,210	10,077	24.03	419
1985	974.68	400	323	652	24.13	27
1988	1,398,886.77	520,945	420,918	977,969	24.44	40,015
1989	1,919,473.21	688,323	556,158	1,363,315	24.54	55,555
1992	11,193,699.72	3,499,151	2,827,280	8,366,420	24.85	336,677
1995	23,011.89	5,939	4,799	18,213	25.18	723
1999	157,159.94	26,591	21,485	135,675	25.63	5,294
2000	698,177.70	100,119	80,895	617,283	25.75	23,972
2001	3,974.02	458	370	3,604	25.88	139

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NORTHEAST SERVICE CENTER - SCR INTERIM SURVIVOR CURVE.. IOWA 60-S0 PROBABLE RETIREMENT YEAR.. 12-2032 NET SALVAGE PERCENT.. 0						
2002	302,541.02	25,867	20,900	281,641	26.00	10,832
2003	18,984.07	1,010	816	18,168	26.14	695
2004	485,835.00	8,891	7,184	478,651	26.28	18,214
	19,460,989.66	6,486,881	5,241,333	14,219,657		577,631
CARBONDALE AREA SERVICE CENTER INTERIM SURVIVOR CURVE.. IOWA 60-S0 PROBABLE RETIREMENT YEAR.. 12-2032 NET SALVAGE PERCENT.. 0						
1982	2,422,904.45	1,074,558	868,232	1,554,672	23.82	65,268
1998	158,986.15	30,796	24,883	134,103	25.51	5,257
1999	11,299.64	1,912	1,545	9,755	25.63	381
2000	4,154.93	596	482	3,673	25.75	143
2003	6,890.00	367	296	6,594	26.14	252
	2,604,235.17	1,108,229	895,438	1,708,797		71,301
PJM HONEYWELL BUILDING INTERIM SURVIVOR CURVE.. IOWA 60-S0 PROBABLE RETIREMENT YEAR.. 12-2025 NET SALVAGE PERCENT.. 0						
1990	387,815.40	158,035	127,691	260,124	19.21	13,541
1994	488,744.91	163,583	132,173	356,572	19.46	18,323
1995	1,711,250.97	536,306	433,330	1,277,921	19.52	65,467
	2,587,811.28	857,924	693,194	1,894,617		97,331

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
GALLERY ON THE MALL						
INTERIM SURVIVOR CURVE.. IOWA 60-S0						
PROBABLE RETIREMENT YEAR.. 12-2025						
NET SALVAGE PERCENT.. 0						
2000	1,527,504.72	274,340	221,663	1,305,842	19.87	65,719
2002	403,967.11	44,032	35,578	368,389	20.02	18,401
2003	67,128.08	4,605	3,721	63,407	20.10	3,155
2004	13,881.00	336	271	13,610	20.19	674
	2,012,480.91	323,313	261,233	1,751,248		87,949

OTHER STRUCTURES

SURVIVOR CURVE.. IOWA 45-R3
NET SALVAGE PERCENT.. 0

1917	1,033.36	1,033	1,033			
1918	15,927.72	15,928	15,928			
1927	8,198.43	8,198	8,198			
1928	2,908.84	2,909	2,909			
1929	223.14	222	178	45	0.17	45
1935	2,131.42	2,057	1,652	479	1.56	307
1936	4,164.80	3,997	3,210	955	1.81	528
1937	71.84	69	55	17	2.07	8
1938	9,369.21	8,886	7,137	2,232	2.32	962
1939	247.17	233	187	60	2.57	23
1941	980.89	914	734	247	3.09	80
1942	349.23	323	259	90	3.35	27
1943	375.42	345	277	98	3.60	27
1944	818.25	748	601	217	3.86	56
1945	116.98	106	85	32	4.12	8
1946	4,893.51	4,417	3,548	1,346	4.38	307
1948	3,555.55	3,167	2,544	1,012	4.92	206
1949	4,258.64	3,765	3,024	1,235	5.21	237
1950	1,455.02	1,277	1,026	429	5.50	78
1951	385.83	336	270	116	5.80	20
1952	778.57	673	541	238	6.12	39
1953	16,025.98	13,725	11,024	5,002	6.46	774
1954	9,837.42	8,349	6,706	3,131	6.81	460
1956	4,181.99	3,479	2,794	1,388	7.56	184

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - BUILDINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER STRUCTURES						
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. 0						
1964	92.23	69	55	37	11.41	3
1965	109.86	81	65	45	11.98	4
1966	17,772.73	12,809	10,288	7,485	12.57	595
1967	77.14	55	44	33	13.19	3
1969	276,477.14	187,645	150,717	125,760	14.46	8,697
1971	4,367.92	2,833	2,275	2,093	15.81	132
1972	396,672.33	251,133	201,711	194,961	16.51	11,809
1973	7,586.38	4,683	3,761	3,825	17.22	222
1974	18,120.07	10,896	8,752	9,368	17.94	522
1975	249,367.27	145,855	117,152	132,215	18.68	7,078
1976	11,980.06	6,805	5,466	6,514	19.44	335
1977	114,761.43	63,245	50,799	63,962	20.20	3,166
1980	134,487.47	67,029	53,838	80,649	22.57	3,573
1981	207,723.35	99,790	80,152	127,571	23.38	5,456
1982	34,046.32	15,729	12,634	21,412	24.21	884
1983	12,753.76	5,658	4,545	8,209	25.04	328
1984	107,621.36	45,707	36,712	70,909	25.89	2,739
1985	97,337.04	39,499	31,725	65,612	26.74	2,454
1986	1,292.00	499	401	891	27.61	32
1987	25,099.00	9,209	7,397	17,702	28.49	621
1988	22,983.00	7,982	6,411	16,572	29.37	564
1989	46,149.09	15,105	12,132	34,017	30.27	1,124
1990	3,791.25	1,165	936	2,855	31.17	92
1992	28,041.85	7,479	6,007	22,035	33.00	668
1993	17,006.03	4,183	3,360	13,646	33.93	402
1995	90,961.86	18,574	14,919	76,043	35.81	2,124
1996	7,454.49	1,366	1,097	6,357	36.75	173
1997	128,811.39	20,867	16,760	112,051	37.71	2,971
1998	14,104.52	1,985	1,594	12,511	38.67	324
1999	120,709.22	14,401	11,567	109,142	39.63	2,754
2001	14,811.60	1,129	907	13,905	41.57	334
2002	92,213.78	5,016	4,029	88,185	42.55	2,073
2004	20,821.50	227	182	20,640	44.51	464
	2,417,893.65	1,153,864	932,310	1,485,581		67,096
	212,821,943.38	67,703,431	54,703,667	158,118,280		7,134,548

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 22.2 3.35

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.21 STRUCTURES AND IMPROVEMENTS - LEASEHOLDS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1987	255,028.42	255,028	255,028			
1989	50,987.42	50,987	50,987			
1990	22,263.44	22,263	22,263			
1991	232,930.06	232,930	232,930			
1996	17,997.67	17,998	17,999			
	579,207.01	579,206	579,207			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - AIR COND.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2						
NET SALVAGE PERCENT.. 0						
1950	6,132.53	6,069	6,133			
1951	238,793.65	234,257	238,794			
1953	170,020.69	163,781	170,021			
1954	164,154.38	156,653	164,154			
1955	137,302.00	129,709	137,302			
1956	7,636.33	7,142	7,636			
1957	7,071.60	6,546	7,072			
1960	250.00	224	250			
1961	586.85	521	587			
1962	104,666.65	91,824	104,667			
1964	4,288.34	3,675	4,288			
1968	6,886.04	5,598	6,886			
1970	15,734.71	12,399	15,485	250	6.36	39
1971	16,039.43	12,431	15,525	514	6.75	76
1972	92,808.21	70,627	88,203	4,605	7.17	642
1973	532,680.31	397,539	496,470	36,210	7.61	4,758
1975	742,871.78	531,376	663,613	79,259	8.54	9,281
1977	4,958.48	3,380	4,221	737	9.55	77
1978	2,131.71	1,415	1,767	365	10.09	36
1979	33,303.38	21,491	26,839	6,464	10.64	608
1981	10,437.36	6,328	7,903	2,534	11.81	215
1982	158,845.26	93,083	116,247	42,598	12.42	3,430
1983	7,057.03	3,987	4,979	2,078	13.05	159
1984	355.95	194	242	114	13.69	8
1985	95,572.34	49,822	62,221	33,351	14.36	2,322
1986	105,460.65	52,593	65,681	39,780	15.04	2,645
1987	832,499.64	396,020	494,573	337,927	15.73	21,483
1988	325,764.35	147,245	183,888	141,876	16.44	8,630
1989	1,254,239.13	536,438	669,935	584,304	17.17	34,031
1990	259,140.44	104,434	130,423	128,717	17.91	7,187
1991	456,657.42	172,617	215,574	241,083	18.66	12,920
1992	1,923,286.76	677,574	846,194	1,077,093	19.43	55,435
1993	858,591.39	280,158	349,878	508,713	20.21	25,171
1994	77,426.09	23,228	29,008	48,418	21.00	2,306
1995	2,279,492.81	622,302	777,167	1,502,326	21.81	68,882
1996	100,022.38	24,575	30,691	69,331	22.63	3,064
1997	1,258,224.52	274,293	342,553	915,672	23.46	39,031

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - AIR COND.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2						
NET SALVAGE PERCENT.. 0						
1998	1,064,819.00	202,316	252,664	812,155	24.30	33,422
1999	734,833.97	118,823	148,393	586,441	25.15	23,318
2000	5,118,394.08	680,746	850,156	4,268,238	26.01	164,100
2001	1,667,154.55	173,384	216,532	1,450,623	26.88	53,967
2002	1,242,466.82	92,812	115,909	1,126,558	27.76	40,582
2003	1,658,122.94	74,616	93,185	1,564,938	28.65	54,623
	23,777,181.95	6,664,245	8,163,909	15,613,272		672,448

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 23.2 2.83

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 390.41 STRUCTURES AND IMPROVEMENTS - LEASEHOLDS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1987	359,266.02	359,266	359,266			
1988	54,264.16	54,264	54,264			
1989	35,318.64	35,319	35,319			
1995	17,337.38	17,337	17,337			
1996	27,262.52	27,263	27,263			
	493,448.72	493,449	493,449			

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 0.0 0.00

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 391.2 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1985	286,154.33	279,000	248,698	37,456	0.50	37,456
1986	373,061.87	345,082	307,603	65,459	1.50	43,639
1987	511,470.91	447,537	398,930	112,541	2.50	45,016
1988	329,075.33	271,487	242,001	87,074	3.50	24,878
1989	511,644.39	396,524	353,458	158,186	4.50	35,152
1990	826,331.86	599,091	534,024	292,308	5.50	53,147
1991	800,135.50	540,091	481,432	318,704	6.50	49,031
1992	995,340.97	622,088	554,524	440,817	7.50	58,776
1993	708,375.22	407,316	363,078	345,297	8.50	40,623
1994	806,960.44	423,654	377,641	429,319	9.50	45,191
1995	625,463.94	297,095	264,828	360,636	10.50	34,346
1996	95,891.98	40,754	36,328	59,564	11.50	5,179
1997	237,227.47	88,960	79,298	157,929	12.50	12,634
1998	365,186.79	118,686	105,796	259,391	13.50	19,214
1999	1,571,951.50	432,287	385,336	1,186,616	14.50	81,836
2000	950,139.84	213,781	190,562	759,578	15.50	49,005
2001	1,746,072.65	305,563	272,376	1,473,697	16.50	89,315
2002	519,447.89	64,931	57,879	461,569	17.50	26,375
2003	333,986.02	25,049	22,328	311,658	18.50	16,846
2004	1,614,000.00	40,350	35,968	1,578,032	19.50	80,925
	14,207,918.90	5,959,326	5,312,088	8,895,831		848,584
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.5	5.97

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 391.4 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1990	35,069.00	33,901	32,315	2,754	0.50	2,754
1991	104,860.01	94,374	89,958	14,902	1.50	9,935
1992	106,118.40	88,428	84,291	21,827	2.50	8,731
1993	129,253.93	99,099	94,462	34,792	3.50	9,941
1994	25,413.40	17,789	16,957	8,456	4.50	1,879
1995	11,543.78	7,311	6,969	4,575	5.50	832
1996	8,336.95	4,725	4,504	3,833	6.50	590
1997	5,791.80	2,896	2,760	3,032	7.50	404
1998	40,260.91	17,445	16,629	23,632	8.50	2,780
1999	6,365.76	2,334	2,225	4,141	9.50	436
2000	635.95	191	182	454	10.50	43
2001	22,521.52	5,254	5,008	17,514	11.50	1,523
2002	80,447.00	13,411	12,784	67,663	12.50	5,413
2003	7,809.77	781	744	7,066	13.50	523
	584,428.18	387,939	369,788	214,641		45,784
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.7	7.83

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 391.6 OFFICE FURNITURE AND EQUIPMENT - COMPUTERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2003	58,132.27	17,440	33,352-	91,484	3.50	26,138
	58,132.27	17,440	33,352-	91,484		26,138
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					3.5	44.96

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 391.8 OFFICE FURNITURE AND EQUIPMENT-POWER MGMT. SYS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 7-SQUARE						
NET SALVAGE PERCENT.. 0						
1986	2,391,512.22	2,391,512	2,391,512			
1988	12,913,294.67	12,913,295	12,913,295			
1989	13,226,447.47	13,226,447	13,226,447			
1990	735,096.02	735,096	735,096			
1991	38,456.33	38,456	38,456			
1992	861,285.97	861,286	861,286			
1993	303,136.36	303,136	303,136			
1994	5,744,081.94	5,744,082	5,744,082			
1995	814,450.55	814,451	814,451			
2003	1,077,181.86	230,840	878,409	198,773	5.50	36,141
	38,104,943.39	37,258,601	37,906,170	198,773		36,141
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					5.5	0.09

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE
ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L0						
NET SALVAGE PERCENT.. 0						
1925	483.93	484	484			
1926	685.15	685	685			
1927	1,261.01	1,261	1,261			
1928	359.33	359	359			
1930	864.34	864	864			
1933	95.04	95	95			
1934	67.34	67	67			
1936	656.16	656	656			
1938	167.30	167	167			
1941	92.54	93	93			
1946	169.95	170	170			
1947	475.00	475	475			
1948	443.95	427	444			
1949	238.54	228	239			
1950	438.75	411	439			
1951	1,683.00	1,565	1,683			
1952	451.72	417	452			
1958	2,300.00	2,003	2,300			
1959	1,708.87	1,472	1,709			
1960	3,311.42	2,819	3,311			
1961	2,167.30	1,825	2,167			
1964	2,081.28	1,690	2,081			
1965	5,013.26	4,021	5,013			
1966	2,476.09	1,960	2,476			
1967	3,563.99	2,782	3,564			
1968	3,838.57	2,953	3,839			
1969	2,668.00	2,022	2,668			
1970	999.87	746	1,000			
1972	5,376.20	3,886	5,376			
1973	18,382.59	13,052	18,383			
1975	759.30	520	759			
1976	3,002.51	2,014	3,003			
1982	1,064.62	620	942	123	5.85	21
1983	3,500.00	1,980	3,008	492	6.08	81
1986	2,000.00	1,027	1,561	439	6.81	64
1987	15,221.60	7,545	11,464	3,758	7.06	532
1989	5,828.00	2,660	4,042	1,786	7.61	235

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE
ACCOUNT 392.4 TRANSPORTATION EQUIPMENT - TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-L0						
NET SALVAGE PERCENT.. 0						
1991	8,006.05	3,323	5,049	2,957	8.19	361
	101,902.57	69,344	92,348	9,555		1,294
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					7.4	1.27

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 393 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1973	107,463.34	107,463	107,463			
1974	80,304.42	80,304	80,304			
1975	414,521.50	414,522	414,522			
1976	11,146.96	11,147	11,147			
1977	22,976.66	22,977	22,977			
1978	112,053.90	112,054	112,054			
1979	280,799.66	280,800	280,800			
1980	41,070.76	40,249	29,907	11,164	0.50	11,164
1981	68,750.61	64,626	48,021	20,730	1.50	13,820
1982	255,736.32	230,163	171,025	84,711	2.50	33,884
1983	179,216.16	154,126	114,525	64,691	3.50	18,483
1984	29,715.85	24,367	18,106	11,610	4.50	2,580
1985	244,721.43	190,883	141,837	102,884	5.50	18,706
1986	85,072.25	62,953	46,778	38,294	6.50	5,891
1987	157,098.31	109,969	81,713	75,385	7.50	10,051
1988	44,711.50	29,510	21,928	22,784	8.50	2,680
1989	91,638.23	56,816	42,218	49,420	9.50	5,202
1990	30,836.41	17,885	13,290	17,546	10.50	1,671
1991	57,979.79	31,309	23,264	34,716	11.50	3,019
1992	96,214.79	48,107	35,746	60,469	12.50	4,838
1993	186,050.58	85,583	63,593	122,458	13.50	9,071
1994	93,946.25	39,457	29,319	64,627	14.50	4,457
1995	306,476.93	116,461	86,538	219,939	15.50	14,190
2000	132,900.05	23,922	17,775	115,125	20.50	5,616
2001	237,397.40	33,236	24,696	212,701	21.50	9,893
2003	19,477.50	1,169	869	18,609	23.50	792
	3,388,277.56	2,390,058	2,040,415	1,347,863		176,008

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 7.7 5.19

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE
ACCOUNT 394 TOOLS AND WORK EQUIPMENT - L&S LINE CREWS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1984	75,672.67	75,673	75,673			
1985	46,193.81	45,039	39,748	6,446	0.50	6,446
1986	146,134.81	135,175	119,294	26,841	1.50	17,894
1987	128,120.15	112,105	98,934	29,186	2.50	11,674
1988	160,466.54	132,385	116,832	43,635	3.50	12,467
1989	106,392.81	82,454	72,767	33,626	4.50	7,472
1990	158,054.97	114,590	101,128	56,927	5.50	10,350
1991	216,113.07	145,876	128,738	87,375	6.50	13,442
1992	202,264.33	126,415	111,563	90,701	7.50	12,093
1993	68,022.13	39,113	34,518	33,504	8.50	3,942
1994	66,057.03	34,680	30,606	35,451	9.50	3,732
1996	14,322.24	6,087	5,372	8,950	11.50	778
1997	246.83	93	82	165	12.50	13
1998	128,841.84	41,874	36,954	91,888	13.50	6,807
	1,516,903.23	1,091,559	972,209	544,695		107,110
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					5.1	7.06

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE
ACCOUNT 394.4 TOOLS AND WORK EQUIPMENT - CONST. DEPT.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1984	11,268.30	11,268	11,268			
1985	240,727.01	234,709	221,699	19,028	0.50	19,028
1986	460,625.42	426,079	402,461	58,164	1.50	38,776
1987	434,685.47	380,350	359,267	75,418	2.50	30,167
1988	320,407.89	264,337	249,684	70,724	3.50	20,207
1989	284,996.17	220,872	208,629	76,367	4.50	16,970
1990	288,378.77	209,075	197,486	90,893	5.50	16,526
1991	251,632.81	169,852	160,437	91,196	6.50	14,030
1992	257,108.65	160,693	151,786	105,323	7.50	14,043
1993	229,217.02	131,800	124,494	104,723	8.50	12,320
1997	99,962.49	37,486	35,408	64,554	12.50	5,164
1998	160,017.56	52,006	49,123	110,895	13.50	8,214
	3,039,027.56	2,298,527	2,171,742	867,285		195,445
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.4	6.43

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE
ACCOUNT 394.41 TOOLS AND WORK EQUIPMENT - LEASEHOLDS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FULLY ACCRUED NET SALVAGE PERCENT.. 0						
1991	68,066.52	68,067	68,067			
	68,066.52	68,067	68,067			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 394.6 TOOLS AND WORK EQUIPMENT - OTHER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE NET SALVAGE PERCENT.. 0						
1985	111,815.38	109,020	91,287	20,528	0.50	20,528
1986	194,423.61	179,842	150,589	43,835	1.50	29,223
1987	223,547.61	195,604	163,787	59,761	2.50	23,904
1988	313,901.47	258,969	216,845	97,056	3.50	27,730
1989	114,738.88	88,923	74,459	40,280	4.50	8,951
1990	83,887.65	60,819	50,926	32,962	5.50	5,993
1991	125,549.18	84,746	70,961	54,588	6.50	8,398
1992	539,770.65	337,357	282,482	257,289	7.50	34,305
1993	380,785.44	218,952	183,337	197,448	8.50	23,229
1994	363,633.64	190,908	159,855	203,779	9.50	21,450
1995	2,061,737.45	979,325	820,026	1,241,711	10.50	118,258
1996	299,800.25	127,415	106,689	193,111	11.50	16,792
1997	90,998.16	34,124	28,573	62,425	12.50	4,994
1998	140,602.54	45,696	38,263	102,340	13.50	7,581
1999	85,952.55	23,637	19,792	66,161	14.50	4,563
2000	967,705.34	217,734	182,318	785,387	15.50	50,670
2001	664,838.24	116,347	97,422	567,416	16.50	34,389
2002	577,821.68	72,228	60,479	517,343	17.50	29,562
2003	195,270.77	14,645	12,263	183,008	18.50	9,892
	7,536,780.49	3,356,291	2,810,353	4,726,428		480,412
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					9.8	6.37

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 394.8 TOOLS AND WORK EQUIPMENT - GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1984	22,505.86	22,506	22,506			
1985	98,173.43	95,719	84,628	13,545	0.50	13,545
1986	22,077.61	20,422	18,056	4,022	1.50	2,681
1987	101,060.84	88,428	78,182	22,879	2.50	9,152
1988	33,291.84	27,466	24,283	9,009	3.50	2,574
1989	23,934.84	18,550	16,401	7,534	4.50	1,674
1990	268,660.38	194,779	172,210	96,450	5.50	17,536
1991	777,817.29	525,027	464,191	313,626	6.50	48,250
1992	1,230,108.08	768,818	679,734	550,374	7.50	73,383
1993	2,017,670.46	1,160,161	1,025,731	991,939	8.50	116,699
1994	1,503,065.20	789,109	697,674	805,391	9.50	84,778
1995	203,399.22	96,615	85,420	117,979	10.50	11,236
1997	41,892.51	15,710	13,890	28,003	12.50	2,240
	6,343,657.56	3,823,310	3,382,906	2,960,751		383,748
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					7.7	6.05

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 395 LABORATORY EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1990	167,492.68	121,432	147,941	19,552	5.50	3,555
1991	138,409.69	93,427	113,822	24,588	6.50	3,783
1992	94,352.53	58,970	71,843	22,510	7.50	3,001
1993	469,267.33	269,829	328,734	140,533	8.50	16,533
1994	24,738.23	12,988	15,823	8,915	9.50	938
1995	31,430.74	14,930	18,189	13,242	10.50	1,261
1996	175,603.91	74,632	90,924	84,680	11.50	7,363
1997	11,208.56	4,203	5,121	6,088	12.50	487
1998	2,964.73	964	1,174	1,791	13.50	133
2000	9,022.00	2,030	2,473	6,549	15.50	423
2001	43,201.72	7,560	9,211	33,991	16.50	2,060
	1,167,692.12	660,965	805,255	362,439		39,537
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					9.2	3.39

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1938	53.75	54	54			
1940	49.26	49	49			
1943	15.00	15	15			
1946	2,100.92	2,101	2,101			
1948	7,884.68	7,885	7,885			
1949	9,712.31	9,712	9,712			
1950	663.48	663	663			
1951	1,136.19	1,136	1,136			
1952	1,114.02	1,114	1,114			
1953	6,072.69	6,073	6,073			
1954	455.81	456	456			
1955	470.63	471	471			
1956	3,731.37	3,731	3,731			
1957	8,170.21	8,170	8,170			
1958	8,330.22	8,330	8,330			
1959	20,919.97	20,920	20,920			
1960	3,858.77	3,859	3,859			
1961	8,399.96	8,400	8,400			
1962	6,314.12	6,314	6,314			
1963	1,256.85	1,257	1,257			
1964	7,459.49	7,459	7,459			
1965	8,444.68	8,445	8,445			
1966	37.48	37	37			
1967	880.57	881	881			
1968	2,405.89	2,406	2,406			
1969	39,266.53	39,267	39,267			
1970	9,408.65	9,409	9,409			
1971	17,119.89	17,120	17,120			
1972	106,891.12	106,891	106,891			
1973	517,195.56	517,196	517,196			
1974	126,150.48	126,150	126,150			
1975	179,596.97	179,597	179,597			
1976	139,191.24	139,191	139,191			
1977	65,959.78	65,960	65,960			
1978	23,714.66	23,715	23,715			
1979	28,266.89	28,267	28,267			
1980	100,901.78	100,902	100,902			

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1981	56,114.28	56,114	56,114			
1982	60,802.64	60,803	60,803			
1983	870,751.92	870,752	870,752			
1984	53,630.99	53,631	53,631			
1985	579,511.06	579,511	579,511			
1986	393,293.90	393,294	393,294			
1987	668,278.54	668,279	668,279			
1988	527,080.59	527,081	527,081			
1989	209,032.21	209,032	209,032			
1990	324,005.62	313,216	71,334	252,672	0.50	252,672
1991	254,011.10	228,610	52,065	201,946	1.50	134,631
1992	524,403.25	436,985	99,522	424,881	2.50	169,952
1993	331,942.70	254,500	57,962	273,981	3.50	78,280
1994	1,442,213.37	1,009,549	229,921	1,212,292	4.50	269,398
1995	223,288.22	141,408	32,205	191,083	5.50	34,742
1996	4,170.60	2,363	538	3,633	6.50	559
1997	183,136.54	91,568	20,854	162,283	7.50	21,638
1998	24,689.11	10,698	2,436	22,253	8.50	2,618
1999	37,956.84	13,919	3,170	34,787	9.50	3,662
2000	158,950.87	47,685	10,860	148,091	10.50	14,104
2001	682,353.00	159,193	36,257	646,096	11.50	56,182
2002	2,354.00	392	89	2,265	12.50	181
2004	30,658.54	1,021	233	30,426	14.50	2,098
	9,106,231.76	7,593,207	5,499,546	3,606,689		1,040,717
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					3.5	11.43

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE
ACCOUNT 397.1 COMMUNICATION EQUIPMENT - LEASEHOLDS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FULLY ACCRUED NET SALVAGE PERCENT.. 0						
1987	219,098.38	219,098	219,098			
1988	21,792.55	21,793	21,793			
1994	43,208.31	43,208	43,208			
1996	60,197.40	60,197	60,198			
	344,296.64	344,296	344,297			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

PPL ELECTRIC DIVISION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2004

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1979	92,407.45	92,407	92,407			
1980	79,069.21	79,069	79,069			
1981	252,248.38	252,248	252,248			
1982	41,004.68	41,005	41,005			
1983	150,102.77	150,103	150,103			
1984	122,330.27	122,330	122,330			
1985	166,210.14	162,055	109,869	56,341	0.50	56,341
1986	126,816.26	117,305	79,530	47,286	1.50	31,524
1987	271,099.20	237,212	160,824	110,275	2.50	44,110
1988	73,748.33	60,842	41,249	32,499	3.50	9,285
1989	197,616.12	153,152	103,833	93,783	4.50	20,841
1990	162,728.10	117,978	79,986	82,742	5.50	15,044
1991	43,637.98	29,456	19,970	23,668	6.50	3,641
1992	237,908.59	148,693	100,810	137,099	7.50	18,280
1993	104,597.83	60,144	40,776	63,822	8.50	7,508
1994	29,884.25	15,689	10,637	19,247	9.50	2,026
1995	155,308.76	73,772	50,016	105,293	10.50	10,028
1996	31,453.64	13,368	9,063	22,391	11.50	1,947
1997	9,309.89	3,491	2,367	6,943	12.50	555
1999	66,152.28	18,192	12,334	53,818	14.50	3,712
2001	44,100.76	7,718	5,233	38,868	16.50	2,356
2002	296,579.84	37,072	25,133	271,447	17.50	15,511
2003	35,935.29	2,695	1,827	34,108	18.50	1,844
	2,790,250.02	1,995,996	1,590,619	1,199,630		244,553
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.9	8.76

PPL ELECTRIC UTILITIES CORPORATION

Exhibit TRD 1
Fact Sheets of Universal Service Programs

Witness: Timothy R. Dahl
Docket No. R-00049255

DOCUMENT

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Operation HELP Fact Sheet

What is Operation HELP?

It is a PPL-sponsored fuel fund that helps pay the energy bills of low-income customers. The fund is supported by donations from customers, employees, and the Company.

What are the income guidelines for Operation HELP?

Household Size	Gross Annual Income
1 person	\$18,620
2 persons	\$24,980
3 persons	\$31,340
4 persons	\$37,700
5 persons	\$44,060
6 persons	\$50,420
7 persons	\$56,780
8 persons	\$63,140
Each additional person	\$3,180

Are there other eligibility guidelines?

Yes, in addition to income, the agencies administering Operation HELP look for extenuating circumstances and hardships. It is important to remember that customers don't automatically receive HELP assistance.

How can customers apply for Operation HELP?

They can call or visit their local Operation HELP agency and schedule an appointment.

What does Operation HELP offer?

Operation HELP will help pay for any type of home energy bill (e.g., electric, oil, gas), and all payments are made directly to energy vendors.

When can customers apply for Operation HELP assistance?

Customers can apply at any time because Operation HELP runs year-round. However, applicants can receive HELP assistance only ONE time annually.

2003-2004
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
(LIHEAP) FACT SHEET

What is LIHEAP?

It is an energy assistance program for low-income families that is funded by the federal government and administered by the state.

What does the program offer?

The program has two components: cash and crisis. The cash component is a one-time payment based on factors such as annual income, family size, and fuel type. The crisis component offers a maximum payment of \$250 to resolve emergency heating situations (e.g., no oil, termination of service).

A customer is only eligible for Crisis if they receive a true termination notice; we do not issue a termination notice upon request.

Who is eligible for LIHEAP?

The household income guidelines are limited to 135% of the federal poverty level.

To qualify for LIHEAP, an applicant's annual household income must be at or below the following 2003-2004 income guidelines:

Family Size	Gross Annual Income
1 person	\$12,123
2 persons	\$16,362
3 persons	\$20,601
4 persons	\$24,840
5 persons	\$29,079
6 persons	\$33,318
7 persons	\$37,557
8 persons	\$41,796
Each additional person	\$4,239

When does LIHEAP open and close?

The opening and closing dates for Cash and Crisis benefits are shown below:

	Opens	Closes	2004 EXTENSION
Cash Benefits	November 12, 2003	March 25, 2004	Extended until April 9, 2004
Crisis Benefit	November 12, 2003	March 25, 2004	Extended until April 9, 2004

How can customers get more information about applying for LIHEAP?

They can call their local county assistance office (phone number is in blue pages of the phone book).

OnTrack Fact Sheet

What is the OnTrack payment program?

OnTrack is a special payment plan for PPL customers with limited incomes and overdue balances who are struggling to pay the full cost of their electric service.

The program offers:

- A reduced monthly payment based on:
 - Family size
 - Income
 - Electric use
- A chance to erase customer's debt owed to PPL (a portion of debt owed PPL every month is canceled if payments are made on time)
- Energy education and weatherization services

Who is eligible for OnTrack?

Customers must meet the following income guidelines:

- Level 1 or 2 customer
- Overdue balance of \$150 or more
- If subsidized housing, must pay more than \$150 per month rent
- Payment troubled - defaulted one or more payment agreements in a 12-month period.

After enrolled, what are the rules to stay on the OnTrack program?

To stay in the OnTrack Payment Program, a customer must:

- Pay the OnTrack payment amount in full each month
- Keep electric use at or below your usage limit
- Apply for energy assistance (if eligible) and send the grant to PPL
- Permit access to the meter
- Notify the agency contact person if your situation changes.

What happens if a payment is missed?

- At first missed payment, the customer's account will enter the regular PPL collection path, which may result in loss of service.
- Customer will receive a termination letter from PPL if they are \$60 or more overdue with the OnTrack payment.
- To avoid shutoff, the customer must catch-up the missed payments.

How long will the program last for customers?

PPL will continue the program long enough to pay off customer's entire debt if they make all OnTrack payments according to the following timetable:

Overdue Amount at time of Enrollment	Timeframe for Clearing Debt
Less than \$1,000	12 months
\$1,001 - \$2,000	18 months
\$2,001 - \$3,000	24 months
More than \$3,000	36 months

Can customers stay in the program after the debt is eliminated?

Yes. Follow the program rules and they can stay in the OnTrack program even after their debt is paid off. However, they must show proof of income. At least once a year, an interview will be scheduled to determine if customers are still eligible for OnTrack.

Can OnTrack customers apply for LIHEAP?

Yes.

2004 INCOME LIMIT (Details)	
Household Size	Gross Annual Household Income
1 person	\$13,965
2 persons	\$18,735
3 persons	\$23,505
4 persons	\$28,275
5 persons	\$33,045
6 persons	\$37,815
Each additional person	\$ 3,180

CARES Fact Sheet

What is CARES?

It is a special service for customers who cannot pay the full amount of their electric bills because of **TEMPORARY** personal or family hardships.

Who is eligible for CARES assistance?

Any residential customer, regardless of income, is eligible for assistance through CARES.

Who is handling CARES?

The regional Customer Programs Directors are responsible for CARES.

What does CARES offer?

Customers may be able to benefit from energy assistance, weatherization, budget counseling, housing assistance, rent/mortgage assistance, and specialized payment plans.

When is a customer referred to CARES?

Customers are referred to CARES only when the following types of conditions exist:

- Illness, injury, or medical bills significantly reduces household income.
- Previously good-paying customers with temporary hardship situation.
- Recent loss of job or major reduction in household income.
- Abandoned spouse or low-income elderly.
- Confused and disoriented customer.

WRAP Assistance Program WRAP Fact Sheet

WRAP helps low-income customers reduce their electric usage
to qualified customers. Customers are encouraged to
Educator and/or Auditor to discover ways that they can
Programs (USPs) that PPL offers to low-income customers.
HELPER, HELP, and Cares. Customers who apply for WRAP
eligibility.

WRAP must meet the following requirements:

WRAP (with landlord's permission)
within 12 months

WRAP customers must meet the following guidelines:

WRAP last seven years
WRAP or uses 6,000 kWh per year (500 kWh per month)
WRAP electric heat installed, and uses less than 6,000 kWh per year

WRAP for programs that customer does qualify for
WRAP like Energy Education Information

WRAP 3/04 - 2/13/05 are:

WRAP	Income Limit (per year)
WRAP	\$18,620
WRAP	\$24,980
WRAP	\$31,340
WRAP	\$37,700
WRAP	\$44,060
WRAP	\$50,420
WRAP	\$56,780
WRAP	\$63,140
WRAP Person	\$3,180

WRAP Measures:

The services and measures offered through WRAP will depend on the customer's use of electricity and the results of an audit that is conducted in the home.

WRAP measures for all qualified customers **may** include:

- Energy Education
- Installation of Compact Florescent Lights
- Changing or Cleaning of Heating/Cooling Filters
- Replacement of Waterbed Coils with a Foam Mattress
- Refrigerator Replacement
- Air Conditioner Replacement
- Water Heating Measures (electric water heating customers only)

In addition to the above measures, customers who have electric heat or use at least 3,600 kWh of seasonal (heating/cooling) usage **may** receive:

- Attic, Floor, and Wall Insulation
- Blower Door Testing for Air Leakage (Drafts)
- Door and Window Weatherstripping
- "Whole House" Foaming and Caulking
- Door Sweeps and Thresholds
- Duct Insulation
- New Thermostats
- Heating Replacement/Repair

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AUG 25 2004

PPL ELECTRIC UTILITIES CORPORATION

**Exhibit TRD 2
List of Agencies that Administer PPL Electric's Programs**

**Witness: Timothy R. Dahl
Docket No. R-00049255**

DOCUMENT

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL Electric Utilities: Directory of WRAP Contractors

Business	Type of WRAP work	Contact(s)	Office #	Fax #	E-mail Address
Adams, John "kip" 1464 Silver Spring Rd. Drumore, PA 17518	Auditor	John "Kip" Adams	717-291-1052		Jadams@pplweb.com Kipadams@yahoo.com
Billiard, John 1201 South Blvd. Bethlehem, PA 18017	Baseload Auditor, Inspection, Education	John Billiard	610-865-9788	610-868-2766	Jbilliard@pplweb.com
Carbon County Action Committee (CCAC) 267 S. Second St. Lehighton, PA 18235	Auditor, Installer, Education	Angelo Santore, Weatherization Supervisor	610-377-6400	610-377-3431	asantore@pplweb.com
Commission on Economic Opportunity (CEO) 32-34 Union St. Kingston, PA 18704	Auditor, Installer, Education, Solar	Jerry Astolfi, Director of Physical Projects Tim McGinley, Administrator	570-288-8458	570-287-6921	ceokgt@epix.net
Community Action Committee of Lehigh Valley (CACLV) 1337 E. 5 th . St. Bethlehem, PA 18015	Weatherization Coordination, Inspection, Solar	Rich Yudt, Director of Energy Partnership	610-691-5620	610-691-6582	ryudt@caclv.org
Dauphin County Weatherization 200 First St. Millersburg, PA 17061	Auditor, Installer, Education	Craig Williard, Director	717-692-2637	717-692-2293	dcweath@epix.net
EIC, Inc./Comfort Home Corporation 780 Eden Rd. Lancaster, PA 17601	Auditor, Installer	Kyle Haddock	973-328-3515 973-713-1393	973-328-4358	EIC_NJ@msn.com
Energy Conservation Center (Lancaster Community Action) 127 N. Concord St. Lancaster, PA 17603	Installer, Solar	Mike Williams, Director John "Kip" Adams, Program Coordinator	717-291-1052 717-291-1052	717-390-8857	mwilliams@caplanc.org
Housewarmers 29 Sylvan Dr. Northampton, PA 18067	Installer/Auditor (subcontractor to CACLV)	Al Prouty	610-261-1855		Allprouty@aol.com
Ohm Weatherization and Building Science 3208 Easton Ave. Bethlehem, PA 18020	Installer/Auditor (subcontractor to CACLV)	Michael Ohm	610-882-9927	610-822-9709	Mohm@rcn.com
Ohm Weatherization and Renewable Energy 3208 Easton Ave. Bethlehem, PA 18020	Installer/Auditor (subcontractor to CACLV) Technical Consultant	John Ohm	610-758-8271 484-357-3717		Johm@rcn.com
Patten Stephanie K RR 2 Box 2554 Beach Lake, PA 18404	Inspection, Energy Education	Stephanie Patten	570-729-0478	570-729-8233	Stlpatten@ezaccess.net
Pure Energy 10 N. Bausman Dr. Lancaster, PA 17603	Baseload Auditor, Inspection, Education	A. Tamasin Sterner, Owner	717-293-8990	717-293-1952	Tsterner@supernet.com
Redevelopment Authority of the	Auditor, Installer	Jackie Young, Director	570-253-4882	570-253-8932	Wcra@ezaccess.net

County of Wayne (WCRA) 216 Willow Ave., P.O. Box 1066 Honesdale, PA 18431	Education	Tom Lambertson, Weatherization Coordinator			
Rovegno's of Carlisle 401 E. Louthier St. Carlisle, PA 17013	Auditor, Installer, Education	Rick Rovegno, Owner Sandy Gensler, Administrator	717-249-6061	717-249-2407	Gensler@pa.net
Schuylkill Community Action 498 Nicholas St. Pottsville, PA 17901	Auditor, Installer, Education	Terry Sadusky, Weatherization Coordinator	570-622-0568	570-622-0832	tsadusky@ppiweb.com
Scranton-Lackawanna Human Development Agency (SLHDA) 200 Adams Ave. Scranton, PA 18503	Auditor, Installer, Education	Joe Haddock, Weatherization Coordinator	570-961-1603	570-963-1317	jhaddock@pplweb.com
SEDA-Council of Governments (SEDA-COG) Timberhaven - R.D. #1 Lewisburg, PA 17837	Auditor, Installer, Education, Solar	Dick Moser, Weatherization Director Faye Miklosi, Administrator	570-524-4491	570-524-9190	fmiklosi@seda-cog.org
Smith Barnes, Kathryn 1405 Wandering Way Harrisburg, PA 17110	Inspection, Education	Kathy Barnes	717-236-0927		Ksmith-barns@ppiweb.com
Smith, John 1175 Valley of the Lakes Hazleton, PA 18201	Inspection, Education	John Smith	570-384-4774		Jon@intergrafix.net
Solair Energy, Inc. P.O. Box 275 Ralston, PA 17763	Baseload Auditor, Inspection, Education	Pam Downey, President	570-995-5747	570-995-9116	Pdowney@solaireenergy.com
STEP 2130 Lincoln St., P.O. Box 3568 Williamsport, PA 17701	Auditor, Installer, Education	Terry Roller, Director of Housing Services Kevin Mitcheltree, Admin.	570-326-0587	570-322-2197	Teroller@stepcorp.org Klmitcheltree@stepcorp.org
Therma View 2877 Euclid Ave. S. Williamsport, PA 17701	Technical Consultant	Larry Armanda, Owner	570-326-6240		Karmanda@csrlink.net

1/29/04

Operation HELP Agencies and Counties Served

Agency	Telephone	Counties Served
Community Action Committee of the Lehigh Valley 1337 East 5 th Street Bethlehem, PA 18015	610-691-5620	Bucks, Lehigh, Northampton
Open Line 452 Penn Street Pennsburg, PA 18073	215/679-4112	Montgomery
The Salvation Army, East Stroudsburg 226 Washington Street East Stroudsburg, PA 18301	570/421-3050	Monroe
TREHAB, Inc. 232 Sunrise Avenue, Suite A-1 Honesdale, PA 18431	570/253-8941	Pike, Susquehanna, Wayne, Wyoming
Carbon County Action Committee for Human Resources 267 South Second Street Lehighton, PA 18235	610/377-6400	Carbon
Commission on Economic Opportunity of Luzerne County 165 Amber Lane, PO Box 1127 Wilkes Barre, PA 18702-1127	570/826-0510	Luzerne
The Salvation Army Citadel Corps., Scranton 500 South Washington Avenue Scranton, PA 18505	570/344-9878	Lackawana
Schuylkill Community Action 225 North Centre Street Pottsville, PA 17901	570-622-1995	Northumberland (Coal Twp, Elysburg, Kulpmont, Mt. Carmel, Shamokin, Trevorton), Schuylkill
Columbia County Department of Human Services 700 Sawmill Road, Suite 102 Bloomsburg, PA 17815	570/387-6501	Columbia

Agency	Telephone	Counties Served
STEP, Inc. PO Box 3568, 2138 Lincoln Street Williamsport, PA 17701	570/327-5485	Clinton, Lycoming
Union-Snyder Community Action Agency 713 Bridge Street, Suite 10 Selinsgrove, PA 17870	570/374-0181	Northumberland (Excelsior, Milton, Paxinos, Sunbury), Snyder, Union
Montour County Department of Human Services 112 Woodbine Lane, Suite 3 Danville, PA 17821	570/271-3028	Montour
Christian Churches United PO Box 60750, 413 S. 19th Street Harrisburg, PA 17106-0750	717/230-9550	Cumberland, Dauphin, Juniata, Perry, York
Community Action Program of Lancaster County 601 South Queen Street, PO Box 599 Lancaster, PA 17608	717/299-7301	Berks, Chester, Lancaster

OnTrack Agencies and Counties Served

Agency	Telephone	Counties Served
Community Action Committee of the Lehigh Valley 1337 East 5 th Street Bethlehem, PA 18015	610/691-5620	Lehigh, Monroe, Northampton, Bucks, Montgomery
Community Action Commission of the Capital Region 1514 Derry Street Harrisburg, PA 17104	717/232-9757	Dauphin, Juniata, Perry, Cumberland, Northern York
Schuylkill Community Action 217 Center Street, Tamaqua, PA 18252 <i>or</i> 225 N. Center Street Pottsville, PA 17901	570/622-1995	Schuylkill, small portion of Northumberland
TREHAB, Inc. 232 Sunrise Ave., Suite A-1 Honesdale, PA 18432	570/253-8941	Susquehanna, Pike, Wayne, Wyoming
Scranton-Lackawanna Human Development Agency 200 Adams Ave., 2 nd Fl Scranton, PA 18503	570/963-6836	Lackawanna
Community Action Program of Lancaster County 601 South Queen Street, PO Box 599 Lancaster, PA 17608	717/299-7301	Lancaster, Lebanon, Berks, Chester, Southern York
Montour County Department of Human Services 112 Woodbine Lane Suite 3 Danville, PA 17821	570/271-3028	Montour
STEP, Inc. 2138 Lincoln St., PO Box 3568 Williamsport, PA 17701	570/327-5485	Clinton, Lycoming

Agency	Telephone	Counties Served
Union-Snyder Community Action Agency 713 Bridge Street, Suite 10 Selinsgrove, PA 17870	570/374-0181	Union, Snyder, McEwensville, Milton, Montandon, Northumberland, Potts Grove, Snyderstown, Sunbury, Turbotville, Watsontown, Montgomery, Dewart, Muncy
Columbia County Department of Human Services 700 Sawmill Rd. Ste. 102 Bloomsburg, PA 17817	570/387-6501	Columbia
Commission on Economic Opportunity 165 Amber Lane, P.O. Box 1127 Wilkes Barre, PA 18702-1127	570/826-0510	Luzerne, Carbon

8/26/03

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PPL ELECTRIC UTILITIES CORPORATION

Exhibit TRD 3
Summary of Sustainable Energy Fund Projects

DOCKETED

AUG 25 2004

Witness: Timothy R. Dahl
Docket No. R-00049255

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AUG 24 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**SUSTAINABLE ENERGY FUND
OF CENTRAL EASTERN PENNSYLVANIA**
(As Established by the PUC-PP&L Utilities Settlement Agreement)
Docket # R-0093954

Annual Report

To The

Pennsylvania Public Utility Commission

And To The

Joint Petitioners

For the Period

July 1, 2002 – June 30, 2003

October 7, 2003

**Sustainable Energy Fund
The Sovereign Building
609 Hamilton Street
Allentown, PA 18101
610-740-3182
610-740-9511 Fax**

**Email: TheFund@SustainableEnergyFund.org
www.sustainableenergyfund.org**

**Thomas J. Tuffey, Ph.D.
Executive Director**

2.0 ACCOMPLISHMENTS

2.1 Program-Related Investment and Grant Commitments

We received close to 200 inquiries and/or financing requests during the subject period. Each financing request was reviewed by Staff against the Board-approved investment criteria. The investment criteria guidelines are presented in our Annual Plan and on the web site www.SustainableEnergyFund.org. The status of all inquiries and requests is reported to the Board quarterly.

Financing requests that score favorably against our investment criteria, fit the requirements of the Annual Plan, and are supported by available funding are presented to the Investment Committee for review and analysis. Financing requests approved by the Investment Committee are recommended to the full Board. The Board, either at quarterly meetings or by special session, makes the final decision on all grants and program-related investments.

During the subject period SEF made \$3,226,234 in commitments, of which \$221,234 were grants and \$3,005,000 were program-related investments.

▪ **Grants \$221,234**

- \$25,000 to Lower Windsor Township to finance energy modeling, LEED energy documentation, and building commissioning for a new green municipal building.
- \$19,510 to Eastern York School District to finance installation of a donated solar photovoltaic system (2 kw) and to develop supportive curriculum materials.
- \$20,000 to Community Basics, Inc., to fund a feasibility study on the application of a deep quarry reservoir as a source of heating/cooling for a community development project.
- \$21,000 to the City of Lancaster, Department of Public Works to support a demonstration project for the use of LED technology for traffic lights within the city, with resultant energy savings of 90% and a 2-year payback time.
- \$16,000 to HersheyPark for the development of the Sustainable Energy Green Team Theater production that accompanies the Renewable Energy Exhibit, partnered with equal contribution from PA DEP.
- \$10,500 to Illicks Mill Partnership for Environmental Education to support the installation of PV on the roofs of several new entrance canopies planned for the mill.
- \$15,000 to St. Stephens Cathedral and School to install up to 6 kW of roof-mounted photovoltaic panels on the existing buildings as part of the grades K through 8 project underway at the site.

- \$7,500 to the Clean Air Council to develop an interactive, renewable energy education kiosk and web site for use in museums and schools.
- \$1,500 to the Pennsylvania Alliance for Environmental Education (PAEE) to support its annual conference.
- \$500 to the Earth Charter Summit for meeting support.
- \$17,250 to EFMR Monitoring Group (Phase II) to field test, revise, and enable wind energy lesson plans for web site deployment.
- \$25,000 to Wilson College to develop sustainable energy curriculum to extend to its current field programs and summer camp.
- \$10,000 to PPL Environmental Education Centers at Lake Wallenpaupak and Montour to incorporate wind education into the curriculum and to install demonstration wind turbines.
- \$5,000 to Souderton Area School District for installation of solar PV panels donated by Community Energy, Inc.
- \$5,000 to the Alternative Fuels Council to fund conferences focused on alternative fuels.
- \$9,433 to CESA for our membership support to the nationwide alliance of state clean energy funds.
- \$2,000 to Penn Future to support the Getting to 10% Conference.
- \$1,000 to Elizabethtown College for solar panels to incorporate into a semester-long project.
- \$5,000+ installation inspection to Geisinger Medical Center to install solar-powered lighting at the patients and visitors bus shelters.
- \$1,000 to CH&E Construction to install PV lighting for a project sign at the St. Stephens Cathedral and School green building project.
- \$1,500 to Nature's Grace Store to install photovoltaic solar panels at the store.
- \$980 to the Unitarian Church of Bethlehem for an energy audit on its historic church.
- \$1,061 to SEDA-COG for an energy audit on its headquarters building.
- \$500 to Ben Franklin Technology Partners for conference support.

■ **Program-Related Investments: \$3,005,000**

- \$180,000 loan to Allentown Technology Center to finance a state-of-the-art building energy control system for this technology incubator located in downtown Allentown.
- \$500,000 loan to Londonderry School in Harrisburg for construction of a LEED Silver building for the school and development of a sustainable energy curriculum.
- \$250,000 line of credit to Community Energy, Inc., to further finance its very successful program of wind energy marketing and development in Pennsylvania.

- \$125,000 loan to Nova Cruz LLC with royalty payback and warrants for dealer development of electric vehicle.
- \$200,000 loan to Energy Unlimited, Inc. (Mountaintop Wind Farm Project) to help fund interconnection costs.
- \$250,000 loan to Advantek to purchase, install, and grid connect two 450-kW wind turbines at Energy Unlimited's Mountaintop Wind Farm to test Advantek's IPC technology.
- \$1,500,000 subordinated debt to Community Energy, Inc., for the Bear Creek Wind Farm project located in Luzerne County

There is some delay between Board commitments and cash disbursements as the legal documents are drafted, further negotiations are conducted, and project conditions are satisfied. Additionally, a recipient may choose to cancel or delay a project or finance it through other means. Most of our current-year commitments have not yet been disbursed.

From previous years' commitments, the \$1,150,000 loan commitment to the Somerset Wind Farm, part of a \$4.5 million syndicated commitment amongst the Pennsylvania Funds, was not completed. The project sponsors chose comprehensive funding from FPL (previously Florida Power and Light).

During the subject period, one of our portfolio companies failed. Nova Cruz LLC was unsuccessful in introducing its "Voloci" electric vehicle to market. The company did request additional funding from us, but our due diligence indicated that additional funds from us would not be adequate to stabilize the company. The company chose to discontinue operations; see note of the Auditors, Appendix B for financial details.

Although we realize that electric vehicle introductions are difficult, we nonetheless were disappointed with the failure of the Voloci product. As Nova Cruz's principal creditor, SEF became responsible for the sale of assets on behalf of all creditors and shareholders. This activity gave us the opportunity to recruit two new firms to Scranton to continue Nova Cruz's objectives. Oxygen, SpA, a leading Italian developer of electric vehicles, chose Scranton as its North American headquarters. In addition, Xootr LLC formed and located in Scranton to purchase a portion of Nova Cruz company assets and continue the non-electric operations. We successfully completed the sale of assets to best satisfy our fiduciary responsibilities and believe that our mission objectives remain intact.

2.2 Operation

Several areas of SEF operations were enhanced during the year as follows:

- Organized and hosted the annual 3-day Sustainable Energy Partners Retreat, including all Pennsylvania Funds, and some 70 participants. SEF also hosted two quarterly meetings of the Funds.

DOCKETED

AUG 25 2004

PPL ELECTRIC UTILITIES CORPORATION

**Exhibit PRM 1
Fair Rate of Return
Supporting Data**

**Witness: Paul R. Moul
Docket No. R-00049255**

DOCUMENT

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PA PUC
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

EXHIBIT

TO ACCOMPANY

THE DIRECT TESTIMONY

OF

PAUL R. MOUL, MANAGING CONSULTANT
P. MOUL & ASSOCIATES

PPL Electric Utilities Corporation
Index of Schedules

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PPL Electric Utilities Corporation
Proposed Rate of Return
Based upon Investor Provided Capital

<u>Type of Capital</u>	<u>Ratios</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Long-Term Debt	51.30%	6.43%	3.30%
Preferred Stock	1.83%	6.19%	0.11%
Common Equity	<u>46.87%</u>	11.50%	<u>5.39%</u>
Total	<u>100.00%</u>		<u>8.80%</u>

Indicated levels of fixed charge coverage assuming that the Company could actually achieve its proposed rate of return:

Pre-tax coverage of interest expense based upon a 41.4935% composite federal and state income tax rate (12.70% ÷ 3.30%)	3.85 x
Post-tax coverage of interest expense (8.80% ÷ 3.30%)	2.67 x
Post-tax coverage of interest expense and preferred stock dividends (8.80% ÷ 3.41%)	2.58 x

PPL Electric Utilities Corporation
Capitalization and Financial Statistics
1998-2002, Inclusive

	2002	2001	2000	1999	1998	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 2,726.0	\$ 2,799.0	\$ 2,469.0	\$ 2,883.0	\$ 5,183.0	
Short-Term Debt	\$ -	\$ -	\$ 59.0	\$ 183.0	\$ 80.0	
Total Capital	<u>\$ 2,726.0</u>	<u>\$ 2,799.0</u>	<u>\$ 2,528.0</u>	<u>\$ 3,066.0</u>	<u>\$ 5,263.0</u>	
Capital Structure Ratios						
Based on Permanent Capital:						<u>Average</u>
Long-Term Debt (1)	54.9%	63.8%	49.1%	51.7%	57.6%	55.4%
Preferred Stock	3.0%	2.9%	3.9%	3.4%	9.0%	4.4%
Common Equity	42.1%	33.3%	47.0%	45.0%	33.4%	40.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.1%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term (1)	54.9%	63.8%	50.3%	54.6%	58.3%	56.4%
Preferred Stock	3.0%	2.9%	3.8%	3.2%	8.9%	4.4%
Common Equity	42.1%	33.3%	45.9%	42.3%	32.9%	39.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.1%</u>	<u>100.1%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	3.8%	10.9%	20.4%	29.3%	16.6%	16.2%
Operating Ratio (2)	90.0%	84.4%	79.9%	81.0%	78.0%	82.7%
Coverage incl. AFUDC (3)						
Pre-tax: All Interest Charges	1.33 x	1.89 x	2.87 x	3.95 x	4.48 x	2.90 x
Post-tax: All Interest Charges	1.25 x	1.61 x	2.15 x	3.25 x	3.09 x	2.27 x
Overall Coverage: All Int. & Pfd. Div.	1.17 x	1.45 x	1.94 x	2.77 x	2.48 x	1.96 x
Coverage excl. AFUDC (3)						
Pre-tax: All Interest Charges	1.33 x	1.89 x	2.87 x	3.95 x	4.48 x	2.90 x
Post-tax: All Interest Charges	1.25 x	1.61 x	2.15 x	3.25 x	3.09 x	2.27 x
Overall Coverage: All Int. & Pfd. Div.	1.17 x	1.45 x	1.94 x	2.77 x	2.48 x	1.96 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Effective Income Tax Rate	24.7%	31.7%	38.3%	23.9%	40.0%	31.7%
Internal Cash Generation/Construction (4)	141.3%	282.8%	204.1%	184.0%	92.6%	181.0%
Gross Cash Flow/ Avg. Total Debt(5)	24.4%	31.8%	43.1%	33.0%	22.3%	30.9%
Gross Cash Flow Interest Coverage(6)	2.85 x	3.04 x	3.60 x	4.60 x	4.57 x	3.73 x
Common Dividend Coverage (7)	4.71 x	4.54 x	4.53 x	3.39 x	1.67 x	3.77 x

See Page 2 for Notes.

PPL Electric Utilities Corporation
Capitalization and Financial Statistics
1998-2002, Inclusive

Notes:

- (1) Excluding the Transitional Funding Obligations that were issue for stranded generating assets, and whose debt service is covered through dedicated revenue collections.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally generated funds from operations after payment of all cash dividends.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less AFUDC) as a percentage of average total debt.
- (6) Gross Cash Flow plus interest charges divided by interest charges.
- (7) Common dividend coverage is the relationship of internally generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: *Utility COMPUSTAT*

Electric Group
Capitalization and Financial Statistics (1)
1998-2002, Inclusive

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 4,630.8	\$ 3,764.0	\$ 3,663.2	\$ 3,631.5	\$ 3,530.8	
Short-Term Debt	\$ 190.2	\$ 198.1	\$ 316.3	\$ 221.6	\$ 49.4	
Total Capital	<u>\$ 4,821.0</u>	<u>\$ 3,962.1</u>	<u>\$ 3,979.5</u>	<u>\$ 3,853.1</u>	<u>\$ 3,580.2</u>	
Market-Based Financial Ratios						
Earnings/Price Ratio	7.2%	4.7%	7.9%	6.9%	3.2%	<u>Average</u> 6.0%
Market/Book Ratio	136.3%	137.9%	136.1%	141.2%	143.1%	138.9%
Dividend Yield	4.7%	4.9%	5.3%	4.7%	4.6%	4.8%
Dividend Payout Ratio	92.8%	-348.1%	-56.8%	66.8%	88.1%	-31.4%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	56.5%	53.5%	52.6%	50.7%	47.1%	52.1%
Preferred Stock	2.4%	3.6%	4.0%	4.1%	4.9%	3.8%
Common Equity	41.1%	42.9%	43.5%	45.2%	48.0%	44.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	57.5%	55.1%	56.4%	53.2%	48.7%	54.2%
Preferred Stock	2.4%	3.5%	3.6%	3.9%	4.7%	3.6%
Common Equity	40.1%	41.4%	39.9%	42.8%	46.5%	42.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	9.2%	4.7%	10.9%	9.8%	6.7%	8.3%
Operating Ratio (2)	87.9%	89.9%	87.0%	83.1%	84.6%	86.5%
Coverage incl. AFUDC (3)						
Pre-tax: All Interest Charges	2.71 x	2.23 x	2.90 x	3.03 x	2.78 x	2.73 x
Post-tax: All Interest Charges	2.09 x	1.74 x	2.13 x	2.28 x	2.14 x	2.08 x
Overall Coverage: All Int. & Pfd. Div.	2.02 x	1.63 x	2.04 x	2.13 x	1.96 x	1.96 x
Coverage excl. AFUDC (3)						
Pre-tax: All Interest Charges	2.69 x	2.21 x	2.88 x	3.02 x	2.76 x	2.71 x
Post-tax: All Interest Charges	2.08 x	1.72 x	2.12 x	2.27 x	2.12 x	2.06 x
Overall Coverage: All Int. & Pfd. Div.	2.00 x	1.62 x	2.02 x	2.12 x	1.95 x	1.94 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	1.6%	-21.5%	-18.0%	1.2%	0.7%	-7.2%
Effective Income Tax Rate	36.3%	43.1%	-390.8%	37.3%	27.2%	-49.4%
Internal Cash Generation/Construction (4)	111.8%	131.8%	152.6%	214.0%	153.2%	152.7%
Gross Cash Flow/ Avg. Total Debt(5)	18.7%	19.7%	20.4%	23.0%	21.9%	20.7%
Gross Cash Flow Interest Coverage(6)	3.53 x	3.75 x	3.60 x	4.00 x	4.00 x	3.77 x
Common-Dividend Coverage (7)	4.39 x	5.53 x	4.75 x	9.80 x	2.95 x	5.48 x

See Page 2 for Notes.

Electric Group
Capitalization and Financial Statistics
1998-2002, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income as a percentage of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income tax and investment tax credits, less total AFUDC) as a percentage of average total debt.
- (6) Gross Cash Flow plus interest charges divided by interest charges.
- (7) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection

The Electric Group companies have the following common characteristics: (i) they are contained in The Value Line Investment Survey in the industry group entitled "Electric Utility (East)," (ii) they have publicly-traded common stock that is listed on the New York Stock Exchange, (iii) they have operations in the Northeastern and Southeastern regions of the U.S., (iv) they are not currently the target of a merger or acquisition, and (v) they do not have a significant amount of electric generation that is not included in their regulated cost of service.

<u>Company</u>	<u>Corporate</u>		<u>Business</u>	<u>Common</u>	<u>S&P Common</u>	<u>Value</u>
	<u>Credit Rating (1)</u>	<u>Profile (1)</u>				
	<u>Moody's</u>	<u>S&P</u>		<u>Traded</u>	<u>Ranking</u>	<u>Beta</u>
CH Energy Group	A2	A	3	NYSE	A-	.75
Central Vermont Public Service	-	BBB-	5	NYSE	B	.45
Consolidated Edison	A1	A	3	NYSE	B+	.60
Duquesne Light Holdings, Inc.	Baa2	BBB	4	NYSE	B	.70
Energy East Corp.	Baa2	BBB+	3	NYSE	B+	.75
Green Mountain Power	Baa1	BBB-	4	NYSE	B	.60
Northeast Utilities	A3	BBB+	4	NYSE	B	.70
NSTAR	A1	A	3	NYSE	B	.70
Pepco Holdings, Inc.	<u>Baa1</u>	<u>BBB+</u>	<u>3</u>	NYSE	<u>B</u>	<u>NMF</u>
	<u>A3</u>	<u>BBB+</u>	<u>4</u>		<u>B</u>	<u>.66</u>

Notes: (1) Ratings/Profiles are those of utility subsidiaries

Source of Information: Utility COMPUSTAT
Company Annual Reports to stockholders
Moody's Investors Service
S&P Stock Guide

Gas Group
Capitalization and Financial Statistics (1)
1998-2002, Inclusive

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 2,062.4	\$ 1,967.2	\$ 1,693.1	\$ 1,373.9	\$ 1,437.6	
Short-Term Debt	\$ 240.9	\$ 245.5	\$ 285.6	\$ 127.5	\$ 76.3	
Total Capital	<u>\$ 2,303.3</u>	<u>\$ 2,212.7</u>	<u>\$ 1,978.7</u>	<u>\$ 1,501.4</u>	<u>\$ 1,513.9</u>	
Market-Based Financial Ratios						<u>Average</u>
Earnings/Price Ratio	7.0%	6.6%	6.7%	6.1%	4.9%	6.3%
Market/Book Ratio	170.6%	188.6%	179.9%	179.0%	193.0%	182.2%
Dividend Yield	4.7%	4.4%	4.6%	5.1%	4.5%	4.7%
Dividend Payout Ratio	74.7%	68.7%	72.2%	90.6%	72.7%	75.8%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	52.9%	53.8%	50.2%	47.7%	49.6%	50.8%
Preferred Stock	0.7%	0.7%	0.7%	1.7%	1.9%	1.2%
Common Equity	46.3%	45.5%	49.1%	50.6%	48.5%	48.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	58.0%	58.5%	57.3%	53.8%	53.8%	56.3%
Preferred Stock	0.7%	0.6%	0.6%	1.6%	1.9%	1.1%
Common Equity	41.3%	40.9%	42.2%	44.6%	44.4%	42.7%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	12.1%	12.6%	12.1%	10.8%	10.1%	11.5%
Operating Ratio (2)	84.6%	88.1%	85.4%	85.8%	89.0%	86.6%
Coverage incl. AFUDC (3)						
Pre-tax: All Interest Charges	3.44 x	3.28 x	3.37 x	3.28 x	2.72 x	3.22 x
Post-tax: All Interest Charges	2.53 x	2.44 x	2.52 x	2.48 x	2.19 x	2.43 x
Overall Coverage: All Int. & Pfd. Div.	2.52 x	2.40 x	2.45 x	2.35 x	2.11 x	2.37 x
Coverage excl. AFUDC (3)						
Pre-tax: All Interest Charges	3.42 x	3.25 x	3.34 x	3.25 x	2.71 x	3.19 x
Post-tax: All Interest Charges	2.51 x	2.41 x	2.50 x	2.46 x	2.17 x	2.41 x
Overall Coverage: All Int. & Pfd. Div.	2.50 x	2.36 x	2.43 x	2.33 x	2.10 x	2.34 x
Quality of Earnings & Cash Flow						
AFC/Income Avail. for Common Equity	1.3%	2.2%	1.3%	1.4%	1.0%	1.4%
Effective Income Tax Rate	36.8%	36.9%	34.7%	32.5%	33.5%	34.9%
Internal Cash Generation/Construction (4)	79.7%	79.5%	86.9%	66.2%	56.1%	73.7%
Gross Cash Flow/ Avg. Total Debt(5)	19.1%	19.6%	21.2%	21.0%	18.0%	19.8%
Gross Cash Flow Interest Coverage(6)	4.22 x	3.89 x	4.27 x	4.26 x	3.60 x	4.05 x
Common Dividend Coverage (7)	3.79 x	3.61 x	3.48 x	3.09 x	2.76 x	3.35 x

See Page 2 for Notes.

Gas Group
Capitalization and Financial Statistics
1998-2002, Inclusive

Notes:

- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
- (2) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
- (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
- (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross contribution expenditures.
- (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
- (6) Gross Cash Flow plus interest charges divided by interest charges.
- (7) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Basis of Selection:

The Gas Group companies have the following common characteristics: (i) they are contained in The Value Line Investment Survey in the industry group entitled "Natural Gas Distribution," (ii) they have publicly-traded common stock that is listed on the New York Stock Exchange, (iii) they have operations in the Northeastern and Southeastern regions of the U.S., and (iv) they are not currently the target of a merger or acquisition.

	Corporate		Business Profile (1)	Common Stock Traded	S&P Common Stock Ranking	Value Line Beta
	<u>Credit Rating (1)</u> <u>Moody's</u>	<u>S&P</u>				
AGL Resources, Inc.	A3	A-	2	NYSE	B+	.75
Atmos Energy Corporation	A3	A-	4	NYSE	B+	.65
Energen Corp.	A1	A-	2	NYSE	A	.70
KeySpan Corp.	A2	A+	2	NYSE	B	.75
New Jersey Resources Corp.	Aa3	A+	2	NYSE	A-	.70
Piedmont Natural Gas Co.	A3	A	3	NYSE	A-	.70
South Jersey Industries, Inc.	Baa1	BBB+	3	NYSE	B+	.55
WGL Holdings, Inc.	<u>A2</u>	<u>AA-</u>	<u>3</u>	NYSE	<u>B+</u>	<u>.70</u>
Average	<u>A2</u>	<u>A</u>	<u>3</u>		<u>B+</u>	<u>.69</u>

Notes: (1) Ratings/Profiles are those of utility subsidiaries.

Source of Information: Company Annual Reports to Stockholders
Utility COMPUSTAT
Moody's Investors Service
Standard & Poor's Corporation
S&P Stock Guide

Standard & Poor's Public Utilities
Capitalization and Financial Statistics (1)
1998-2002, Inclusive

	2002	(P) 2001	2000	1999	1998	
	(Millions of Dollars)					
Amount of Capital Employed						
Permanent Capital	\$ 13,926.7	\$ 13,848.8	\$ 11,801.3	\$ 10,238.5	\$ 9,244.5	
Short-Term Debt	\$ 902.3	\$ 1,195.1	\$ 1,649.0	\$ 889.4	\$ 591.4	
Total Capital	<u>\$ 14,829.0</u>	<u>\$ 15,043.9</u>	<u>\$ 13,450.3</u>	<u>\$ 11,127.9</u>	<u>\$ 9,835.9</u>	
Market-Based Financial Ratios						
Earnings/Price Ratio	5.0%	8.4%	4.6%	7.2%	5.6%	<u>Average</u> 6.2%
Market/Book Ratio	154.6%	194.2%	188.8%	183.3%	197.4%	183.7%
Dividend Yield	4.8%	3.9%	4.7%	4.9%	4.4%	4.5%
Dividend Payout Ratio	209.8%	79.6%	82.6%	71.3%	75.7%	103.8%
Capital Structure Ratios						
Based on Permanent Capital:						
Long-Term Debt	61.5%	58.8%	57.5%	56.0%	52.8%	57.3%
Preferred Stock	2.6%	3.0%	2.7%	2.9%	3.0%	2.8%
Common Equity	<u>35.9%</u>	<u>38.2%</u>	<u>39.8%</u>	<u>41.1%</u>	<u>44.2%</u>	<u>39.9%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Based on Total Capital:						
Total Debt incl. Short Term	64.3%	62.8%	63.0%	59.5%	55.5%	61.0%
Preferred Stock	2.4%	2.7%	2.4%	2.7%	2.8%	2.6%
Common Equity	<u>33.3%</u>	<u>34.5%</u>	<u>34.6%</u>	<u>37.8%</u>	<u>41.7%</u>	<u>36.4%</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Rate of Return on Book Common Equity	7.9%	14.3%	8.3%	12.4%	10.9%	10.8%
Operating Ratio (2)	83.2%	85.5%	86.8%	83.0%	82.9%	84.3%
Coverage incl. AFUDC (3)						
Pre-tax: All Interest Charges	2.40 x	2.84 x	2.55 x	3.14 x	2.93 x	2.77 x
Post-tax: All Interest Charges	1.97 x	2.20 x	2.01 x	2.40 x	2.26 x	2.17 x
Overall Coverage: All Int. & Pfd. Div.	1.93 x	2.16 x	1.95 x	2.31 x	2.17 x	2.10 x
Coverage excl. AFUDC (3)						
Pre-tax: All Interest Charges	2.36 x	2.80 x	2.52 x	3.12 x	2.91 x	2.74 x
Post-tax: All Interest Charges	1.93 x	2.17 x	1.98 x	2.38 x	2.24 x	2.14 x
Overall Coverage: All Int. & Pfd. Div.	1.88 x	2.12 x	1.92 x	2.29 x	2.15 x	2.07 x
Quality of Earnings & Cash Flow						
AFUDC/Income Avail. for Common Equity	2.6%	2.0%	5.3%	1.7%	2.0%	2.7%
Effective Income Tax Rate	28.8%	30.6%	35.6%	35.0%	35.1%	33.0%
Internal Cash Generation/Construction (4)	97.2%	96.7%	87.0%	108.5%	120.7%	102.0%
Gross Cash Flow/ Avg. Total Debt(5)	18.1%	17.9%	17.7%	21.5%	22.7%	19.6%
Gross Cash Flow Interest Coverage(6)	3.95 x	3.61 x	3.58 x	4.14 x	4.03 x	3.86 x
Common Dividend Coverage (7)	4.39 x	4.94 x	4.47 x	3.80 x	3.56 x	4.23 x

See Page 2 for Notes.

• Standard & Poor's Public Utilities
Capitalization and Financial Statistics
1998-2002, Inclusive

Notes:

- (P) = Preliminary, because all companies have not reported their 2002 financial results to Compustat.
- (1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group.
 - (2) Total operating expenses, maintenance, depreciation and taxes other than income taxes as a percent of operating revenues.
 - (3) Coverage calculations represent the number of times available earnings, both including and excluding AFUDC (allowance for funds used during construction) as reported in its entirety, cover fixed charges.
 - (4) Internal cash generation/gross construction is the percentage of gross construction expenditures provided by internally-generated funds from operations after payment of all cash dividends divided by gross construction expenditures.
 - (5) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) as a percentage of average total debt.
 - (6) Gross Cash Flow (sum of net income, depreciation, amortization, net deferred income taxes and investment tax credits, less total AFUDC) plus interest charges, divided by interest charges.
 - (7) Common dividend coverage is the relationship of internally-generated funds from operations after payment of preferred stock dividends to common dividends paid.

Source of Information: Annual Reports to Shareholders
Utility COMPUSTAT

Standard & Poor's Public Utilities
Company Identities (1)

	Ticker	Credit Rating (2)		S&P Business Profile *	Common Stock Traded	S&P Stock Ranking	Value Line Beta
		Moody's	S&P				
Allegheny Energy	AYE	Ba1	BB-	2	NYSE	A-	1.15
Ameren Corporation	AEE	A2	A-	4	NYSE	A-	0.60
American Electric Power	AEP	Baa2	BBB+	3	NYSE	B+	0.90
CenterPoint Energy	CNP	Baa3	BBB	5	NYSE	B	
CINergy Corp.	CIN	Baa1	BBB+	4	NYSE	B	0.70
CMS Energy	CMS	Ba1	BB	6	NYSE	B	0.90
Consolidated Edison	ED	A1	A+	3	NYSE	A-	0.55
Constellation Energy Group	CEG	A2	A-	3	NYSE	A-	0.75
DTE Energy Co.	DTE	Baa1	BBB+	6	NYSE	B+	0.60
Dominion Resources	D	A3	A-	4	NYSE	B	0.75
Duke Energy	DUK	A3	A-	5	NYSE	A-	0.85
Edison Int'l	EIX	Ba3	BB	8	NYSE	B	0.90
El Paso Corp.	EP	B1	BB	4	NYSE	B+	1.40
Entergy Corp.	ETR	Baa3	BBB	6	NYSE	B	0.65
Exelon Corp.	EXC	A3	A-	4	NYSE	B	0.70
FPL Group	FPL	A1	A	4	NYSE	B+	0.55
FirstEnergy Corp.	FE	Baa2	BBB	6	NYSE	B+	0.65
Keyspan Energy	KSE	A3	A	3	NYSE	B+	0.65
Kinder Morgan	KMI	Baa2	BBB	5	NYSE	B	0.75
NICOR Inc.	GAS	Aa2	AA	2	NYSE	B+	0.85
NiSource Inc.	NI	Baa2	BBB	5	NYSE	A	0.60
PG&E Corp.	PCG	Caa2	D	9	NYSE	B	0.90
PPL Corp.	PPL	Baa1	A-	4	NYSE	B+	0.80
Peoples Energy	PGL	Aa3	A-	3	NYSE	B+	0.75
Pinnacle West Capital	PNW	Baa1	BBB	3	NYSE	A-	0.70
Progress Energy, Inc.	PGN	Baa1	BBB+	5	NYSE	A-	
Public Serv. Enterprise Inc.	PEG	Baa1	BBB	3	NYSE	B+	0.70
Sempra Energy	SRE	A2	A+	5	NYSE	NR	0.80
Southern Co.	SO	A2	A	4	NYSE	A-	
TECO Energy	TE	A2	BBB	4	NYSE	A	0.70
TXU CORP	TXU	Baa3	BBB	6	NYSE	B	0.85
Williams Cos.	WMB	Caa1	B+	6	NYSE	B	2.15
Xcel Energy Inc	XEL	Baa1	BBB+	4	NYSE	B+	0.65
Average for S&P Utilities		Baa2	BBB	4		B+	0.82

Note: * (1) Includes companies contained in S&P Utility Compustat. AES Corp., Calpine Corp., and Dynegy, Inc. are not included.

(2) Ratings/Profiles are those of utility subsidiaries

Source of Information: Moody's Investors Service
Standard & Poor's Corporation
Standard & Poor's Stock Guide
Value Line Investment Survey for Windows

PPL Electric Utilities Corporation
Capitalization and Related Capital Structure Ratios
Actual at December 31, 2003 and Estimated at December 31, 2004

	Actual at December 31, 2003			Estimated at December 31, 2004		
	Amount Outstanding	Ratios		Amount Outstanding	Ratios	
		Excl. S-T Debt	Incl. S-T Debt		Excl. S-T Debt	Incl. S-T Debt
Long-Term Debt	(1) <u>\$ 1,493,441,416</u>	53.88%	53.88%	<u>\$ 1,362,549,000</u>	51.30%	51.30%
Preferred Stock	<u>48,288,916</u>	1.74%	1.74%	<u>48,707,908</u>	1.83%	1.83%
Common Equity						
Common stock	1,476,048,000			1,476,048,000		
Treasury Stock	(912,215,000)			(912,215,000)		
Additional Paid-in Capital (2)	362,488,000			362,069,000		
Retained earnings	303,691,000			318,762,000		
Total Common Equity	<u>1,230,012,000</u>	<u>44.38%</u>	<u>44.38%</u>	<u>1,244,664,000</u>	<u>46.87%</u>	<u>46.87%</u>
Total Permanent Capital	<u>2,771,742,332</u>	<u>100.00%</u>	100.00%	<u>2,655,920,908</u>	<u>100.00%</u>	100.00%
Short-Term Debt	<u>-</u>		0.00%	<u>-</u>		0.00%
Total Capital Employed	<u>\$ 2,771,742,332</u>		<u>100.00%</u>	<u>\$ 2,655,920,908</u>		<u>100.00%</u>

Notes: (1) Includes current portion of long-term debt.

(2) Additional paid-in capital reflects an adjustment for the unamortized premiums and unrecovered original issuance costs on reacquired preferred and preference stock.

Source of Information: Company provided data

PPL Electric Utilities Corporation
Calculation of the Embedded Cost of Long-Term Debt
Actual at December 31, 2003

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u> (1)	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> (2)
<u>First Mortgage Bonds</u>					
6.875%	03/01/04	\$ 24,767,000	1.63%	7.07%	0.12%
6.500%	04/01/05	110,000,000	7.24%	6.67%	0.48%
6.550%	03/01/06	146,000,000	9.60%	6.68%	0.64%
7.700%	10/01/09	325,000	0.02%	7.78%	0.00%
7.375%	03/01/14	10,290,000	0.68%	7.55%	0.05%
7.300%	03/01/24	5,805,000	0.38%	7.42%	0.03%
<u>Pollution Control Bonds</u>					
3.125%	11/01/08	90,000,000	5.92%	3.74%	0.22%
5.500%	02/15/27	53,250,000	3.50%	5.69%	0.20%
6.400%	09/01/29	115,500,000	7.60%	6.54%	0.50%
6.150%	08/01/29	55,000,000	3.62%	6.37%	0.23%
<u>Senior Secured Bonds</u>					
5.875%	08/15/07	300,000,000	19.73%	6.25%	1.23%
6.250%	08/15/09	500,000,000	32.89%	6.53%	2.15%
4.300%	06/01/13	100,000,000	6.58%	4.47%	0.29%
<u>Conemaugh Scrubber Note</u>					
1.160%	06/01/27	9,475,000	0.62%	1.21%	0.01%
Total Long -Term Debt		1,520,412,000	100.00%		6.15%
Unamortized Call Premium		(26,970,584)			
Long Term- Debt		\$ 1,493,441,416			
Annualized Cost		\$ 93,505,338			
Amortization of Loss on Recquired Debt		2,601,000			
Total Cost		\$ 96,106,338			6.44%

Notes: (1) Includes current portion of long-term debt.

(2) As calculated on page 2 of this schedule.

Source of Information: Company provided data

PPL Electric Utilities Corporation
Calculation of the Embedded Cost of Long-Term Debt
Estimated at December 31, 2004

<u>Series</u>	<u>Date of Maturity</u>	<u>Principal Amount Outstanding</u> ⁽¹⁾	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> ⁽²⁾
<u>First Mortgage Bonds</u>					
6.500%	04/01/05	\$ 60,000,000	4.32%	6.67%	0.29%
6.550%	03/01/06	96,000,000	6.91%	6.68%	0.46%
7.700%	10/01/09	325,000	0.02%	7.78%	0.00%
7.375%	03/01/14	10,290,000	0.74%	7.55%	0.06%
<u>Pollution Control Bonds</u>					
3.125%	11/01/08	90,000,000	6.48%	3.74%	0.24%
5.500%	02/15/27	53,250,000	3.83%	5.69%	0.22%
6.400%	09/01/29	115,500,000	8.31%	6.54%	0.54%
6.150%	08/01/29	55,000,000	3.96%	6.37%	0.25%
<u>Senior Secured Bonds</u>					
5.875%	08/15/07	300,000,000	21.59%	6.25%	1.35%
6.250%	08/15/09	500,000,000	35.98%	6.53%	2.35%
4.300%	06/01/13	100,000,000	7.20%	4.47%	0.32%
<u>Conemaugh Scrubber Note</u>					
1.160%	06/01/27	9,475,000	0.68%	1.21%	0.01%
Total Long -Term Debt		1,389,840,000	100.00%		6.09%
Unamortized Call Premium		(27,291,000)			
Long Term- Debt		<u>\$ 1,362,549,000</u>			
Annualized Cost		\$ 84,641,256			
Amortization of Loss on Reacquired Debt		<u>3,027,000</u>			
Total Cost		<u>\$ 87,668,256</u>			<u>6.43%</u>

Notes: (1) Includes current portion of long-term debt.
(2) As calculated on page 2 of this schedule.

Source of Information: Company provided data

PPL Electric Utilities Corporation
Calculation of the Effective Cost of Long-Term Debt by Series
Actual at December 31, 2003

Series	Date of Issue	Date of Maturity	Average Term in Years ⁽¹⁾	Principal Amount Outstanding	Premium/Discount & Expense	Net Proceeds	Net Proceeds Ratio	Effective Cost Rate ⁽²⁾
First Mortgage Bonds								
6.875%	03/01/94	03/01/04	10.0	\$ 24,767,000	\$ 344,961	\$ 24,422,039	98.61%	7.07%
6.500%	04/01/93	04/01/05	12.0	110,000,000	1,509,670	108,490,330	98.63%	6.67%
6.550%	03/01/94	03/01/06	12.0	146,000,000	1,550,800	144,449,200	98.94%	6.68%
7.700%	10/01/94	10/01/09	15.0	325,000	2,285	322,715	99.30%	7.78%
7.375%	03/01/94	03/01/14	20.0	10,290,000	185,342	10,104,658	98.20%	7.55%
7.300%	03/01/94	03/01/24	30.0	5,805,000	86,183	5,718,817	98.52%	7.42%
Pollution Control Bonds								
3.125%	02/12/03	11/01/08	6.0	90,000,000	2,810,269	87,189,731	96.88%	3.74%
5.500%	02/15/94	02/15/27	33.0	53,250,000	1,495,168	51,754,832	97.19%	5.69%
6.400%	09/01/94	09/01/29	10.0	115,500,000	2,177,838	113,322,162	98.11%	6.54%
6.150%	08/01/95	08/01/29	34.0	55,000,000	1,678,834	53,321,166	96.95%	6.37%
Senior Secured Bonds								
5.875%	08/01/01	08/15/07	6.0	300,000,000	5,653,735	294,346,265	98.12%	6.25%
6.250%	08/01/01	08/15/09	8.0	500,000,000	8,598,300	491,401,700	98.28%	6.53%
4.300%	05/23/03	06/01/13	10.0	100,000,000	1,397,971	98,602,029	98.60%	4.47%
Conemaugh Scrubber Note								
1.160%	06/04/97	06/01/27	30.0	9,475,000	110,606	9,364,394	98.83%	1.21%

Notes: (1) Determined by taking into account the effect the annual sinking fund requirements which are met by the retirement of bonds which reduce the term of each issue.
(2) The effective cost for each issue is the yield to maturity using as inputs the average term of issue, coupon rate, and net proceeds ratio.

Source of Information: Company provided data

PPL Electric Utilities Corporation
Calculation of the Embedded Cost of Preferred Stock
Actual at December 31, 2003

<u>Series</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> ⁽¹⁾
3.35%	\$ 2,060,500	4.08%	3.37%	0.14%
4.60%	2,861,400	5.66%	4.79%	0.27%
4.40%	11,767,600	23.29%	4.46%	1.04%
4.50%	24,752,400	49.00%	5.03%	2.46%
6.75%	<u>9,077,000</u>	<u>17.97%</u>	6.82%	<u>1.23%</u>
Total	50,518,900	<u>100.00%</u>		<u>5.14%</u>
Unamortized Call Premium	<u>(2,229,984)</u>			
Long Term- Debt	<u>\$ 48,288,916</u>			
Annualized Cost	\$ 2,596,671			
Amortization of Loss on Recquired Debt	<u>418,992</u>			
Total Cost	<u>\$ 3,015,663</u>			<u>6.25%</u>

Notes: (1) As calculated on page 3 of this schedule.

Source of Information: Company provided data

PPL Electric Utilities Corporation
Calculation of the Embedded Cost of Preferred Stock
Estimated at December 31, 2004

<u>Series</u>	<u>Principal Amount Outstanding</u>	<u>Percent to Total</u>	<u>Effective Cost Rate</u>	<u>Weighted Cost Rate</u> ⁽¹⁾
3.35%	\$ 2,060,500	4.08%	3.37%	0.14%
4.60%	2,861,400	5.66%	4.79%	0.27%
4.40%	11,767,600	23.29%	4.46%	1.04%
4.50%	24,752,400	49.00%	5.03%	2.46%
6.75%	<u>9,077,000</u>	<u>17.97%</u>	6.82%	<u>1.23%</u>
Total	50,518,900	<u>100.00%</u>		<u>5.14%</u>
Unamortized Call Premium	<u>(1,810,992)</u>			
Long Term- Debt	<u>\$ 48,707,908</u>			
Annualized Cost	\$ 2,596,671			
Amortization of Loss on Reacquired Debt	<u>418,992</u>			
Total Cost	<u>\$ 3,015,663</u>			<u>6.19%</u>

Notes: (1) As calculated on page 3 of this schedule.

Source of Information: Company provided data

PPL Electric Utilities Corporation
Calculation of the Effective Cost of Preferred Stock by Series

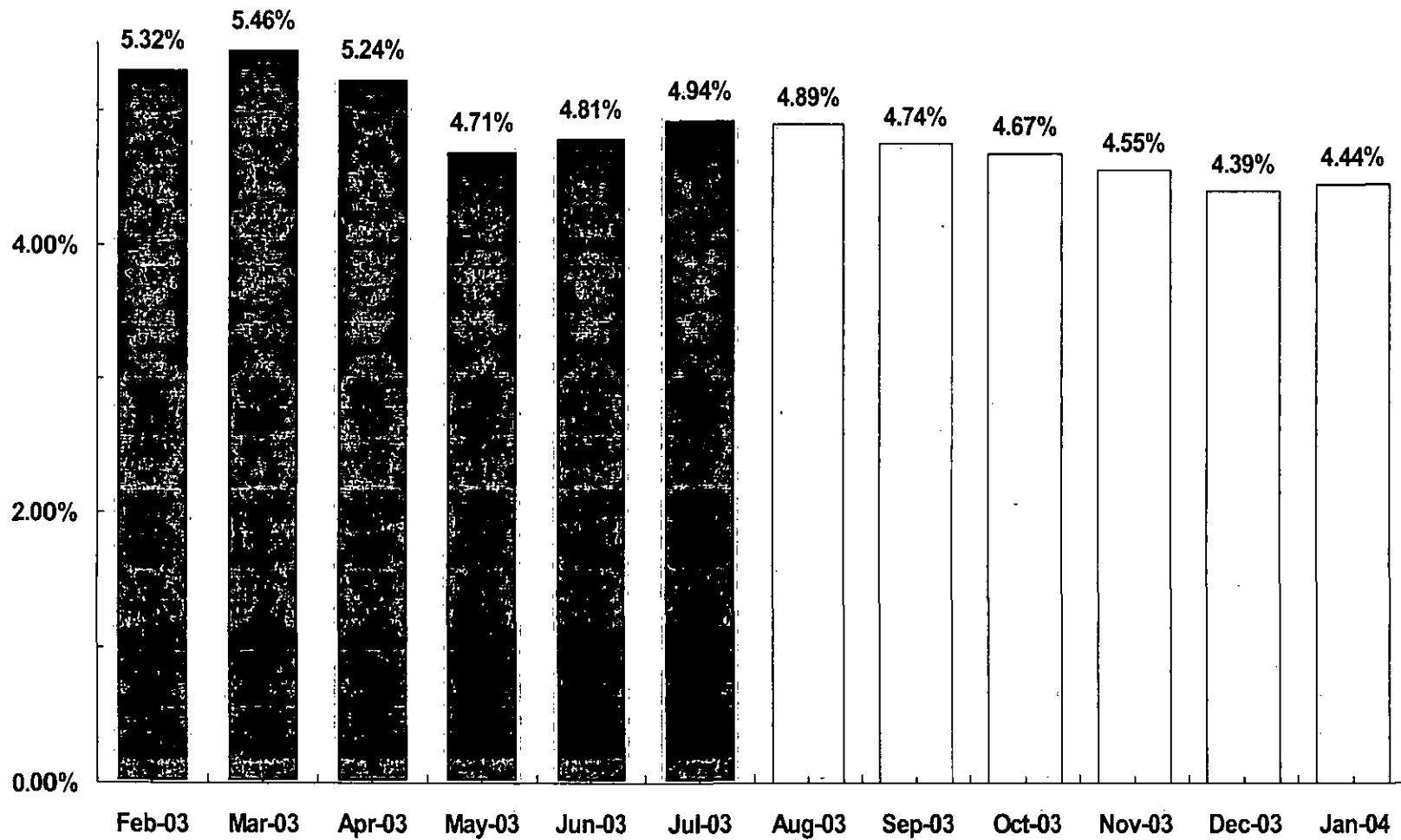
<u>Series</u>	<u>Date of Issue</u>	<u>Average Term in Years</u> ⁽¹⁾	<u>Principal Amount Outstanding</u>	<u>Discount and Expense</u>	<u>Net Proceeds</u>	<u>Net Proceeds Ratio</u>	<u>Effective Cost Rate</u> ⁽²⁾
3.35%	05/02/46		\$ 2,060,500	\$ 10,370	\$ 2,050,130	99.50%	3.37% ⁽³⁾
4.60%	10/21/48		2,861,400	113,048	2,748,352	96.05%	4.79% ⁽³⁾
4.40%	08/05/52		11,767,600	162,966	11,604,634	98.62%	4.46% ⁽³⁾
4.50%	12/10/45		24,752,400	2,606,595 ⁽⁴⁾	22,145,805	89.47%	5.03% ⁽³⁾
6.75%	10/05/93		9,077,000	90,879	8,986,121	99.00%	6.82% ⁽³⁾

- Notes: (1) Determined by taking into account the effect the annual sinking fund requirements which are met by the retirement of bonds which reduce the term of each issue.
- (2) The effective cost for each issue is the yield to maturity using as inputs the average term of issue, coupon rate, and net proceeds ratio.
- (3) Series without sinking fund requirements are outstanding in perpetuity. For those series, the effective cost rate is the nominal dividend rate divided by the net proceeds ratio.
- (4) Includes \$40,639 premium and prorated portion of \$2,534,547 attributable to cost of Company refinanced issues carried forward.

Source of Information: Company provided data

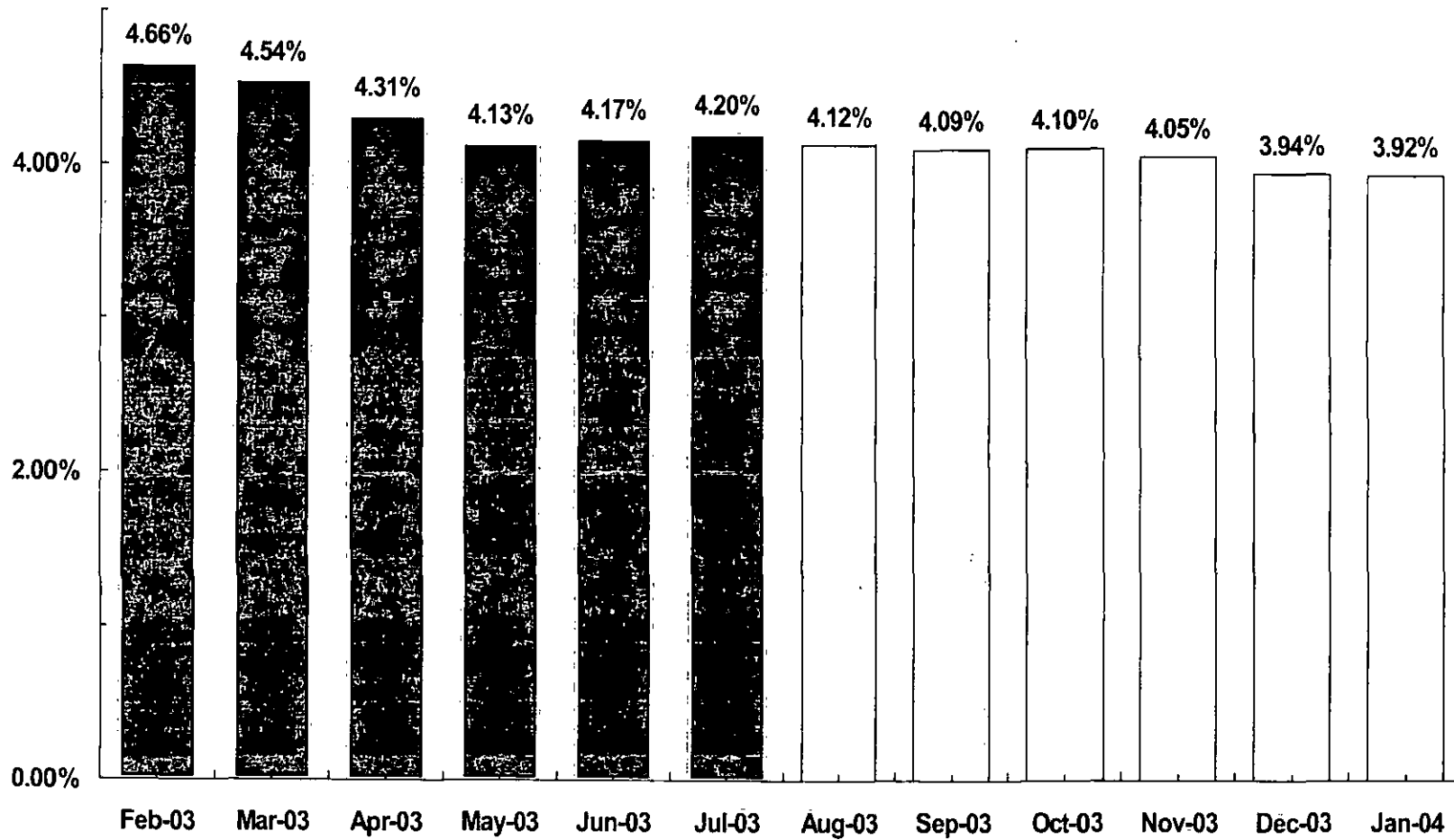
Electric Group

Monthly Dividend Yields



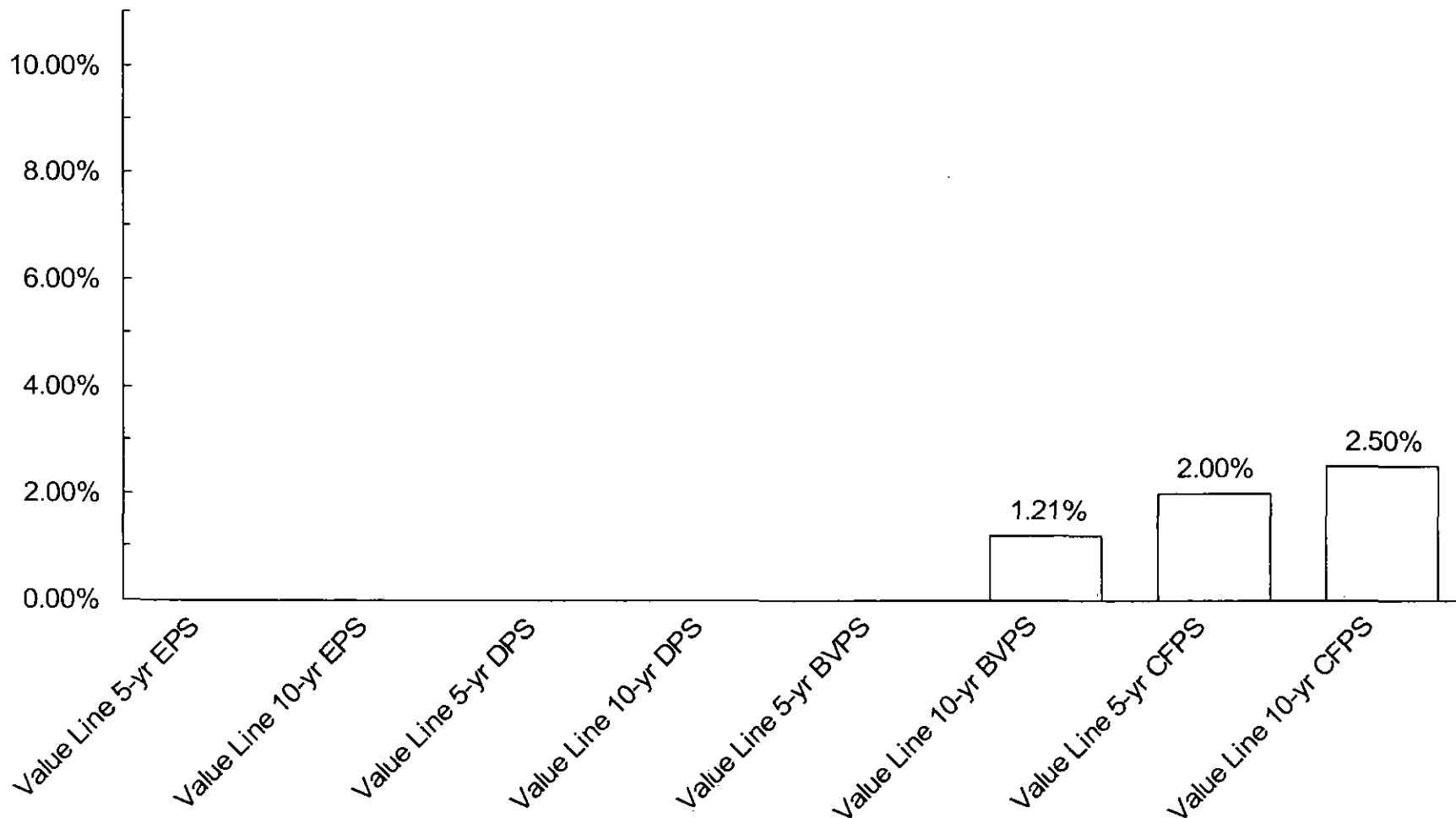
Gas Group

Monthly Dividend Yields



Electric Group

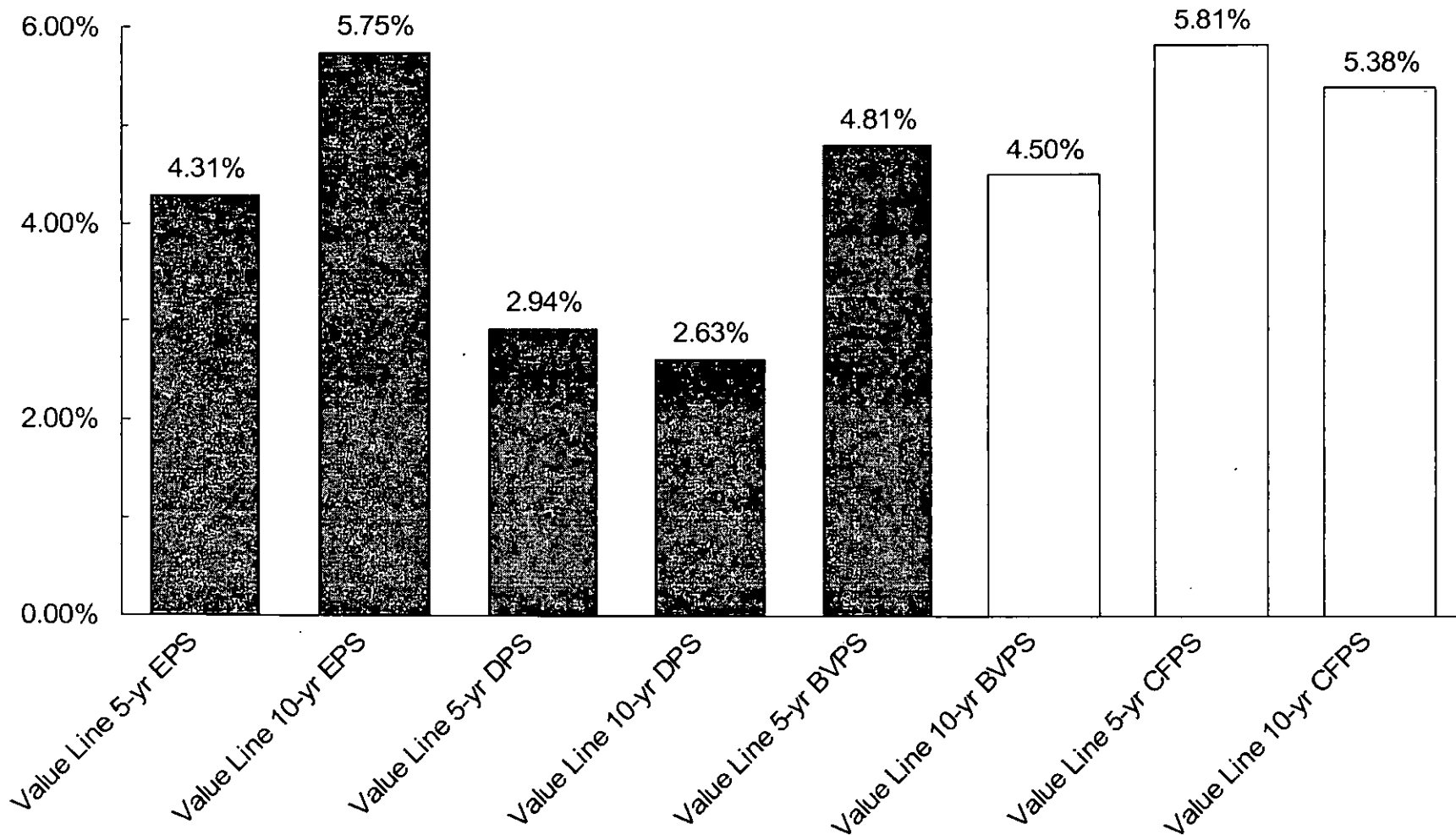
Historical Growth Rates



Earnings per Share=EPS Book Values per Share=BVPS
 Dividends per Share=DPS Cash Flow per Share=CFPS
 Percent Retained to Common Equity=BxR

Gas Group

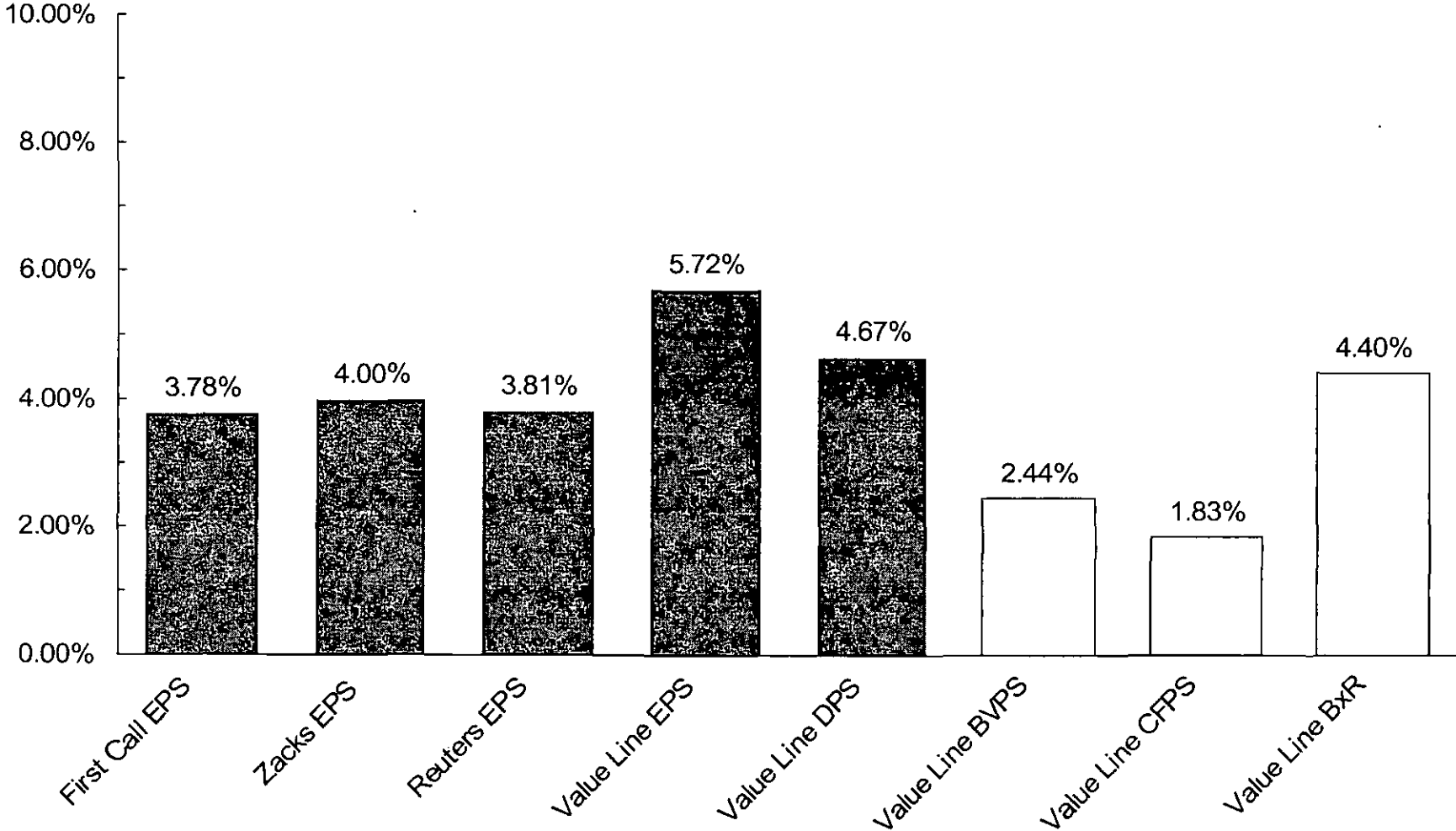
Historical Growth Rates



Earnings per Share=EPS Book Values per Share=BVPS
 Dividends per Share=DPS Cash Flow per Share=CFPS
 Percent Retained to Common Equity=BxR

Electric Group

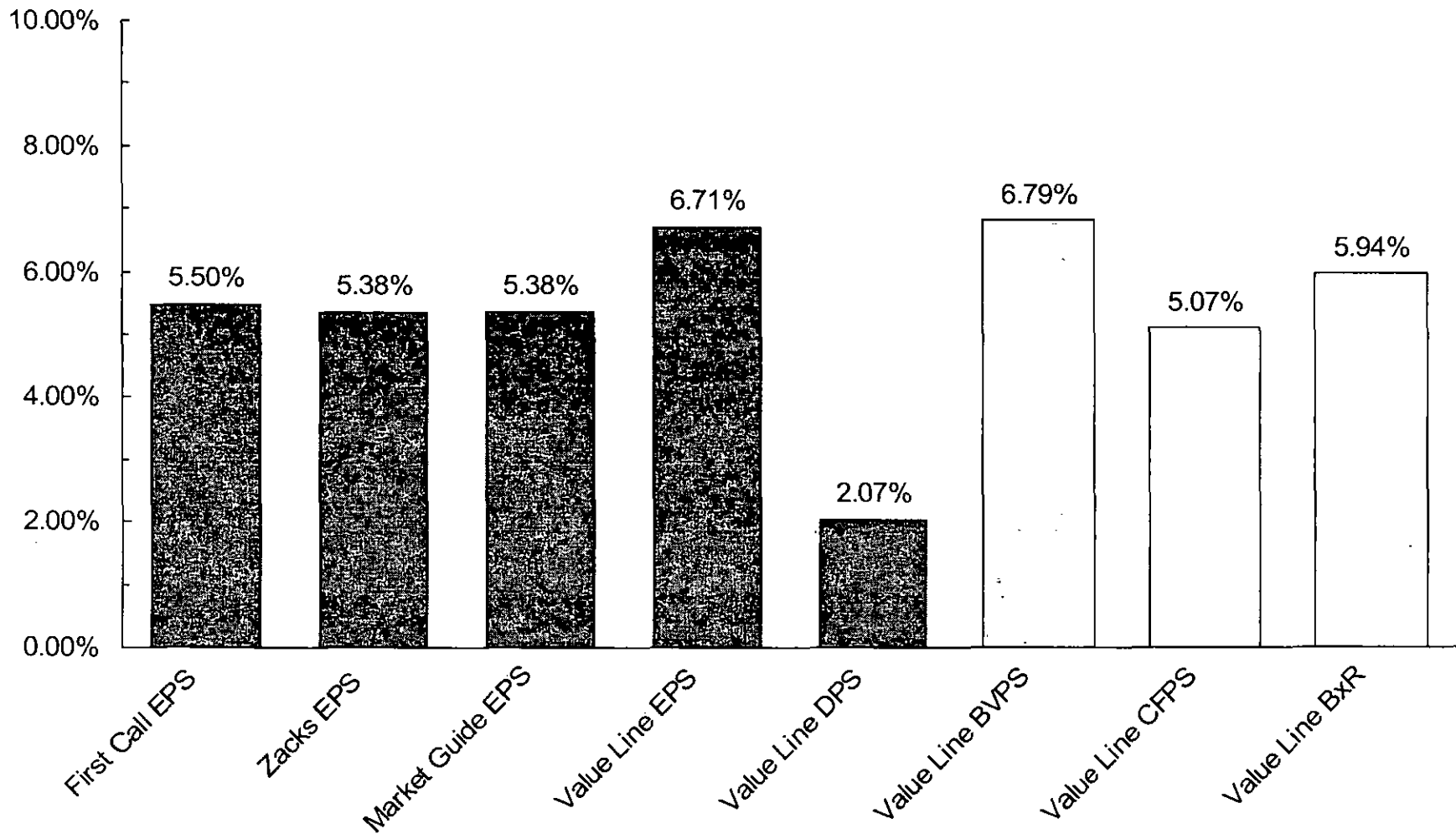
Five-Year Projected Growth Rates



Earnings per Share=EPS Book Values per Share=BVPS
 Dividends per Share=DPS Cash Flow per Share=CFPS
 Percent Retained to Common Equity=BxR

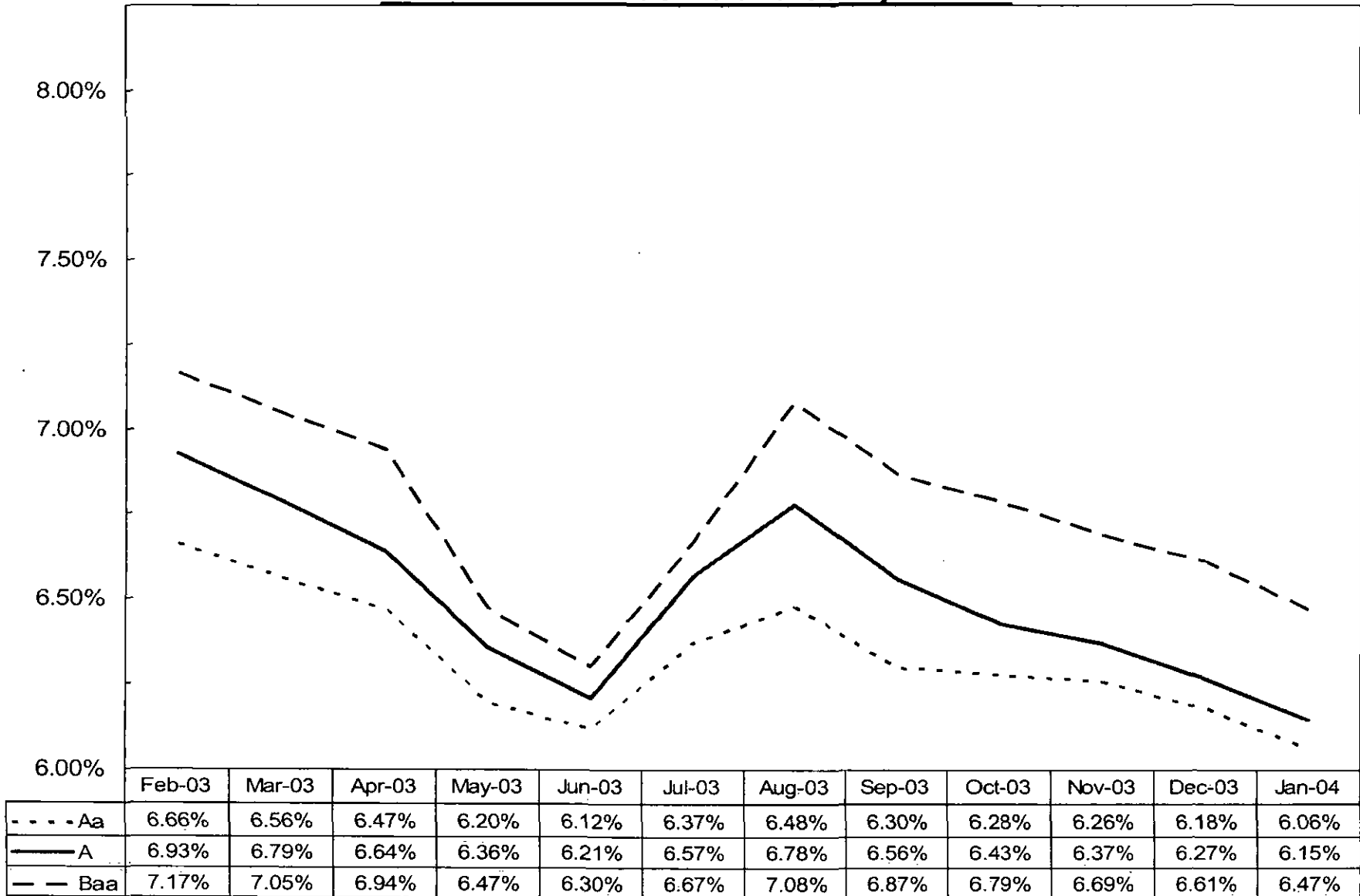
Gas Group

Five-Year Projected Growth Rates



Earnings per Share=EPS Book Values per Share=BVPS
 Dividends per Share=DPS Cash Flow per Share=CFPS
 Percent Retained to Common Equity=BxR

Interest Rates for Investment Grade Public Utility Bonds

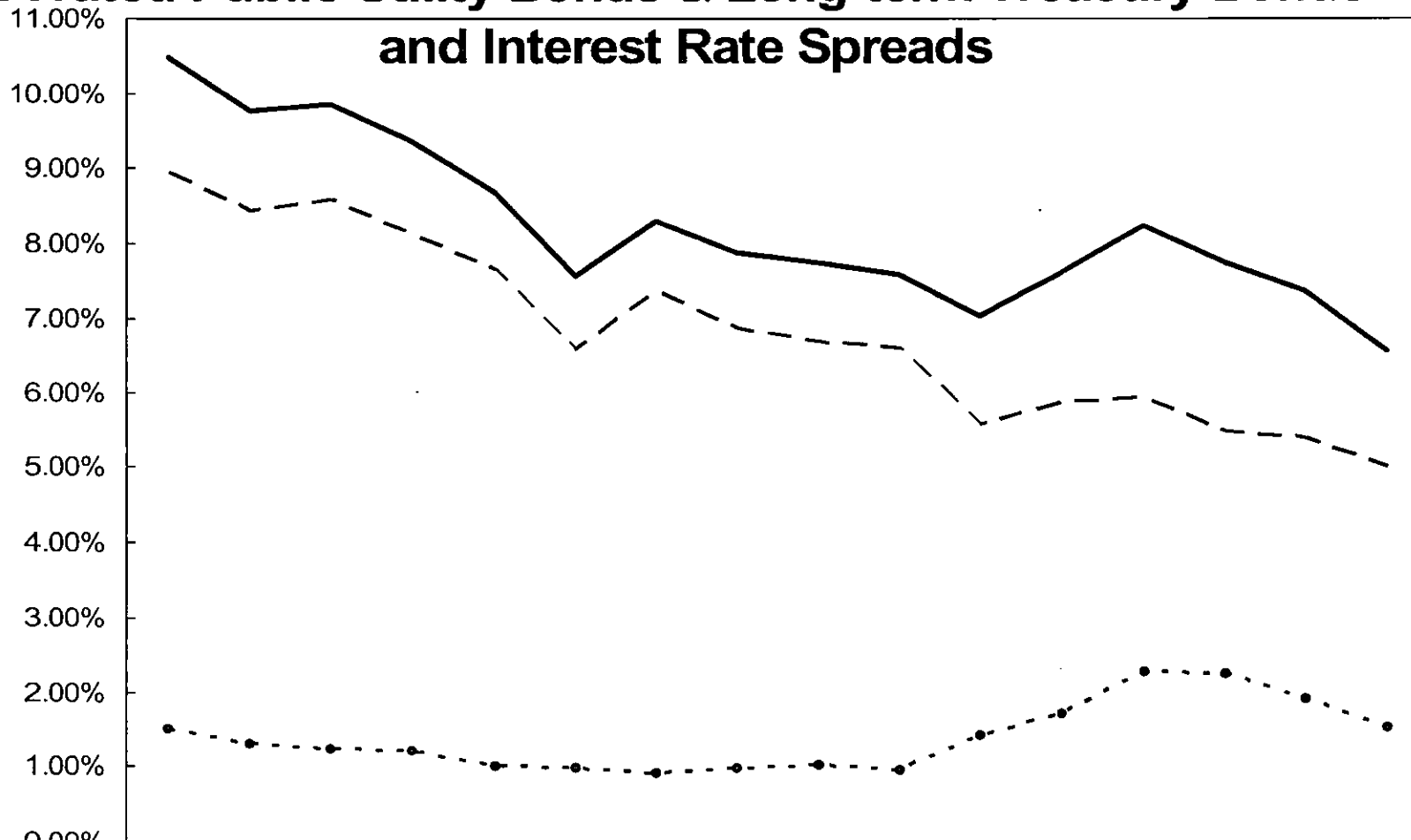


**Interest Rates for Investment Grade Public Utility Bonds
Yearly for 1998-2002 and 2003
and the Twelve Months Ended January 2004**

<u>Years</u>	<u>Aaa Rated</u>	<u>Aa Rated</u>	<u>A Rated</u>	<u>Baa Rated</u>	<u>Average</u>
1998	6.77%	6.91%	7.04%	7.26%	7.00%
1999	7.21%	7.51%	7.62%	7.88%	7.56%
2000	7.88%	8.06%	8.24%	8.36%	8.14%
2001	7.48%	7.58%	7.76%	8.03%	7.72%
2002		7.19%	7.37%	8.02%	7.53%
Five-Year Average		<u>7.45%</u>	<u>7.61%</u>	<u>7.91%</u>	<u>7.59%</u>
2003		6.40%	6.58%	6.84%	6.61%
<u>Months</u>					
Feb-03		6.66%	6.93%	7.17%	6.92%
Mar-03		6.56%	6.79%	7.05%	6.80%
Apr-03		6.47%	6.64%	6.94%	6.68%
May-03		6.20%	6.36%	6.47%	6.35%
Jun-03		6.12%	6.21%	6.30%	6.21%
Jul-03		6.37%	6.57%	6.67%	6.54%
Aug-03		6.48%	6.78%	7.08%	6.78%
Sep-03		6.30%	6.56%	6.87%	6.58%
Oct-03		6.28%	6.43%	6.79%	6.50%
Nov-03		6.26%	6.37%	6.69%	6.44%
Dec-03		6.18%	6.27%	6.61%	6.36%
Jan-04		6.06%	6.15%	6.47%	6.23%
Twelve-Month Average		<u>6.33%</u>	<u>6.51%</u>	<u>6.76%</u>	<u>6.53%</u>
Six-Month Average		<u>6.26%</u>	<u>6.43%</u>	<u>6.75%</u>	<u>6.48%</u>
Three-Month Average		<u>6.17%</u>	<u>6.26%</u>	<u>6.59%</u>	<u>6.34%</u>

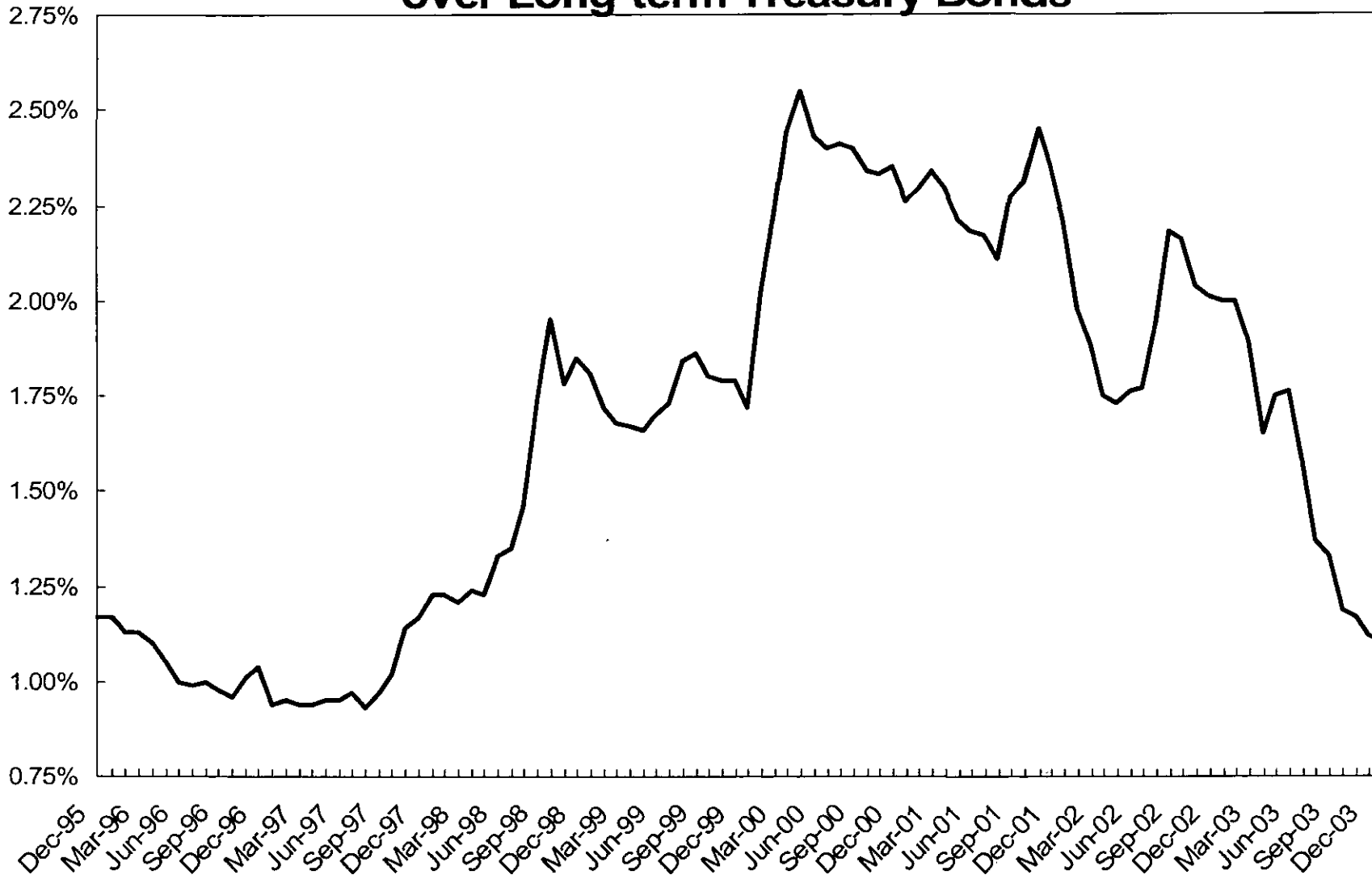
Source of Information: Moody's Investors Services, Inc.

Yields on A-rated Public Utility Bonds & Long-term Treasury Bonds and Interest Rate Spreads



	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
— A-rated Public Utility	10.49%	9.77%	9.86%	9.36%	8.69%	7.59%	8.31%	7.89%	7.75%	7.60%	7.04%	7.62%	8.24%	7.76%	7.37%	6.58%
- - Long-term Treasury	8.96%	8.45%	8.61%	8.14%	7.67%	6.59%	7.37%	6.88%	6.71%	6.61%	5.58%	5.87%	5.94%	5.49%	5.42%	5.02%
-•- Spread	1.53%	1.32%	1.25%	1.22%	1.02%	1.00%	0.94%	1.01%	1.04%	0.99%	1.46%	1.75%	2.30%	2.27%	1.95%	1.56%

Interest Rate Spreads A-rated Public Utility Bonds over Long-term Treasury Bonds



Yield Spreads
A rated Public Utility Bonds
over Long-term Treasury Bonds

Month	A rated Public Utility	Long-term Treasury	Spread	Month	A rated Public Utility	Long-term Treasury	Spread
Dec-95	7.23%	6.06%	1.17%	Jan-00	8.35%	6.63%	1.72%
Jan-96	7.22%	6.05%	1.17%	Feb-00	8.25%	6.23%	2.02%
Feb-96	7.37%	6.24%	1.13%	Mar-00	8.28%	6.05%	2.23%
Mar-96	7.73%	6.60%	1.13%	Apr-00	8.29%	5.85%	2.44%
Apr-96	7.89%	6.79%	1.10%	May-00	8.70%	6.15%	2.55%
May-96	7.98%	6.93%	1.05%	Jun-00	8.36%	5.93%	2.43%
Jun-96	8.06%	7.06%	1.00%	Jul-00	8.25%	5.85%	2.40%
Jul-96	8.02%	7.03%	0.99%	Aug-00	8.13%	5.72%	2.41%
Aug-96	7.84%	6.84%	1.00%	Sep-00	8.23%	5.83%	2.40%
Sep-96	8.01%	7.03%	0.98%	Oct-00	8.14%	5.80%	2.34%
Oct-96	7.77%	6.81%	0.96%	Nov-00	8.11%	5.78%	2.33%
Nov-96	7.49%	6.48%	1.01%	Dec-00	7.84%	5.49%	2.35%
Dec-96	7.59%	6.55%	1.04%	Jan-01	7.80%	5.54%	2.26%
Jan-97	7.77%	6.83%	0.94%	Feb-01	7.74%	5.45%	2.29%
Feb-97	7.64%	6.69%	0.95%	Mar-01	7.68%	5.34%	2.34%
Mar-97	7.87%	6.93%	0.94%	Apr-01	7.94%	5.65%	2.29%
Apr-97	8.03%	7.09%	0.94%	May-01	7.99%	5.78%	2.21%
May-97	7.89%	6.94%	0.95%	Jun-01	7.85%	5.67%	2.18%
Jun-97	7.72%	6.77%	0.95%	Jul-01	7.78%	5.61%	2.17%
Jul-97	7.48%	6.51%	0.97%	Aug-01	7.59%	5.48%	2.11%
Aug-97	7.51%	6.58%	0.93%	Sep-01	7.75%	5.48%	2.27%
Sep-97	7.47%	6.50%	0.97%	Oct-01	7.63%	5.32%	2.31%
Oct-97	7.35%	6.33%	1.02%	Nov-01	7.57%	5.12%	2.45%
Nov-97	7.25%	6.11%	1.14%	Dec-01	7.83%	5.48%	2.35%
Dec-97	7.16%	5.99%	1.17%	Jan-02	7.66%	5.45%	2.21%
Jan-98	7.04%	5.81%	1.23%	Feb-02	7.54%	5.56%	1.98%
Feb-98	7.12%	5.89%	1.23%	Mar-02	7.76%	5.88%	1.88%
Mar-98	7.16%	5.95%	1.21%	Apr-02	7.57%	5.82%	1.75%
Apr-98	7.16%	5.92%	1.24%	May-02	7.52%	5.79%	1.73%
May-98	7.16%	5.93%	1.23%	Jun-02	7.42%	5.66%	1.76%
Jun-98	7.03%	5.70%	1.33%	Jul-02	7.31%	5.54%	1.77%
Jul-98	7.03%	5.68%	1.35%	Aug-02	7.17%	5.23%	1.94%
Aug-98	7.00%	5.54%	1.46%	Sep-02	7.08%	4.90%	2.18%
Sep-98	6.93%	5.20%	1.73%	Oct-02	7.23%	5.07%	2.16%
Oct-98	6.96%	5.01%	1.95%	Nov-02	7.14%	5.10%	2.04%
Nov-98	7.03%	5.25%	1.78%	Dec-02	7.07%	5.06%	2.01%
Dec-98	6.91%	5.06%	1.85%	Jan-03	7.07%	5.07%	2.00%
Jan-99	6.97%	5.16%	1.81%	Feb-03	6.93%	4.93%	2.00%
Feb-99	7.09%	5.37%	1.72%	Mar-03	6.79%	4.90%	1.89%
Mar-99	7.26%	5.58%	1.68%	Apr-03	6.64%	4.99%	1.65%
Apr-99	7.22%	5.55%	1.67%	May-03	6.36%	4.61%	1.75%
May-99	7.47%	5.81%	1.66%	Jun-03	6.21%	4.45%	1.76%
Jun-99	7.74%	6.04%	1.70%	Jul-03	6.57%	5.00%	1.57%
Jul-99	7.71%	5.98%	1.73%	Aug-03	6.78%	5.41%	1.37%
Aug-99	7.91%	6.07%	1.84%	Sep-03	6.56%	5.23%	1.33%
Sep-99	7.93%	6.07%	1.86%	Oct-03	6.43%	5.24%	1.19%
Oct-99	8.06%	6.26%	1.80%	Nov-03	6.37%	5.20%	1.17%
Nov-99	7.94%	6.15%	1.79%	Dec-03	6.27%	5.15%	1.12%
Dec-99	8.14%	6.35%	1.79%	Jan-04	6.15%	5.05%	1.10%

S&P Composite Index and S&P Public Utility Index
Long-Term Corporate and Public Utility Bonds
Yearly Total Returns
1928-2003

Year	S & P Composite Index	S & P Public Utility Index	Long Term Corporate Bonds	Public Utility Bonds
1928	43.61%	57.47%	2.84%	3.08%
1929	-8.42%	11.02%	3.27%	2.34%
1930	-24.90%	-21.96%	7.98%	4.74%
1931	-43.34%	-35.90%	-1.85%	-11.11%
1932	-8.19%	-0.54%	10.82%	7.25%
1933	53.99%	-21.87%	10.38%	-3.82%
1934	-1.44%	-20.41%	13.84%	22.61%
1935	47.67%	76.63%	9.61%	16.03%
1936	33.92%	20.69%	6.74%	8.30%
1937	-35.03%	-37.04%	2.75%	-4.05%
1938	31.12%	22.45%	6.13%	8.11%
1939	-0.41%	11.26%	3.97%	6.76%
1940	-9.78%	-17.15%	3.39%	4.45%
1941	-11.59%	-31.57%	2.73%	2.15%
1942	20.34%	15.39%	2.60%	3.81%
1943	25.90%	46.07%	2.83%	7.04%
1944	19.75%	18.03%	4.73%	3.29%
1945	36.44%	53.33%	4.08%	5.92%
1946	-8.07%	1.26%	1.72%	2.98%
1947	5.71%	-13.16%	-2.34%	-2.19%
1948	5.50%	4.01%	4.14%	2.65%
1949	18.79%	31.39%	3.31%	7.16%
1950	31.71%	3.25%	2.12%	2.01%
1951	24.02%	18.63%	-2.69%	-2.77%
1952	18.37%	19.25%	3.52%	2.99%
1953	-0.99%	7.85%	3.41%	2.08%
1954	52.62%	24.72%	5.39%	7.57%
1955	31.56%	11.26%	0.48%	0.12%
1956	6.56%	5.06%	-6.81%	-6.25%
1957	-10.78%	6.36%	8.71%	3.58%
1958	43.36%	40.70%	-2.22%	0.18%
1959	11.96%	7.49%	-0.97%	-2.29%
1960	0.47%	20.26%	9.07%	9.01%
1961	26.89%	29.33%	4.82%	4.65%
1962	-8.73%	-2.44%	7.95%	6.55%
1963	22.80%	12.36%	2.19%	3.44%
1964	16.48%	15.91%	4.77%	4.94%
1965	12.45%	4.67%	-0.46%	0.50%
1966	-10.06%	-4.48%	0.20%	-3.45%
1967	23.98%	-0.63%	-4.95%	-3.63%
1968	11.06%	10.32%	2.57%	1.87%
1969	-8.50%	-15.42%	-8.09%	-6.66%
1970	4.01%	16.56%	18.37%	15.90%
1971	14.31%	2.41%	11.01%	11.59%
1972	18.98%	8.15%	7.26%	7.19%
1973	-14.66%	-18.07%	1.14%	2.42%
1974	-26.47%	-21.55%	-3.06%	-5.28%
1975	37.20%	44.49%	14.64%	15.50%
1976	23.84%	31.81%	18.65%	19.04%
1977	-7.18%	8.64%	1.71%	5.22%
1978	6.56%	-3.71%	-0.07%	-0.98%
1979	18.44%	13.58%	-4.18%	-2.75%
1980	32.42%	15.08%	-2.76%	-0.23%
1981	-4.91%	11.74%	-1.24%	4.27%
1982	21.41%	26.52%	42.56%	33.52%
1983	22.51%	20.01%	6.26%	10.33%
1984	6.27%	26.04%	16.86%	14.82%
1985	32.16%	33.05%	30.09%	26.48%
1986	18.47%	28.53%	19.85%	18.16%
1987	5.23%	-2.92%	-0.27%	3.02%
1988	16.81%	18.27%	10.70%	10.19%
1989	31.49%	47.80%	16.23%	15.61%
1990	-3.17%	-2.57%	6.78%	8.13%
1991	30.55%	14.61%	19.89%	19.25%
1992	7.67%	8.10%	9.39%	8.65%
1993	9.99%	14.41%	13.19%	10.59%
1994	1.31%	-7.94%	-5.76%	-4.72%
1995	37.43%	42.15%	27.20%	22.81%
1996	23.07%	3.14%	1.40%	3.04%
1997	33.36%	24.69%	12.95%	11.39%
1998	28.58%	14.82%	10.76%	9.44%
1999	21.04%	-8.85%	-7.45%	-1.69%
2000	-9.11%	59.70%	12.87%	9.45%
2001	-11.88%	-30.41%	10.65%	5.85%
2002	-22.10%	-30.04%	16.33%	1.63%
2003	28.70%	26.11%	5.27%	10.01%
Geometric Mean	10.09%	8.35%	5.85%	5.50%
Arithmetic Mean	12.09%	10.77%	6.18%	5.79%
Standard Deviation	20.51%	22.91%	8.72%	8.03%
Median	15.40%	11.26%	4.11%	4.55%

**Tabulation of Risk Rate Differentials for
S&P Public Utility Index and Public Utility Bonds
For the Years 1928-2003, 1952-2003, 1974-2003, and 1979-2003**

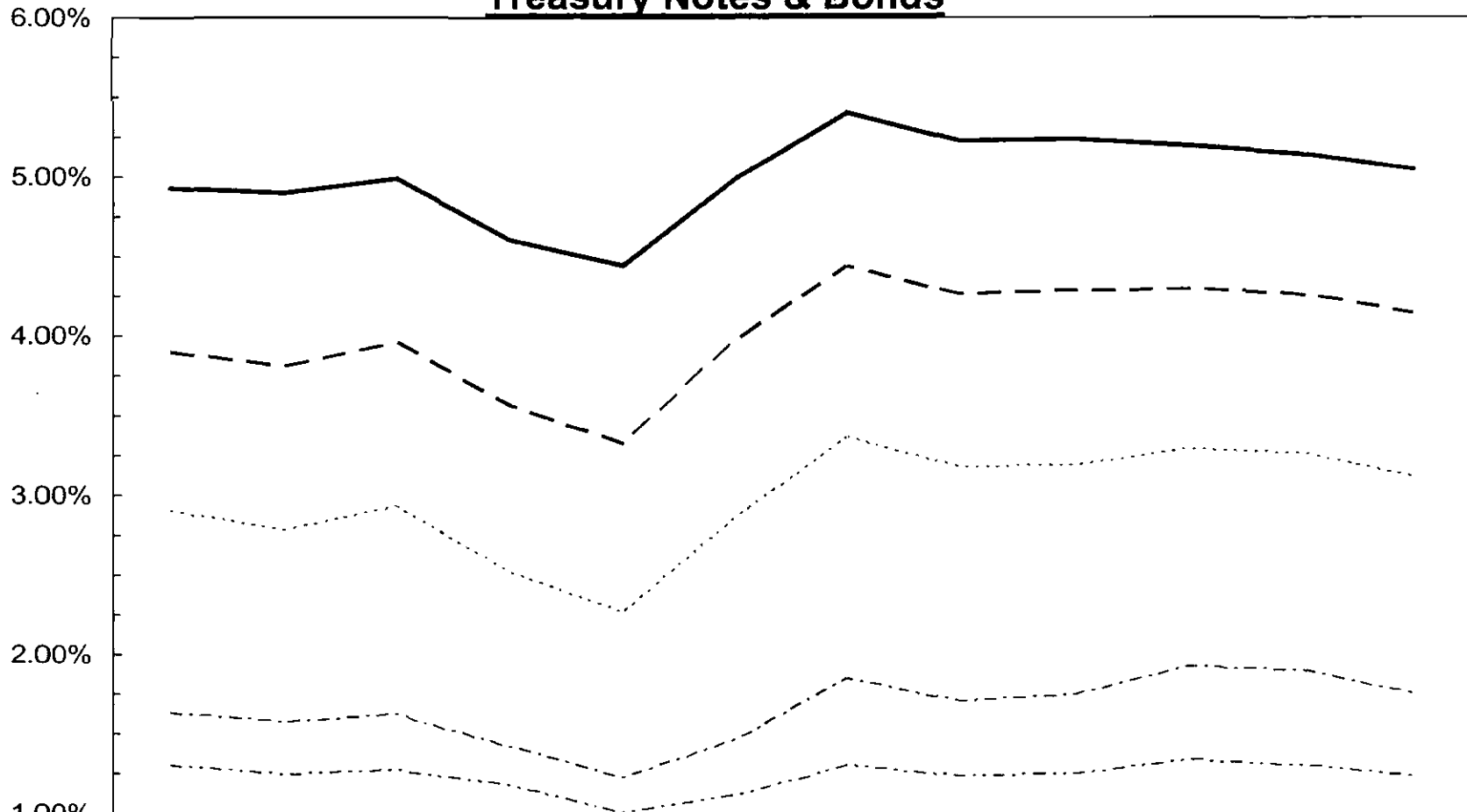
<u>Total Returns</u>	<u>Range</u>		<u>Midpoint</u>	<u>Point</u>	<u>Average</u>
	<u>Geometric</u>	<u>Median</u>		<u>Estimate</u>	
	<u>Mean</u>			<u>Arithmetic</u>	<u>of Range</u>
				<u>Mean</u>	<u>and Point</u>
					<u>Estimate</u>
<u>1928-2003</u>					
S&P Public Utility Index	8.35%	11.26%		10.77%	
Public Utility Bonds	<u>5.50%</u>	<u>4.55%</u>		<u>5.79%</u>	
Risk Differential	<u>2.85%</u>	<u>6.71%</u>	<u>4.78%</u>	<u>4.98%</u>	<u>4.88%</u>
<u>1952-2003</u>					
S&P Public Utility Index	10.46%	12.05%		12.06%	
Public Utility Bonds	<u>6.27%</u>	<u>5.08%</u>		<u>6.60%</u>	
Risk Differential	<u>4.19%</u>	<u>6.97%</u>	<u>5.58%</u>	<u>5.46%</u>	<u>5.52%</u>
<u>1974-2003</u>					
S&P Public Utility Index	12.03%	14.72%		14.18%	
Public Utility Bonds	<u>8.98%</u>	<u>9.45%</u>		<u>9.36%</u>	
Risk Differential	<u>3.05%</u>	<u>5.27%</u>	<u>4.16%</u>	<u>4.82%</u>	<u>4.49%</u>
<u>1979-2003</u>					
S&P Public Utility Index	12.58%	14.82%		14.62%	
Public Utility Bonds	<u>9.53%</u>	<u>9.45%</u>		<u>9.89%</u>	
Risk Differential	<u>3.05%</u>	<u>5.37%</u>	<u>4.21%</u>	<u>4.73%</u>	<u>4.47%</u>

**Value Line Betas for
Electric Group and Gas Group**

<u>Company</u>	<u>Beta</u>	<u>Company</u>	<u>Beta</u>
CH Energy Group	0.75	AGL Resources, Inc.	0.75
Central Vermont Public Srv.	0.45	Atmos Energy Corp.	0.65
Consolidated Edison	0.60	Energen Corp.	0.70
Duquesne Light Holdings, Inc.	0.70	KeySpan Corp.	0.75
Energy East Corp.	0.75	New Jersey Resources Corp.	0.70
Green Mountain Power	0.60	Piedmont Natural Gas Co.	0.70
Northeast Utilities	0.70	South Jersey Industries, Inc.	0.55
NSTAR	0.70	WGL Holdings, Inc.	0.70
Pepco Holdings, Inc.	<u>NMF</u>		
		Average	<u>0.69</u>
	Average		<u>0.66</u>

Source of Information: Value Line Investment Survey
December 5, 2003
December 19, 2003

Yields on Treasury Notes & Bonds



	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04
1-Year	1.30%	1.24%	1.27%	1.18%	1.01%	1.12%	1.31%	1.24%	1.25%	1.34%	1.31%	1.24%
2-Year	1.63%	1.57%	1.62%	1.42%	1.23%	1.47%	1.86%	1.71%	1.75%	1.93%	1.91%	1.76%
5-Year	2.90%	2.78%	2.93%	2.52%	2.27%	2.87%	3.37%	3.18%	3.19%	3.29%	3.27%	3.12%
10-Year	3.90%	3.81%	3.96%	3.57%	3.33%	3.98%	4.45%	4.27%	4.29%	4.30%	4.27%	4.15%
L-t Avg	4.93%	4.90%	4.99%	4.61%	4.45%	5.00%	5.41%	5.23%	5.24%	5.20%	5.15%	5.05%

**Interest Rates for Treasury Constant Maturities
Yearly for 1998-2002 and 2003
and the Twelve Months Ended January 2004**

<u>Years</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>	<u>20-Year</u>	<u>Long-term Average</u> (1)
1998	5.05%	5.13%	5.14%	5.15%	5.28%	5.26%	5.72%	5.58%
1999	5.08%	5.43%	5.49%	5.55%	5.79%	5.65%	6.20%	5.87%
2000	6.11%	6.26%	6.22%	6.16%	6.20%	6.03%	6.23%	5.94%
2001	3.49%	3.83%	4.09%	4.56%	4.88%	5.02%	5.63%	5.49%
2002	2.00%	2.64%	3.10%	3.82%	4.30%	4.61%	5.43%	5.42%
Five-Year Average	<u>4.35%</u>	<u>4.66%</u>	<u>4.81%</u>	<u>5.05%</u>	<u>5.29%</u>	<u>5.31%</u>	<u>5.84%</u>	<u>5.66%</u>
2003	1.24%	1.65%	2.11%	2.97%	3.52%	4.02%	4.96%	5.02%
<u>Months</u>								
Feb-03	1.30%	1.63%	2.05%	2.90%	3.45%	3.90%	4.87%	4.93%
Mar-03	1.24%	1.57%	1.98%	2.78%	3.34%	3.81%	4.82%	4.90%
Apr-03	1.27%	1.62%	2.06%	2.93%	3.47%	3.96%	4.91%	4.99%
May-03	1.18%	1.42%	1.75%	2.52%	3.07%	3.57%	4.52%	4.61%
Jun-03	1.01%	1.23%	1.51%	2.27%	2.84%	3.33%	4.34%	4.45%
Jul-03	1.12%	1.47%	1.93%	2.87%	3.45%	3.98%	4.92%	5.00%
Aug-03	1.31%	1.86%	2.44%	3.37%	3.96%	4.45%	5.39%	5.41%
Sep-03	1.24%	1.71%	2.23%	3.18%	3.74%	4.27%	5.21%	5.23%
Oct-03	1.25%	1.75%	2.26%	3.19%	3.75%	4.29%	5.21%	5.24%
Nov-03	1.34%	1.93%	2.45%	3.29%	3.81%	4.30%	5.17%	5.20%
Dec-03	1.31%	1.91%	2.44%	3.27%	3.79%	4.27%	5.11%	5.15%
Jan-04	1.24%	1.76%	2.27%	3.12%	3.65%	4.15%	5.01%	5.05%
Twelve-Month Average	<u>1.23%</u>	<u>1.66%</u>	<u>2.11%</u>	<u>2.97%</u>	<u>3.53%</u>	<u>4.02%</u>	<u>4.96%</u>	<u>5.01%</u>
Six-Month Average	<u>1.28%</u>	<u>1.82%</u>	<u>2.35%</u>	<u>3.24%</u>	<u>3.78%</u>	<u>4.29%</u>	<u>5.18%</u>	<u>5.21%</u>
Three-Month Average	<u>1.30%</u>	<u>1.87%</u>	<u>2.39%</u>	<u>3.23%</u>	<u>3.75%</u>	<u>4.24%</u>	<u>5.10%</u>	<u>5.13%</u>

Note: (1) Prior to February 18, 2002, the yields represented the 30-year Treasury constant maturity series.

Measures of the Risk-Free Rate

The forecast of Treasury yields
per the consensus of nearly 50 economists
reported in the Blue Chip Financial Forecasts dated February 1, 2004

<u>Year</u>	<u>Quarter</u>	<u>1-Year Treasury Bill</u>	<u>2-Year Treasury Note</u>	<u>5-Year Treasury Note</u>	<u>10-Year Treasury Note</u>	<u>Long-term Average</u>
2004	First	1.3%	1.9%	3.3%	4.3%	5.1%
2004	Second	1.5%	2.1%	3.4%	4.5%	5.3%
2004	Third	1.8%	2.5%	3.7%	4.7%	5.5%
2004	Fourth	2.2%	2.8%	4.0%	4.9%	5.7%
2005	First	2.6%	3.2%	4.3%	5.1%	5.8%
2005	Second	3.0%	3.5%	4.5%	5.3%	6.0%

THE VALUE LINE

Investment Survey®

Part 1
**Summary
&
Index**

File at the front of the
Ratings & Reports
binder. Last week's
Summary & Index
should be removed.

February 13, 2004

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The Median of Estimated
PRICE-EARNINGS RATIOS
of all stocks with earnings

19.4

26 Weeks Ago	Market Low	Market High
17.1	9-21-01 15.4	4-16-02 20.9

The Median of Estimated
DIVIDEND YIELDS
(next 12 months) of all dividend
paying stocks under review

1.7%

26 Weeks Ago	Market Low	Market High
2.0%	9-21-01 2.2%	4-16-02 1.6%

The Estimated Median Price
APPRECIATION POTENTIAL
of all 1700 stocks in the hypothesized
economic environment 3 to 5 years hence

40%

26 Weeks Ago	Market Low	Market High
60%	9-21-01 105%	4-16-02 55%

ANALYSES OF INDUSTRIES IN ALPHABETICAL ORDER WITH PAGE NUMBER			
Numeral in parenthesis after the industry is rank for probable performance (next 12 months).			
	PAGE	PAGE	PAGE
Advertising (61)	1923	Educational Services (3)	1584
Aerospace/Defense (46)	543	Electrical Equipment (51)	1001
Air Transport (48)	253	Electric Util. (Central) (94)	695
*Apparel (74)	1651	Electric Utility (East) (97)	154
Auto & Truck (49)	101	*Electric Utility (West) (86)	1774
Auto Parts (26)	798	Electronics (27)	1024
Bank (63)	2101	Entertainment (17)	1862
Bank (Canadian) (53)	1570	Entertainment Tech (41)	1598
Bank (Midwest) (78)	613	Environmental (38)	353
Beverage (Alcoholic) (31)	1537	Financial Svcs. (Div.) (40)	2133
Beverage (Soft Drink) (13)	1545	Food Processing (70)	1481
Biotechnology (62)	671	Food Wholesalers (52)	1532
Building Materials (79)	851	Foreign Electronics (18)	1561
Cable TV (54)	831	Foreign Telecom. (6)	771
Canadian Energy (90)	428	Furn/Home Furnishings (69)	895
Cement & Aggregates (50)	888	Grocery (75)	1517
Chemical (Basic) (88)	1237	Healthcare Information (15)	658
Chemical (Diversified) (85)	1965	Home Appliance (65)	117
Chemical (Specialty) (81)	477	Homebuilding (1)	867
Coal (93)	526	Hotel/Gaming (56)	1877
Computers/Peripherals (25)	1109	Household Products (83)	944
Computer Software/Svcs (22)	2172	Human Resources (66)	1287
Diversified Co. (58)	1377	Industrial Services (71)	323
Drug (45)	1244	Information Services (9)	379
E-Commerce (7)	1435	Insurance (Life) (39)	1204
		Insurance (Prop/Cas.) (29)	585
		Internet (2)	2229
		Investment Co. (44)	963
		Investment Co.(Foreign) (14)	364
		Machinery (67)	1331
		Manuf. Housing/RV (10)	1554
		Maritime (11)	278
		Medical Services (8)	629
		Medical Supplies (21)	178
		Metal Fabricating (95)	565
		Metals & Mining (Div.) (23)	1227
		Natural Gas (Distrib.) (96)	458
		Natural Gas (Div.) (55)	437
		Newspaper (72)	1909
		Office Equip/Supplies (42)	1139
		Oilfield Svcs/Equip. (92)	1943
		Packaging & Container (89)	927
		Paper/Forest Products (80)	909
		Petroleum (Integrated) (59)	405
		Petroleum (Producing) (37)	1932
		Pharmacy Services (4)	786
		Power (36)	978
		Precious Metals (35)	1218
		Precision Instrument (57)	124
		Publishing (84)	1895
		Railroad (32)	285
		R.E.I.T. (98)	1176
		Recreation (64)	1841
		Restaurant (43)	840, 293
		*Retail Automotive (34)	1665
		Retail Building Supply (24)	881
		*Retail (Special Lines) (30)	1708
		*Retail Store (33)	1673
		Securities Brokerage (60)	1425
		Semiconductor (12)	1053
		Semiconductor Equip (20)	1094
		*Shoe (73)	1695
		Steel (General) (76)	575
		Steel (Integrated) (82)	1415
		Telecom. Equipment (5)	745
		Telecom. Services (47)	719
		Thrift (87)	1161
		Tire & Rubber (28)	111
		Tobacco (91)	1577
		Toiletries/Cosmetics (16)	820
		Trucking (68)	266
		Water Utility (77)	1421
		Wireless Networking (19)	511

*Reviewed in this week's issue.

In three parts: This is Part 1, the Summary & Index. Part 2 is Selection & Opinion. Part 3 is Ratings & Reports. Volume LIX, No. 24.
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Table 4 Basic Series

Summary Statistics
of Annual Returns

From 1926 to 2003

Asset Class	1/1/26 to 12/31/03		
	Geometric Mean	Arithmetic Mean	Standard Deviation
Large Company Stocks	10.4%	12.4%	20.4%
Small Company Stocks	12.7%	17.5%	33.3%
Long-Term Corporate Bonds	5.9%	6.2%	8.6%
Long-Term Government Bonds	5.4%	5.8%	9.4%
Intermediate-Term Government Bonds	5.4%	5.5%	5.7%
U.S. Treasury Bills	3.7%	3.8%	3.1%
Inflation	3.0%E	3.1%E	4.3%E

R = Revised
E = Estimated

Comparable Earnings Approach

Using All Value Line Non-Utility Companies with
Timeliness of 3, 4 & 5; Safety Rank of 1, 2, 3 & 4; Financial Strength of B+, B++ & A
Price Stability of 80 to 100; Betas of .45 to .75; and Technical Rank of 3 & 4

Company	Industry	Timeliness Rank	Safety Rank	Financial Strength	Price Stability	Beta	Technical Rank
ABM Industries Inc.	INDUSRV	4	2	B++	85	0.70	3
Applied Ind'l Techn.	MACHINE	4	3	B+	85	0.70	3
Arrow Int'l	MEDSUPPL	3	3	B++	80	0.55	3
Banta Corp.	PUBLISH	4	2	B++	95	0.70	3
Berkley (W.R.)	INSPRPTY	3	3	B+	80	0.75	4
Campbell Soup	FOODPROC	3	2	B++	95	0.65	3
ConAgra Foods	FOODPROC	4	2	A	90	0.70	3
Dean Foods	FOODPROC	3	3	B+	85	0.70	4
Franklin Electric	ELECEQ	3	2	B++	90	0.60	3
Gen'l Mills	FOODPROC	3	2	B+	100	0.55	3
Harland (John H.)	PUBLISH	3	3	B++	80	0.70	3
Hormel Foods	FOODPROC	3	1	A	100	0.60	3
Int'l Flavors & Frag.	CHEMSPEC	3	2	B++	90	0.70	3
Kellogg	FOODPROC	3	2	B++	90	0.55	3
Liberty Corp.	ENTRTAIN	5	2	B+	100	0.75	3
Markel Corp.	INSPRPTY	4	2	B++	95	0.75	3
Mathews Int'l	DIVERSIF	3	3	B+	90	0.55	3
McClatchy Co.	NWSPAPER	3	3	B+	90	0.75	3
McCormick & Co.	FOODPROC	3	2	B++	100	0.45	4
National Presto Ind.	APPLIANC	3	2	B+	100	0.55	3
Northrop Grumman	DEFENSE	5	3	B+	85	0.65	3
Old Nat'l Bancorp	BANKMID	5	2	B++	100	0.65	3
Pulitzer Inc.	NWSPAPER	3	2	B+	95	0.75	3
Quaker Chemical	CHEMSPEC	4	3	B+	85	0.75	3
Riviana Foods	FOODPROC	5	2	B++	85	0.60	3
RLI Corp.	INSPRPTY	3	2	B++	95	0.70	3
Ruddick Corp.	GROCERY	4	3	B+	80	0.75	3
Selective Ins. Group	INSPRPTY	3	3	B+	85	0.75	3
Sensient Techn.	FOODPROC	5	2	B++	90	0.70	4
ServiceMaster Co.	INDUSRV	3	3	B+	80	0.75	3
Smucker (J.M.)	FOODPROC	3	2	B++	90	0.60	3
St. Joe Corp.	HOMEILD	3	1	A	100	0.75	3
Tennant Co.	MACHINE	4	2	B++	85	0.70	3
Thomas Inds.	MACHINE	3	3	B+	85	0.75	3
Transatlantic Hldgs.	INSPRPTY	3	2	B++	100	0.75	3
Universal Corp.	TOBACCO	4	2	B++	90	0.65	3
Weis Markets	GROCERY	5	1	A	95	0.70	3
Wendy's Int'l	RESTRNT	3	2	A	85	0.70	3
Average		4	2	B++	90	0.67	3
Electric Group	Range	3 to 5	1 to 4	B+ to A++	80 to 100	.45 to .75	3
	Average	4	2	B++	92	0.66	3
Gas Group	Range	3 to 5	1 to 3	B+ to A	80 to 100	.55 to .75	3 to 4
	Average	4	2	B++	96	0.69	4

Source of Information: Value Line Investment Survey for Windows, January 2003

Comparable Earnings Approach
Five -Year Average Historical Eamed Returns
for Years 1998-2002 and
Projected 3-5 Year Returns

<u>Company</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Average</u>	<u>Projected 2006-08</u>
ABM Industries Inc.	13.9%	14.0%	13.7%	12.5%	12.1%	13.2%	15.5%
Applied Ind'l Techn.	10.2%	6.8%	10.4%	9.0%	4.9%	8.3%	12.5%
Arrow Int'l	16.3%	15.8%	17.0%	14.3%	13.1%	15.3%	12.5%
Banta Corp.	12.9%	15.4%	15.8%	14.2%	13.3%	14.3%	12.0%
Berkley (W.R.)	6.8%	NMF	4.2%	NMF	10.4%	7.1%	13.5%
Campbell Soup	100.0%	326.0%	521.2%	NMF	NMF	315.7%	39.5%
ConAgra Foods	22.6%	23.9%	27.0%	17.1%	18.2%	21.8%	18.0%
Dean Foods	15.7%	20.5%	20.1%	8.5%	17.0%	16.4%	11.0%
Franklin Electric	27.1%	27.8%	20.9%	22.0%	21.0%	23.8%	19.5%
Gen'l Mills	NMF	NMF	-	NMF	16.2%	16.2%	19.0%
Harland (John H.)	14.2%	25.3%	16.7%	19.3%	22.4%	19.6%	17.5%
Hormel Foods	15.0%	19.0%	19.5%	18.3%	17.0%	17.8%	15.0%
Int'l Flavors & Frag.	21.6%	22.0%	23.7%	25.8%	32.0%	25.0%	18.0%
Kellogg	61.7%	74.5%	72.6%	61.1%	79.4%	69.9%	32.0%
Liberty Corp.	9.8%	7.2%	4.4%	2.8%	6.1%	6.1%	7.0%
Markel Corp.	10.0%	7.6%	NMF	NMF	3.2%	6.9%	11.0%
Matthews Int'l	21.6%	21.8%	22.0%	21.0%	21.1%	21.5%	15.5%
McClatchy Co.	7.6%	9.4%	9.3%	6.3%	12.5%	9.0%	11.0%
McCormick & Co.	27.2%	31.8%	38.3%	33.3%	30.4%	32.2%	25.0%
National Presto Ind.	7.8%	8.2%	6.2%	2.7%	3.6%	5.7%	7.0%
Northrop Grumman	11.0%	14.8%	15.9%	5.5%	4.8%	10.4%	10.5%
Old Nat'l Bancorp	14.5%	16.8%	14.0%	15.5%	14.8%	15.1%	15.0%
Pullitzer Inc.	7.0%	2.8%	4.4%	1.3%	4.3%	4.0%	6.5%
Quaker Chemical	16.2%	19.0%	20.2%	16.8%	16.2%	17.7%	13.5%
Riviana Foods	16.4%	18.6%	18.6%	14.4%	15.3%	16.7%	14.0%
RLI Corp.	9.6%	10.7%	8.8%	9.0%	8.4%	9.3%	12.0%
Ruddick Corp.	11.4%	11.4%	10.8%	10.8%	12.3%	11.3%	11.5%
Selective Ins. Group	8.8%	9.4%	4.6%	4.5%	6.1%	6.7%	10.5%
Sensient Techn.	17.9%	18.6%	16.7%	15.1%	16.2%	16.9%	15.0%
ServiceMaster Co.	19.9%	18.6%	15.9%	9.4%	14.0%	15.6%	16.0%
Smucker (J.M.)	11.6%	11.4%	13.4%	12.2%	9.3%	11.6%	10.5%
St. Joe Corp.	3.7%	6.3%	16.7%	10.9%	9.5%	9.4%	11.0%
Tennant Co.	19.3%	17.7%	18.2%	7.8%	8.0%	14.2%	15.5%
Thomas Inds.	12.9%	12.5%	13.5%	11.9%	10.4%	12.2%	11.0%
Transatlantic Hldgs.	15.4%	11.4%	11.4%	1.0%	8.3%	9.5%	14.0%
Universal Corp.	23.8%	23.6%	23.7%	21.4%	18.1%	22.1%	17.0%
Weis Markets	8.5%	8.5%	7.9%	10.1%	10.4%	9.1%	10.0%
Wendy's Int'l	13.9%	15.6%	16.1%	18.8%	15.1%	15.9%	14.0%
Average						<u>23.5%</u>	<u>14.7%</u>
Median						<u>14.7%</u>	<u>13.8%</u>

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**PPL Electric Utilities Corporation
Response to Interrogatories of the
PP&L Industrial Customer Alliance, Set III,
Dated June 14, 2004**

Docket No. R-00049255

- Q.2. Please confirm whether funding for the Sustainable Energy Fund (however titled) was included as an expense item in the cost of service or unbundling analyses submitted in PPL's Restructuring Proceeding at Docket No. R-00973954.
- A.2. The Sustainable Energy Fund ("SEF") and the applicable funding thereof were established under Section E.5. of the Joint Petition For Full Settlement of PP&L, Inc.'s Restructuring Plan and Related Court Proceedings, which was approved by the Commission in its Final Order, entered on August 27, 1998, at Docket No. R-00973954. Accordingly, the funding amount for the SEF was not reflected as an expense item in the unbundling of the cost of providing service submitted by PPL Electric in its restructuring proceeding.

DOCUMENT

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**PPL Electric Utilities Corporation
Response to Informal Data Requests
of Eric Joseph Epstein
Dated June 14, 2004**

8/9/04
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Docket No. R-00049255

- Q.3. a) Does the Company believe line upgrades on PJM should be participant funded, socialized or a combination of both?
- b) Please explain the basis for PPL's rationale.
- c) If PPL believes a combination of participant and socialized funding is appropriate, please provide estimate contributions by percentage for each constituency.

A.3. a), b) and c)

The costs of line upgrades in PJM are allocated to those Market Participants that benefit from the upgrades. The PJM Office of the Interconnection is responsible for allocating the costs of the upgrades to the applicable Market Participants. PJM's cost/benefit analysis may result in the cost of an upgrade being socialized among all market participants or being wholly assigned to one party. In fact, a range of outcomes is possible. PPL Electric concurs with this methodology, which is specified in the PJM Operating Agreement, was approved by PJM members and the FERC.

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OCA STATEMENT NO. 1

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL ELECTRIC UTILITIES)
CORPORATION) DOCKET NO. R-00049255

DOCKETED

AUG 18 2004

DIRECT TESTIMONY OF
LAFAYETTE K. MORGAN, JR.

ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE

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JUNE 2004

EXETER

ASSOCIATES, INC.
5565 Sterrett Place
Suite 310
Columbia, Maryland 21044

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL ELECTRIC UTILITIES)
CORPORATION) DOCKET NO. R-00049255

Direct Testimony of Lafayette K. Morgan, Jr.

Introduction and Summary

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Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Lafayette K. Morgan, Jr. I am a Senior Regulatory Analyst with Exeter Associates, Inc. Our offices are located at 5565 Sterrett Place, Columbia, Maryland 21044. Exeter is a firm of consulting economists specializing in issues pertaining to public utilities.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND QUALIFICATIONS.

A. I received a Master of Business Administration degree from The George Washington University. The major area of concentration for this degree was Finance. I received a Bachelor of Business Administration degree with concentration in Accounting from North Carolina Central University. I am also a Certified Public Accountant licensed in the State of North Carolina.

Q. WOULD YOU PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE?

A. From May 1984 until June 1990, I was employed by the North Carolina Utilities Commission - Public Staff in Raleigh, North Carolina. I was responsible for analyzing testimony, exhibits, and other data presented by parties before the North Carolina Utilities Commission. I had the additional responsibility of performing the examinations of books and records of utilities involved in rate proceedings and summarizing the results

1 into testimony and exhibits for presentation before that Commission. I was also involved
2 in numerous special projects, including participating in compliance and prudence audits
3 of a major utility and conducting research on several issues affecting natural gas and
4 electric utilities.

5 From June 1990 until July 1993, I was employed by Potomac Electric Power
6 Company (Pepco) in Washington, D.C. At Pepco, I was involved in the preparation of
7 the cost of service, rate base and ratemaking adjustments supporting the company's
8 requests for revenue increases in the State of Maryland and the District of Columbia. I
9 also conducted research on several issues affecting the electric utility industry for
10 presentation to management.

11 In July 1993, I accepted my current position with Exeter Associates, Inc. Since
12 then, I have been involved in the analysis of the operations of public utilities, with
13 particular emphasis on utility rate regulation. I have also been involved in the review and
14 analysis of utility rate filings, focusing primarily on revenue requirements determination.
15 This work has involved natural gas, water, electric and telephone companies.

16 Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS
17 ON UTILITY RATES?

18 A. Yes. I have previously presented testimony and affidavits on numerous occasions before
19 the North Carolina Utilities Commission, the Pennsylvania Public Utility Commission,
20 the Virginia Corporation Commission, the Louisiana Public Service Commission, the
21 Georgia Public Service Commission, the Maine Public Utilities Commission, the
22 Kentucky Public Service Commission, the Public Utilities Commission of Rhode Island,
23 the Vermont Public Service Board, the Illinois Commerce Commission and the Federal
24 Energy Regulatory Commission (FERC).
25

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

2 A. Exeter Associates has been retained by the Office of Consumer Advocate (OCA) to
3 review the reasonableness of the level of revenues which PPL Electric Utilities
4 Corporation (PPL or the Company) is proposing to charge its customers. In this
5 testimony, I present my findings on behalf of the OCA regarding certain adjustments to
6 PPL's future test year rate base and net operating income at present rates. In addition, I
7 also present a summary of the OCA's findings regarding the current levels of PPL's
8 earnings and determine the necessary change in its revenues that is required to produce an
9 overall rate of return on rate base of 7.85 percent. This return is based on the
10 recommendation of OCA witness Matthew I. Kahal. Additionally, in my presentation of
11 the OCA's recommended revenue requirement, I have incorporated certain adjustments
12 to operating expenses and other recommendations that were proposed by Mr. Thomas S.
13 Catlin and Mr. Roger Colton, who are also OCA witnesses in this proceeding.

14 Q. IN CONNECTION WITH THIS CASE, HAVE YOU PERFORMED AN
15 EXAMINATION AND REVIEW OF THE COMPANY'S TESTIMONY AND
16 EXHIBITS?

17 A. Yes. I have reviewed PPL's testimony and exhibits, its rate filing, as well as its
18 responses to the OCA's, the Office of Trial Staff's and other parties' data requests.

19 Q. WOULD YOU PLEASE SUMMARIZE WHAT IS PRESENTED ON THE
20 ATTACHED SCHEDULES?

21 A. Yes. I have prepared a set of schedules that present my findings and recommendations
22 regarding the Company's rate base and net operating income. Schedule LKM-1
23 summarizes my overall findings regarding net operating income. Schedule LKM-2
24 presents a summary of rate base and my adjustments thereto. Schedule LKM-3
25 summarizes each of my adjustments to PPL's net income. Schedule LKM-18 presents a

1 reconciliation of the current income taxes. The remaining schedules show the derivation
2 of each of my adjustments to rate base and net operating income.

3 Q. PLEASE SUMMARIZE YOUR FINDINGS.

4 A. As shown on Schedule LKM-1, I have determined the appropriate change in PPL's
5 distribution revenues to be a \$115.1 million increase as compared to the Company's
6 request of \$164.4 million. This represents a reduction of \$49.3 million in the Company's
7 requested distribution revenue increase.

8 According to the Company's rate increase application, PPL is planning to also
9 pass through a Federal Energy Regulatory Commission (FERC)-approved transmission
10 rate increase of \$57.2 million to its customers beginning January 1, 2005. The Company
11 states that the combined transmission and distribution rate increases would produce an
12 overall increase in rates to distribution customers of 8.1 percent. In comparison, the
13 OCA recommended distribution revenue increase, when combined with the FERC-
14 approved transmission revenue increase, would result in a 6.8 percent increase in total
15 revenue.

16 Q. WHAT TIME PERIOD DID YOU USE IN YOUR ANALYSIS OF THE
17 COMPANY'S OPERATING RESULTS?

18 A. The Company's filing includes revenue requirement analyses based upon both a
19 historical test period ended December 31, 2003 and a future test period ending December
20 31, 2004. I have based my analysis of the Company's operating results on the future test
21 year ending December 31, 2004. This is the same period used by the Company to
22 determine its requested rate increase in its rate filing, direct testimony and exhibits.

23 Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

24 A. The remainder of this testimony addresses each of the adjustments that I am
25 recommending and is presented in the order identified in the table of contents to this

1 testimony. For each issue, I will document and explain why it was necessary to make the
2 adjustment.

3
4 **Rate Base Adjustments**

5 **Plant Held for Future Use**

6 Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO PLANT HELD FOR FUTURE
7 USE (PHFU).

8 A. In this proceeding, PPL's filing reflects the inclusion in rate base of \$2.2 million of land
9 held and rights-of-way recorded in the PHFU account. According to the Company's
10 testimony, the land and rights-of-way were purchased with the plan of using them for
11 future substations and distribution lines. PPL indicates that they were purchased far in
12 advance because it concluded that it was appropriate to do so due to cost considerations
13 and the availability of land at the time of purchase. While the Company's filing reflects
14 the inclusion of PHFU in rate base, PPL witness Douglas Krall indicates in his direct
15 testimony that, as an alternative, the Company is requesting approval for the authority to
16 accrue Allowance For Funds Used During Construction (AFUDC) on the PHFU
17 investment, and to be allowed recover the accrued AFUDC at the time that plant is placed
18 in service.

19 The adjustment I am recommending removes the entire balance of PHFU from
20 rate base. This adjustment is necessary because in order for plant to be included in rate
21 base, it must be used and useful. Clearly, the parcels of land that PPL has included in
22 rate base do not meet the standard of used and useful. On Schedule LKM-4, I present
23 this adjustment which reduces Pennsylvania jurisdictional rate base by \$2.2 million. The
24 revenue requirement effect of this adjustment is a decrease of \$260,000.

1 Q. YOU INDICATED THAT PPL IS REQUESTING THE AUTHORITY TO
2 ACCRUE AFUDC ON PHFU AS AN ALTERNATIVE TO INCLUDING PHFU
3 IN RATE BASE. WHAT IS YOUR POSITION ON THAT PROPOSAL?

4 A. I am recommending that the Commission accept PPL's alternative request and allow the
5 Company to accrue AFUDC on those specific parcels of land. However, the recovery of
6 the accrued AFUDC should still be subject to the normal regulatory oversight. In other
7 words, authorizing the accrual of AFUDC by the Commission should not be construed to
8 mean that the right of any party to challenge the recovery of the plant costs, including the
9 accrued AFUDC, has been precluded.
10

11 **Allowance for Cash Working Capital**

12 Q. HOW DO YOU DEFINE CASH WORKING CAPITAL?

13 A. For ratemaking purposes, cash working capital is the investment which a utility needs to
14 have on hand to fund its day-to-day operations. Positive cash working capital represents
15 funds provided by investors which should be included in rate base so that the Company
16 earns a return on it. Negative cash working capital represents ratepayer supplied funds
17 which should be recognized as a rate base offset.

18 Q. HOW DID THE COMPANY REFLECT CASH WORKING CAPITAL IN ITS
19 FILING?

20 A. The Company's cash working capital allowance is calculated based upon the results of a
21 lead-lag study. A lead-lag study is an in-depth analysis that measures the difference
22 between the lapse of time when the Company receives revenue for the provision of
23 service and the lapse of time when the Company pays for the costs of providing service.
24 This difference, expressed as a number of days is used to calculate the level of investor

1 funds advanced for operations if the difference is positive. If the difference is negative, it
2 is used to calculate the funds advanced by customers.

3 The revenue lag represents the average number of days from the date on which
4 service is provided to the customers until the date on which payment is received from the
5 customers. It is measured from the midpoint of the service period covered by the bill to
6 the date payment for that service is received by the Company. The Company's expense
7 lag represents the average number of days from the date the expense is incurred in
8 rendering service until the date the expense is paid.

9 After both the Company's revenue lag and expense payment lag have been
10 determined, one can make a reasonable approximation of the Company's cash working
11 capital requirement. This calculation is made by dividing the expenses by 365 days to
12 determine the average daily amount. The average daily amount is multiplied by the net
13 lead-lag days (the difference from subtracting the expense lag from the revenue lag) to
14 derive the Company's working capital requirements. If the total working capital
15 requirement is positive, it represents a level of funds that the investors must advance for
16 operations. If the amount is negative, then it is the customers who have advanced the
17 funds.

18 Q. PLEASE DEFINE THE TERMS "LEAD" AND "LAG" AS YOU USE THEM
19 IN YOUR TESTIMONY.

20 A. The term "lead" is used to indicate either the receipt of revenue prior to the date that
21 service is provided or the payment of an expense prior to the date that the expense is
22 incurred. The term "lag" is used to indicate either the receipt of revenue after the date
23 that service is provided or the payment of an expense after the date that the expense is
24 incurred.

1 Q. WHAT ADJUSTMENTS HAVE YOU MADE TO THE ALLOWANCE FOR
2 CASH WORKING CAPITAL?

3 A. I have made two adjustments to the cash working capital allowance. The first adjustment
4 involves the lag days assigned to materials and supplies expense. The Company
5 performed a voucher study to determine the number of lead or lag days for the various
6 expenses. A voucher study involves reviewing the invoices supporting the various
7 expenses to determine the service period and the payment date for each expense selected.
8 From that data, the lag or lead days assigned to each expense item is determined. As part
9 of my review of the calculation of the net lag days of materials and supplies expense, I
10 obtained additional information relating to the purchase of sulfur hexafluoride gas at one
11 of the Company's facilities. Based on that information, I disagree with the calculation of
12 the lead days assigned to a vendor for the delivery of sulfur hexafluoride gas.
13 Specifically, the Company assigned 85 lead days to the cost of the sulfur hexafluoride gas.
14 Those lead days were derived by using the number of days between the invoice date to
15 the payment date. Instead, the lead/lag days should be calculated from the delivery date
16 of the gas to the payment date. This is because, from a cash working capital perspective,
17 the Company has the benefit of using the gas cost free from the delivery date to the
18 payment date. Therefore, on Schedule LKM-5, page 3, I have recalculated the material
19 and supplies expense lag to correct the lead/lag days. As shown on that schedule, I have
20 assigned 311 lag days based upon a delivery date of August 30, 2002 and a payment date
21 of July 7, 2003.

22 The second adjustment to the cash working capital study is necessary to reflect
23 the level of expense deemed necessary for utility operations. As a result of the various
24 O&M expense adjustments that I have made to the cost of service, it is necessary to flow
25 those adjustments through the expenses contained in the cash working capital study to

1 avoid a misstatement of the cash working capital. On Schedule LKM-5, page 1, I show
2 the removal of the various O&M expense adjustments that I have made from the
3 expenses used in the cash working capital study.

4 The combination of these two adjustments results in a \$7.6 million decrease to
5 Pennsylvania jurisdictional rate base. The adjustment to cash working capital is
6 summarized on Schedule LKM-5, page 1, and it reduces the revenue requirement by
7 approximately \$894,000, based upon the OCA's rate of return.

8 9 Customer Deposits

10 Q. WHY HAVE YOU ADJUSTED CUSTOMER DEPOSITS?

11 A. In PPL's filing, the various components of rate base were projected through December
12 2004, with the exception of customer deposits and customer advances. From a review of
13 the monthly customer deposits balances for 2002 and 2003, there is a clear upward and
14 consistent trend in the balances from month to month. Because of this steady growth in
15 customer deposit over time, it is likely that the customer deposits balance will not remain
16 unchanged as depicted by the Company. Therefore, I do not believe it is reasonable to
17 treat the customer deposits balance as if it will remain flat. Instead, I believe those
18 balances should be subject to similar growth projections as has been done for other rate
19 base components. Consistent with the concept of projecting the other rate base
20 components, I am recommending an adjustment to customer deposits to project the
21 balance as of December 31, 2004. This projection is based upon the growth experienced
22 in the customer deposits account during 2003.

23 Q. WHY HAVE YOU BASED YOUR PROJECTION ON ONLY ONE YEAR'S
24 GROWTH?

1 A. Normally, I believe it is better to use data from several years to determine the growth.
2 However, only data for the years 2002 and 2003 were available to me. The growth for
3 2002 appeared to be abnormally high, and tended to skew the growth rate upward.
4 Therefore, I used the one-year growth because it results in a more conservative and lower
5 growth rate than the average of the two years of available data. The adjustment to reflect
6 the growth in customer deposits is presented on Schedule LKM-6. That adjustment
7 decreases rate base by \$5.080 million.

8 Q. HAVE YOU REFLECTED THE CORRESPONDING INCREASE IN
9 INTEREST ON CUSTOMER DEPOSITS?

10 A. Yes. Since the balance of customer deposits is expected to increase, it is necessary to
11 reflect the corresponding increase in interest on customer deposits that the Company is
12 obligated to pay for holding those deposits. On Schedule LKM-6, I also present this
13 adjustment which increases operating expenses by \$65,000. The net effect of including
14 the projected growth in customer deposits in rate base is a reduction in the revenue
15 requirement of approximately \$529,000, based upon the OCA's rate of return.
16

17 **Prepaid Postage**

18 Q. PLEASE EXPLAIN WHY YOU ARE RECOMMENDING AN ADJUSTMENT
19 TO REMOVE PREPAID POSTAGE FROM RATE BASE.

20 A. As part of the total working capital requirement, it is normal to include prepaid expenses
21 in rate base because they represent funds that the Company has to commit for certain
22 products or services before they are received. As a result, the Company is entitled to earn
23 a return on those committed funds. Consistent with that approach, PPL included prepaid
24 postage, as well as other prepayments in rate base in this proceeding. However, in the
25 lead/lag study, PPL also included postage expense with a 13.73 lead day assigned. With

1 respect to expenses in the cash working capital study, lead days represent prepayments,
2 and the effect of applying lead days to expenses is to provide the amount of committed
3 funds (or prepayments) on which a company is entitled to earn a return. Given that PPL
4 has already included prepaid postage in the lead/lag study with lead days assigned, it
5 would be inappropriate to also separately include prepaid postage in rate base because
6 doing so would result in including the prepayment twice. Thus, I disagree with the
7 Company's approach, and I am recommending an adjustment to remove the prepayments
8 from rate base.

9 On Schedule LKM-7, I have corrected this problem by removing the
10 Pennsylvania jurisdictional prepaid postage of \$361,000 from rate base. This adjustment
11 reduces revenue requirement by approximately \$42,000 based on the OCA's rate of
12 return. Under this approach, the Company is not denied a return on prepaid postage,
13 because I have allowed it to earn a return on the prepaid postage through the lead/lag
14 study.

15 16 **Revenue and Expense Adjustments**

17 **Community Affairs Department Expenses**

18 Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING FOR THE
19 COMMUNITY AFFAIRS DEPARTMENT COST?

20 A. The future test year operating expenses are based upon the Company's 2004 budget. The
21 Company had projected \$800,000 as the annual expense related to the Community
22 Affairs Department. However, according to the response to OTS-RE-86, the Company
23 indicates that the budgeted amount for the Community Affairs Department should have
24 been \$500,000 instead of the \$800,000 that was included in the cost of service. To reflect
25 this revision in the projected expense there needs to be adjustment to decrease expenses

1 by \$300,000. However, the \$300,000 is the total T&D amount. Therefore after applying
2 the Pennsylvania jurisdictional factor, I have made an adjustment of \$232,000 to the
3 Pennsylvania jurisdictional cost of service on Schedule LKM-10 to remove the excess
4 costs.

5
6 **Expiring Amortizations**

7 Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO REMOVE EXPIRING
8 AMORTIZATIONS.

9 A. PPL has included in operating expenses amounts for the amortization of power
10 management system software and deferred taxes related to cost of removal expense.
11 However, these costs will be fully amortized as of the end of 2004. As a result, they
12 should be removed from the revenue requirement calculation because they are no longer
13 ongoing costs. On Schedule LKM-11, I present the adjustments that reduce Pennsylvania
14 jurisdictional operating expenses by \$501,000 and increases deferred taxes by \$116,000.
15

16 **Environmental Remediation Expense**

17 Q. WHY HAVE YOU ADJUSTED ENVIRONMENTAL REMEDIATION
18 EXPENSE?

19 A. The future test year expense includes approximately \$3.6 million in environmental
20 remediation expenses. This level of expenses reflects a 17.5 percent increase in
21 environmental remediation expense over the previous year. However, when asked to
22 provide specific projects that support the projected \$3.6 million, PPL was unable to
23 provide specific projects or plans to support the claimed amount. While, it is recognized
24 that environmental remediation may be an ongoing activity in which the Company will
25 be involved, the amount claimed by the Company should be reasonable and properly
26 supported. Without adequate support, the \$3.6 million appears unreasonable relative to

1 recent years' expenditures. Therefore, I have used a 3-year average to derive a
2 reasonable amount to include for environmental remediation expense in this proceeding.

3 On Schedule LKM-12, I present this adjustment which reduces O&M expenses by
4 \$1.9 million on a Pennsylvania jurisdictional basis.

5
6 **Social Programs**

7 Q. WHAT ADJUSTMENT HAVE YOU MADE TO THE COST OF SOCIAL
8 PROGRAMS INCLUDED IN OPERATING EXPENSES?

9 A. OCA witness Roger Colton has reviewed the various social programs PPL has included
10 in this proceeding and has made certain recommendations for the level of costs to be
11 recognized in this proceeding. Consistent with Mr. Colton's testimony, I am presenting
12 an adjustment to normalize the annual costs of the On Track and WRAP programs. The
13 adjustment I am presenting normalizes the levels of cost related to these two programs
14 based upon the projected expenditures for 2005 and 2006. On Schedule LKM-13, I show
15 this adjustment which reduces operating expenses by \$1.9 million.

16
17 **Pension Expense**

18 Q. WHY HAVE YOU ADJUSTED PENSION EXPENSE?

19 A. The pension expense included in PPL's operating expenses is based upon a preliminary
20 estimate of pension expense available at the time the rate case was being prepared.
21 During discovery, the OCA sought and obtained the Company's 2004 actuarial valuation
22 report for pension expense. The adjustment I am recommending for pension expense
23 reflects the most recent actuarial valuation for pension expense rather than the
24 preliminary estimate. On Schedule LKM-14, I present this adjustment which reduces
25 Pennsylvania jurisdictional expenses by \$497,000.

1 **Postretirement Benefits Other Than Pension**

2 Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO POSTRETIREMENT
3 BENEFITS OTHER THAN PENSIONS (OPEB) EXPENSE.

4 A. Similar to pension expense, the OPEB expense included in operating expense is based
5 upon a preliminary estimate available at the time the rate case was prepared. During
6 discovery, the OCA requested and obtained the Company's actual 2004 OPEB expense
7 valuation amount. As a result, the adjustment I am recommending reflects the actual
8 2004 OPEB expense rather than the preliminary estimate. I have presented this
9 adjustment on Schedule LKM-15, and it results in a \$1.8 million decrease to
10 Pennsylvania jurisdictional expense.

11
12 **Capital Stock Tax**

13 Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO THE CAPITAL STOCK TAX
14 EXPENSE.

15 A. The Company included \$7.2 million as the budgeted level of capital stock tax expense for
16 the test period. The \$7.2 million is based upon the capital stock tax formula as provided
17 in Pennsylvania Corporate Tax Report Form. The adjustment I am recommending is
18 necessary to reflect two changes that must be recognized. First, during 2000, legislation
19 was passed to phase out the capital stock tax by 2008. According to the legislation there
20 will be a 1 mill reduction from the current rate of 6.99 mills for the 2005 calendar year.
21 Therefore, I have calculated the capital stock tax based upon the capital stock tax rate of
22 5.99 mills that will be in effect during the rate effective period.

23 The second change that must be recognized involves the net income component of
24 the formula provided on Pennsylvania Corporate Tax Report Form. As part of that
25 formula, the future test year and the four preceding years were averaged to derive the net
26 income component of the formula. As calculated by PPL, the net income component

1 includes the years 2000 through 2004. However, when compared to other years, the net
2 income for 2000 and 2001 were significantly higher. It is my understanding that those
3 years were higher because they included the results of the electric generation operations,
4 which are no longer part of the Company's business. Therefore, I have removed 2000
5 and 2001 from the capital stock tax calculation because it is inappropriate to include
6 generation costs in the cost of providing electric distribution service. Although I
7 removed 2000 and 2001, I have added a projection of 2005 net income to the net income
8 portion of the formula. The addition of the 2005 net income recognizes that the
9 Company's net income will increase as a result of a rate increase that is granted.

10 On Schedule LKM-16, I present this adjustment which reduces Taxes Other Than
11 Income by \$2.5 million. The adjustment presented on Schedule LKM-16 combines the
12 effect of the changes discussed above.

13 Q. ARE THERE ANY OTHER ISSUES RELATING TO THE CAPITAL STOCK
14 TAX THAT YOU WOULD LIKE TO DISCUSS?

15 A. Yes. In PPL's filing, it included the capital stock tax in revenue requirement gross-up
16 factor. As a result, the revenue requirement sought by PPL included an additional
17 \$471,000. In my presentation of the revenue requirements, I have removed the capital
18 stock tax from the gross-up factor. Given that I have included the 2005 net income in
19 capital stock tax calculation, the effect of the rate increase has been reflected. Therefore,
20 the revenue gross-up factor should not include a component for the capital stock tax. By
21 removing the capital stock tax from the gross-up factor, I have reduced the revenue
22 requirement by \$471,000.
23

1 **Interest Synchronization**

2 Q. PLEASE EXPLAIN YOUR INTEREST SYNCHRONIZATION
3 ADJUSTMENT.

4 A. To determine the tax-deductible interest for ratemaking, I have multiplied the adjusted
5 rate base by the weighted cost of debt included in the capital structure. This procedure
6 synchronizes the interest deduction for tax purposes with the interest component of the
7 return on rate base to be recovered from ratepayers. As shown in Schedule LKM-17, this
8 adjustment decreases the interest deduction by \$207,000 compared to the interest
9 deduction recognized by PPL in its filing. This increases state and federal income taxes
10 by \$21,000 and \$65,000, respectively.
11
12

13 **Transmission Revenues**

14 Q. ARE THERE ANY ADDITIONAL COMMENTS YOU WOULD LIKE TO
15 MAKE?

16 A. Yes. In PPL's 2004 operating budget, the Company projected a \$4.6 million decrease in
17 Other Electric Revenues to recognize lower transmission access revenues and changes in
18 PJM rules. \$3.4 million of the reduction was related to the anticipated loss of Point-to-
19 Point (PTP) Revenues Related to ComEd's integration into PJM. This loss of revenue
20 was based upon a FERC Order that eliminated the PTP revenues as of April 4, 2004.
21 However, there has been a modification in the revenue structure related to ComEd's
22 integration. FERC has allowed the imposition of Seams Elimination Charge Assessments
23 (SECAs) effective April 4, 2004 to enable the recovery of the loss of PTP revenues. The
24 simultaneous elimination of PTP revenues and the imposition SECA revenues has been
25 postponed until December 1, 2004. As part of the settlement in the FERC proceeding,
26 the parties have committed to develop a long-term rate design. Therefore, the anticipated

1 revenue loss, as projected by PPL, did not occur. In fact, PPL expects its 2004 PTP
2 revenues to be \$4.1 million, which is higher than 2003 level of \$3.4 million.

3 The above revenue changes are transmission service revenues rather than
4 distribution service revenues. However, it is important that the Commission take notice
5 of the above revenue change because the Company has indicated its intent to pass
6 through a \$57.2 million transmission rate increase to its customers. Given that the
7 transmission revenues of \$3.4 million are no longer being eliminated, the level of
8 transmission rate increase being passed through to ratepayers should reflect a
9 corresponding decrease because of the mechanisms to be put in place to recover the
10 anticipated loss of revenues.

11 Q. DOES THIS END YOUR TESTIMONY?

12 A. Yes, it does.

13

14 00080025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PPL ELECTRIC UTILITIES)
CORPORATION) DOCKET NO. 00049255**

**SCHEDULES ACCOMPANYING THE
DIRECT TESTIMONY OF
LAFAYETTE K. MORGAN, JR.**

**ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE**

JUNE 2004

EXETER

**ASSOCIATES, INC.
5565 Sterrett Place
Suite 310
Columbia, Maryland 21044**

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Docket No. R-00049255
Schedule LKM-1
Page 1 of 2

PA PUBLIC UTILITY COMMISSION
ELECTRIC UTILITIES CORPORATION
SECRETARY'S BUREAU

Summary of Operating Income
For the Test Year Ended December 31, 2004
(\$000)

	PAPUC Jurisdictional Amount per Co.	OCA Cost of Service Adjustments	Amount After Adjustments	OCA Recommended Change In Revenue	After Proposed Rate Increase
Total Operating Revenues	\$ 523,208	\$ -	\$ 523,208	\$ 115,109	\$ 638,317
<u>Operating Expenses</u>					
O&M Expenses	\$ 309,837	\$ (11,148)	\$ 298,689	\$ -	\$ 298,689
Depreciation & Amortization Expenses	93,906	(501)	93,405	-	93,405
Taxes Other Than Income	44,588	(2,517)	42,071	6,791	48,862
Current State Income Tax	(170)	1,436	1,266	10,821	12,087
Current Federal Income Tax	(25,502)	4,528	(20,974)	34,124	13,150
Deferred Income Taxes	30,464	116	30,580	-	30,580
Investment Tax Credit	(1,913)	-	(1,913)	-	(1,913)
Total Operating Expenses	\$ 451,210	\$ (8,086)	\$ 443,124	\$ 51,736	\$ 494,860
Net Operating Income	\$ 71,998	\$ 8,086	\$ 80,084	\$ 63,373	\$ 143,457
Rate Base	\$ 1,842,744		\$ 1,827,479		\$ 1,827,479
Return On Rate Base	3.91%		4.38%		7.85%

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PPL ELECTRIC UTILITIES CORPORATION

Summary of Revenue Increase at Company Rate of Return
 For the Test Year Ended December 31, 2004
 (\$000)

	<u>Amount</u>	
Adjusted Rate Base	\$ 1,827,479	Schedule LKM-2, Page 2
Required Rate of Return	<u>7.850%</u>	
Net Operating Income Required	\$ 143,457	
Net Operating Income at Present Rates	<u>80,084</u>	Schedule LKM-1, Page 1
Income Deficiency/(Surplus)	\$ 63,373	
Revenue Multiplier	<u>1.816378</u>	
Required Change in Company Revenue	<u>\$ 115,109</u>	
Proposed Revenue Change	\$ 115,109	
Gross Revenues Tax	5.900% <u>6,791</u>	
Subtotal	\$ 108,318	
State Income Tax	9.990% <u>10,821</u>	
Subtotal	\$ 97,497	
Federal Income Tax	35.00% <u>34,124</u>	
Net Income Increase Required	<u>\$ 63,373</u>	

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Schedule LKM- 2
Page 1 of 2

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
PPL ELECTRIC UTILITIES CORPORATION

Summary of Rate Base
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	PAPUC Jurisdictional Amount per Co.	OCA Rate Base Adjustments	Amount After Adjustments
Total Plant in Service	\$ 3,426,913	\$ -	\$ 3,426,913
Accumulated Depreciation	(1,287,091)	-	(1,287,091)
Net Plant in Service	\$ 2,139,822	\$ -	\$ 2,139,822
Cash Working Capital	\$ 18,389	\$ (7,972)	\$ 10,417
Materials & Supplies	22,698	-	22,698
Plant Held For Future Use	2,200	(2,213)	(13)
Customer Advances	(174)	-	(174)
Customer Deposits	(16,039)	(5,080)	(21,119)
Accumulated Deferred Income Taxes	(324,152)	-	(324,152)
Total Rate Base	<u>\$ 1,842,744</u>	<u>\$ (15,265)</u>	<u>\$ 1,827,479</u>

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PPL ELECTRIC UTILITIES CORPORATION

Summary of Rate Base Adjustments
For the Test Year Ended December 31, 2004
(\$000)

	<u>Source</u>	PAPUC Jurisdictional Amount per Co.
Rate Base per Company Filing	Schedule LKM-2, Page 1	<u>\$ 1,842,744</u>
<u>OCA Adjustments:</u>		
Plant Held For Future Use	Schedule LKM-4	\$ (2,213)
Cash Working Capital	Schedule LKM-5, Page 1	(7,611)
Customer Deposits	Schedule LKM-6	(5,080)
Prepayments	Schedule LKM-7	<u>(361)</u>
Total Ratemaking Adjustments		<u>\$ (15,265)</u>
Adjusted Rate Base per OCA		<u><u>\$ 1,827,479</u></u>

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Schedule LKM-3
Page 1 of 2

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
PPL ELECTRIC UTILITIES CORPORATION

Summary of Adjustments to Net Income
For the Test Year Ended December 31, 2004
(\$000)

	<u>Total Company Amount</u>
Net Income per Company	\$ 71,998
<u>OCA Adjustments:</u>	
Remove AMR Displacement Amortization	\$ 1,032
Remove Hurricane Isabel Amortization	1,756
Revise Community Affairs Department Expenses	136
Remove Expiring Amortizations	177
Normalize Environmental Remediation Expenses	1,125
Normalize Certain Social Programs Expense	1,141
Annualize Pension Expense	291
Annualize Postretirement Benefits Expense	1,079
Annualize Interest on Customer Deposits	(38)
Annualize Capital Stock Tax	1,472
Interest Synchronization	(86)
Total Ratemaking Adjustments	<u>\$ 8,086</u>
Total Adjusted Net Income per OCA	<u><u>\$ 80,084</u></u>

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PPL ELECTRIC UTILITIES CORPORATION

Summary of Adjustments to Net Income
 For the Test Year Ended December 31, 2004
 (\$000)

	Operating Revenues	O&M Expenses	Depreciation & Amortization Expenses	Taxes Other Than Income	Current State Income Taxes	Current Federal Income Tax	Deferred Income Taxes	Investment Tax Credit	Net Operating Income
Total Company Amount per Company	\$ 523,208	\$ 309,837	\$ 93,906	\$ 44,588	\$ (170)	\$ (25,502)	\$ 30,464	\$ (1,913)	\$ 71,998
<u>OCA Adjustments:</u>									
Remove AMR Displacement Amortization	\$ -	\$ (1,764)	\$ -	\$ -	\$ 176	\$ 556	\$ -	\$ -	\$ 1,032
Remove Hurricane Isabel Amortization	-	(3,002)	-	-	300	946	-	-	1,756
Revise Community Affairs Department Expenses	-	(232)	-	-	23	73	-	-	136
Remove Expiring Amortizations	-	-	(501)	-	50	158	116	-	177
Normalize Environmental Remediation Expenses	-	(1,924)	-	-	192	606	-	-	1,125
Normalize Certain Social Programs Expense	-	(1,950)	-	-	195	614	-	-	1,141
Annualize Pension Expense	-	(497)	-	-	50	157	-	-	291
Annualize Postretirement Benefits Expense	-	(1,844)	-	-	184	581	-	-	1,079
Annualize Interest on Customer Deposits	-	65	-	-	(7)	(21)	-	-	(38)
Annualize Capital Stock Tax	-	-	-	(2,517)	251	793	-	-	1,472
Interest Synchronization	-	-	-	-	21	65	-	-	(86)
Total Ratemaking Adjustments	\$ -	\$ (11,148)	\$ (501)	\$ (2,517)	\$ 1,436	\$ 4,528	\$ 116	\$ -	\$ 8,086
Total Adjusted Income	\$ 523,208	\$ 298,689	\$ 93,405	\$ 42,071	\$ 1,266	\$ (20,974)	\$ 30,580	\$ (1,913)	\$ 80,084

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Docket No. R-00049255
Schedule LKM-4

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Plant Held For Future Use
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	PAPUC Jurisdictional Amount	1/
Substations	\$ 1,917	
Lines	30	
Other	266	
Total	\$ 2,213	
Adjustment to Rate Base	\$ (2,213)	

Notes:

1/ Exhibit Future 1C, C-3.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Docket No. R-00049255

Schedule LKM-5

Page 1 of 3

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Allowance for Cash Working Capital
For the Test Year Ended December 31, 2004
(\$000)

	<u>Amount</u>	
Total Pro Forma O&M Expenses	\$ 406,890	
<u>Less: Non-cash Items and Adjustments</u>		
Uncollectibles	17,500	
On-Track Customer Assistance Expense	3,700	
Amortization of AMR Displacement costs	1,764	
Amortization of Hurricane Isabel Deferred Costs	3,002	
Adjustment to Community Affairs Department Expenses	300	
Adjustment to Environmental Remediation Expenses	2,483	
Adjustment to Equipment Lease Expense	1,950	
Adjustment to Pension Expense	525	
Adjustment to Postretirement Benefits Expense	1,950	
Adjustment to Social Programs	1,950	
	<u>35,124</u>	
Total Reductions from Working Capital Base	\$ 371,766	
Pro Forma O&M Expenses for Cash Working Capital		
Daily O&M Expense	\$ 1,019	
Average Revenue Lag Days	45.50	2/
Average O&M Expense Lag Days	<u>41.79</u>	3/
Average Net Lag	3.71	
O&M Expense Cash Working Capital per OCA	\$ 3,777	
O&M Expense Cash Working Capital per PPL	<u>13,990</u>	3/
Adjustment to Cash Working Capital	\$ (10,213)	
PAPUC Jurisdictional Allocation Factor	<u>74.52%</u>	4/
Adjustment to Cash Working Capital	<u>\$ (7,611)</u>	

DOCUMENT

Notes:

1/ Exhibit Future C-4, Page 2.

2/ Revenue Lag Days per Exhibit Historic C-4, Page 2.

3/ Schedule LKM-5, Page 2.

4/ Calculated based on data presented on Exhibit JMK-2, Page 16, Line 9.

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PPL ELECTRIC UTILITIES CORPORATION

Calculation of Other Expenses Lag
 For the Test Year Ended December 31, 2004

	Amount	1/	Days Lags	1/	Dollar Days
Employee Expenses	\$ 636,938		12.00		\$ 7,643,256
Materials & Supplies	617,554		65.00	2/	40,142,968
Printing & Office Supplies	301,276		(5.64)		(1,699,197)
Tree Trimming	3,862,562		56.08		216,612,477
Work by Outsiders	4,946,413		80.71		399,224,993
Services	1,726,824		54.52		94,146,444
Postage	1,277,309		(13.73)		(17,537,453)
Telephones & leased Wires	624,380		18.29		11,419,910
Rents	1,883,186		(22.25)		(41,900,889)
Advertising	739,563		9.55		7,062,827
Miscellaneous	2,836,460		34.49		97,829,505
Adjustment to O&M Expenses	\$ 19,452,465				\$ 812,944,844
Weighted Lag Days			<u>41.79</u>		

Notes:

- 1/ Attachment II-B-4, Page 4.
 2/ Schedule LKM-5, Page 3.

PPL ELECTRIC UTILITIES CORPORATION

Calculation of Materials & Supplies Expense Lag
 For the Test Year Ended December 31, 2004

	Amount	1/	Days Lags	1/	Dollar Days
Flir Systems	\$ 50,827.00		83		\$ 4,218,641
Achieveglobal Inc.	13,623.12		36		490,432
Benson W Probst Excavating	1,244.44		30		37,333
Greentree Transportation Co.	546.48		21		11,476
BOC Gases	299.88		41		12,295
ITRON	17,162.31		49		840,953
Achieveglobal Inc.	13,623.12		36		490,432
Megasys Inc.	11,315.78		131		1,482,367
Keystone Fluid Power	720.13		30		21,604
United Parcel Service	358.02		19		6,802
Burkhardt Excavating	201.00		122		24,522
Flir Systems	104,848.57		47		4,927,883
Megasys Inc.	8,968.78		82		735,440
Osmose Utilities Services Inc.	8,205.05		50		410,253
Airgas East	5,842.00		311	2/	1,816,862
Brazen Software Inc.	1,023.96		16		16,383
Emery Forwarding	506.66		43		21,786
UGI Utilities Inc.	247.20		28		6,922
	<u>\$ 239,563.50</u>				<u>\$ 15,572,387.24</u>
Weighted Lag Days			<u>65.00</u>		

Notes:

1/ Attachment II-B-4, Page 5.

2/ Calculated based on a delivery date of 8/30/2002 and a payment date of 7/7/2003.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Docket No. R-00049255
Schedule LKM-6

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Reflect Projected Customer Deposits
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>PAPUC Jurisdictional Amount</u>
<u>Rate Base Adjustment</u>	
Customer Deposits At December 2003	\$ 16,039 1/
2003 Growth Rate	<u>132% 2/</u>
Projected Customer Deposits At December 2004	21,119
Projected Customer Deposits At December 2004 per PPL	<u>\$ 16,039</u>
Adjustment to Rate Base	<u>\$ 5,080</u>
<u>Expense Adjustment</u>	
Projected Customer Deposits At December 2004	\$ 21,119
Interest Rate	<u>1.28% 3/</u>
Interest on Customer Deposits	\$ 270
Interest on Customer Deposits per Company	<u>205 3/</u>
Adjustment to O&M Expense	<u>\$ 65</u>

Notes:

- 1/ Exhibit Future 1C, C-1.
2/ Calculated based on the response to OTS-RE-62.
3/ Exhibit Future 1D, D-7.

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Docket No. R-00049255
Schedule LKM-7

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Prepaid Postage
For the Test Year Ended December 31, 2004
(\$000)

	PAPUC Jurisdictional Amount
Prepaid Postage Included in Rate Base	\$ 381 1/
PAPUC Jurisdictional Allocation Factor	<u>94.75% 2/</u>
Adjustment to Rate Base	<u>\$ (361)</u>

DOCUMENT

Notes:

1/ Exhibit Future 1C, C-4.

2/ Calculated based on data presented on Exhibit JMK-2, Page 17, Line 3.

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Docket No. R-00049255
Schedule LKM-8

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Amortization of AMR Displacement Costs
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Amount</u>
Annual Amortization of AMR Displacement Costs	\$ 1,764 1/
PAPUC Jurisdictional Allocation Factor	<u>100.00% 2/</u>
Adjustment to O&M Expenses	<u>\$ (1,764)</u>

Notes:

1/ Exhibit Future D-9.

2/ Exhibit JMK-2, Page 19, Line 12.

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Docket No. R-00049255
Schedule LKM-9

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Amortization of Hurricane Isabel Costs
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Amount</u>
Annual Amortization of Hurricane Isabel Costs	\$ 3,002 1/
PAPUC Jurisdictional Allocation Factor	<u>100.00% 2/</u>
Adjustment to O&M Expenses	<u>\$ (3,002)</u>

Notes:

- 1/ Exhibit Future D-10.
- 2/ Exhibit JMK-2, Page 19, Line 13.

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Docket No. R-00049255
Schedule LKM-10

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Revise Community Affairs Department Expenses
For the Test Year Ended December 31, 2004
(\$000)

	<u>Amount</u>
Revised Community Affairs Department Expenses	\$ 500 1/
Community Affairs Department Expenses per Filing	<u>800 2/</u>
Adjustment to T&D O&M Expenses	\$ (300)
PAPUC Jurisdictional Allocation Factor	<u>77.46% 3/</u>
Adjustment to O&M Expenses	<u>\$ (232)</u>

DOCUMENT

Notes:

1/ Response to OTS-RE-86.

2/ Part II-D-8, Page 2 of Company's filing.

3/ Calculated based on data presented on Exhibit JMK-2, Page 19, Line 5.

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Docket No. R-00049255
Schedule LKM-11

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Expiring Amortizations
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Amount</u>
<u>Power Management System Software:</u>	
Adjustment to T&D O&M Expenses	\$ (530) 1/
PAPUC Jurisdictional Allocation Factor	94.58% 2/
Adjustment to O&M Expenses	<u>\$ (501)</u>
<u>Deferred Income Taxes Related to Removal Costs:</u>	
Adjustment to T&D Deferred Income Taxes	\$ 177 1/
PAPUC Jurisdictional Allocation Factor	65.54% 3/
Adjustment to Deferred Income Taxes	<u>\$ 116</u>

Notes:

1/ Response to OCA-III-53.

2/ Calculated based on data presented on Exhibit JMK-2, Page 20, Line 25.

3/ Calculated based on data presented on Exhibit JMK-2, Page 23, Line 7.

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Docket No. R-00049255
Schedule LKM-12

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Normalize Environmental Remediation Expense
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT Amount

2001 Environmental Remediation Expense	\$ 193 1/
2002 Environmental Remediation Expense	- 1/
2003 Environmental Remediation Expense	<u>3,025 1/</u>
Average Environmental Remediation Expense	\$ 1,073
Environmental Remediation Expense Included in Cost of Service	<u>3,556 2/</u>
Adjustment to T&D O&M Expenses	\$ (2,483)
PAPUC Jurisdictional Allocation Factor	<u>77.46% 3/</u>
Adjustment to O&M Expenses	<u>\$ (1,924)</u>

Notes:

1/ Response to OTS-RE-81.

2/ Attachment II-D-7a.

3/ Calculated based on data presented on Exhibit JMK-2, Page 13, Line 27.

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Docket No. R-00049255
Schedule LKM-13

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Normalize Certain Social Programs Expense
For the Test Year Ended December 31, 2004
(\$000)

	Annualized Amount
Average Annual Expenditure for On Track Program	\$ 13,200 1/
Average Annual Expenditure for WRAP Program	<u>6,250 1/</u>
Annual Expenditure for On Track and WRAP programs	\$ 19,450
Annual Expenditure for On Track and WRAP programs in O&M Expenses	<u>21,400 2/</u>
Adjustment to T&D O&M Expenses	\$ (1,950)
PAPUC Jurisdictional Allocation Factor	<u>100.00% 3/</u>
Adjustment to O&M Expenses	<u>\$ (1,950)</u>

DOCUMENT

Notes:

- 1/ Based upon 2005 and 2006 expenditures per page 12, line 13 of witness Dahl's direct testimony.
- 2/ Exhibit Future I, D-8.
- 3/ Calculated based on data presented on Exhibit JMK-2, Page 19, Line 11.

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Schedule LKM-14

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annualize Pension Expense
For the Test Year Ended December 31, 2004
(\$000)

	<u>Amount</u>
<u>PPL Retirement Plan</u>	
Pension Cost per April 2004 Actuarial Study	3,878 1/
PPL Electric Allocation Factor	<u>36.64% 2/</u>
PPL Electric Allocated Pension Costs	\$ 1,421 1/
O&M Percentage	<u>69.50% 2/</u>
PPL Electric Pension Expense	\$ 988
PPL Electric Pension Expense per Budget	<u>1,477 2/</u>
Adjustment to PPL Retirement Plan Expenses	\$ (489)
<u>PPL Supplemental Executive Retirement Plan (SERP)</u>	
Company's Assumed Increase in SERP	<u>(36) 2/</u>
Adjustment to T&D O&M Expenses	\$ (525)
PAPUC Jurisdictional Allocation Factor	<u>94.60% 3/</u>
Total Adjustment to O&M Expense	<u>\$ (497)</u>

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AUG 18 2004

Notes:

1/ Page SI-4 of April 2004 Actuarial Valuation Report provided in the response to OTS-RE-92.

2/ Per Response to OTS-RE-94.

3/ Calculated based on data presented on Exhibit JMK-2, Page 19, Line 8.

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Docket No. R-00049255
Schedule LKM-15

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annualize Postretirement Benefits Other Than Pension Expense
For the Test Year Ended December 31, 2004
(\$000)

	<u>Amount</u>
2004 OPEB Actuarial Study Costs	\$ 27,946 1/
PPL Electric Allocation Factor	<u>39.76% 2/</u>
PPL Electric Allocated OPEB Costs	\$ 11,111
O&M Percentage	<u>69.50% 2/</u>
PPL Electric OPEB Expense	\$ 7,722
PPL Electric OPEB Expense per 2004 Budget	<u>9,672 2/</u>
Adjustment to T&D O&M Expenses	\$ (1,950)
PAPUC Jurisdictional Allocation Factor	<u>94.60% 3/</u>
Adjustment to O&M Expense	<u>\$ (1,844)</u>

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Notes:

1/ Response to OCA X-16.

2/ Per Response to OTS-RE-97.

3/ Calculated based on data presented on Exhibit JMK-2, Page 19, Line 8.

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Docket No. R-00049255
Schedule LKM-16

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Normalize Capital Stock Tax Expense
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	Amount	1/
2002 Net Income	\$ 43,633	
2003 Net Income	28,470	
2004 Net Income	45,551	
Projected 2005 Net Income	107,551	
Total Book Income up to 5 Years	\$ 225,205	
Divisor	4	
Average Net Income	\$ 56,301	
Average Net Income / 9.5%	\$ 592,645	
Net Worth @ End of Year	\$ 1,287,339	
Net Worth per Return X .75	\$ 965,504	
Total Average Net Income / 9.5% and Net Worth per Return X .75	\$ 1,558,149	
Subtotal Divided by 2	\$ 779,074	
Less Exemption	(125)	
Capital Stock Value	\$ 778,949	
Apportionment Percentage	0.995148	
Taxable Value	\$ 775,170	
Rate	0.599% 2/	
Capital Stock Tax	\$ 4,643	
Capital Stock Tax per Company	7,160	
Adjustment to Taxes Other Than Income	\$ (2,517)	

Notes

1/ Exhibit Future D-12, Page 2.

2/ Capital Tax Rate Effective 2005.

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Docket No. R-00049255
Schedule LKM-17

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Interest Synchronization Adjustment
For the Test Year Ended December 31, 2004

DOCUMENT

	Amount
Staff Rate Base	\$ 1,827,479 1/
Weighted Cost of Debt	3.32%
Adjusted Interest Deduction	\$ 60,672
Interest Deduction Per Company	60,879 2/
Adjustment to Synchronize Interest Expense	\$ (207)
Effective State Income Tax Rate	9.99%
Adjustment to State Income Taxes	\$.21
Federal Income Tax Base	(\$186)
Federal Income Tax Rate	35.00%
Adjustment to Federal Income Taxes	\$.65

Notes:

1/ Schedule LKM-2, Page 1.

2/ Exhibit JMK-2, Page 27, Line 1.

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PPL ELECTRIC UTILITIES CORPORATION

Reconciliation of State and Federal Income Taxes
 For the Test Year Ended December 31, 2004

	Test Year Per Company	Rate-making Adjustments	Test Year at Present Rates	Increase at OCA Rate of Return	After Proposed Increase
CALCULATION OF COMBINED CURRENT INCOME TAX					
Net Operating Income Before Income Taxes	\$ 46,326	\$ 14,166	\$ 60,492	\$ 108,318	\$ 168,810
Adjustments for Income Taxes (Including Interest)	(119,361)	207	(119,154)	-	(119,154)
Subtotal	\$ (73,035)	\$ 14,373	\$ (58,662)	\$ 108,318	\$ 49,656
Special Tax Deductions	71,330	-	71,330	-	71,330
State Taxable Income	\$ (1,705)	\$ 14,373	\$ 12,668	\$ 108,318	\$ 120,986
State Income Tax	39% \$ (170)	\$ 1,436	\$ 1,266	\$ 10,821	\$ 12,087
Federal Taxable Income Before State Income Tax	\$ (73,035)	\$ 14,373	\$ (58,662)	\$ 108,318	\$ 49,656
State Income Tax	\$ (170)	\$ 1,436	\$ 1,266	\$ 10,821	\$ 12,087
Federal Taxable Income	\$ (72,865)	\$ 12,937	\$ (59,927)	\$ 97,497	\$ 37,570
Federal Income Tax	35.00% \$ (25,503)	\$ 4,528	\$ (20,975)	\$ 34,124	\$ 13,149
Net Combined Current Income Tax	\$ (25,673)	\$ 5,964	\$ (19,709)	\$ 44,945	\$ 25,236
Total Combined Current Income Taxes (Schedule LKM-1, Page 1)	(25,672)	5,964	(19,708)	44,945	25,237
Unreconciled/Rounding	\$ (1)	\$ (0)	\$ (1)	\$ (0)	\$ (1)

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OCA STATEMENT NO. 1-S

8/9/04
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL ELECTRIC UTILITIES)
CORPORATION)

DOCKET NO. R-00049255

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AUG 18 2004

SURREBUTTAL TESTIMONY OF
LAFAYETTE K. MORGAN, JR.

ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE

2004 AUG 12 AM 9:50
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AUGUST 2004

EXETER

ASSOCIATES, INC.
5565 Sterrett Place
Suite 310
Columbia, Maryland 21044

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PPL ELECTRIC UTILITIES)
CORPORATION) DOCKET NO. R-00049255

Surrebuttal Testimony of Lafayette K. Morgan, Jr.

Introduction and Summary

- 1
- 2 Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?
- 3 A. My name is Lafayette K. Morgan, Jr. I am a Senior Regulatory Analyst with Exeter
4 Associates, Inc. Our offices are located at 5565 Sterrett Place, Columbia, Maryland
5 21044. Exeter is a firm of consulting economists specializing in issues pertaining to
6 public utilities.
- 7 Q. ARE YOU THE SAME LAFAYETTE MORGAN JR. WHO PRESENTED
8 DIRECT TESTIMONY IN THIS PROCEEDING?
- 9 A. Yes, I am.
- 10 Q. WHAT IS THE PURPOSE FOR YOUR SURREBUTTAL TESTIMONY?
- 11 A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimonies of PPL
12 witnesses Schadt, Krall and Kleha.
- 13 Q. ARE YOU PRESENTING ANY SCHEDULES WITH YOUR SURREBUTTAL
14 TESTIMONY?
- 15 A. Yes. I have attached Schedules LKM-1S through LKM-19S to this testimony. These
16 schedules present the OCA's updated position on PPL's rate increase. Based upon the
17 revisions I have made, and discuss herein, the OCA is now recommending an increase in
18 distribution revenues of \$115.6 million.
19

1 **Postretirement Benefits Other Than Pensions**

2 Q. MR. SCHADT HAS INDICATED THAT THE COMPANY'S PROJECTED
3 COST FOR POSTRETIREMENT BENEFITS HAS BEEN REVISED. WOULD
4 YOU PLEASE COMMENT?

5 A. In my direct testimony, I recommended an adjustment to the postretirement benefits other
6 than Pensions (OPEB) expense to reflect the most recent actuarial costs estimates.
7 Subsequent to filing my direct testimony, the Company provided a supplemental response
8 to OCA Data Request Nos. X-15 and 16, wherein it presented a revision to its OPEB
9 expenses. I have reviewed the data request response, and will accept the revised OPEB
10 expense presented by the Company. On Schedule LKM-15S, I present the revised
11 adjustment which increases O&M expenses by \$261,000 on a Pennsylvania jurisdictional
12 basis.

13
14 **Pension Expense**

15 Q. MR. SCHADT HAS INDICATED A DISAGREEMENT WITH ONE ASPECT
16 OF YOUR PENSION EXPENSE ADJUSTMENT. PLEASE COMMENT ON
17 THIS DISAGREEMENT.

18 A. As part of my adjustment to pension expense, I removed \$36,000 related to the
19 Supplemental Executive Retirement Plan (SERP). Mr. Schadt has indicated that the
20 actuarial estimates received by the Company support a \$30,000 adjustment instead of the
21 \$36,000 adjustment. I will accept the \$30,000 and have revised my adjustment,
22 presented on Schedule LKM-14S, to reduce O&M expenses by \$491,000 on a
23 Pennsylvania jurisdictional basis.

24
25 **Expiring Amortizations**

26 Q. MR. SCHADT DISAGREES WITH YOUR ADJUSTMENT TO ELIMINATE
27 THE AMORTIZATION OF CERTAIN DEFERRED TAXES RELATED TO

1 THE COST OF REMOVAL. WOULD YOU PLEASE CLARIFY YOUR
2 POSITION ON THIS ISSUE?

3 A. Yes. At the time of filing my direct testimony, the data available to me indicated that the
4 deferred taxes related to the cost of removal were going to be fully amortized as of the
5 end of 2004. However, according to Mr. Schadt's rebuttal testimony, the remaining
6 balance of deferred taxes to be amortized at December 31, 2003 was a credit of \$284,000,
7 with 1.6 years left to be amortized. Mr. Schadt states that because the amortization of the
8 deferred taxes does not expire at the end of 2004, as initially indicated, the \$177,000
9 amortization expense should continue to be included in rates.

10 However, according to the revised data, if the unamortized deferred tax balance at
11 December 31, 2003 was \$284,000, with an annual amortization of \$177,000, the
12 unamortized balance at December 31, 2004 would be \$107,000. Since the \$107,000 is
13 the remaining deferred tax amount that will be fully amortized during 2005, I believe that
14 is the amount that should be included in the cost of service instead of the \$177,000.
15 Therefore, I am recommending that the Commission adopt the \$107,000 annual
16 amortization expense. On Schedule LKM-11S, I present this adjustment which decreases
17 deferred income tax expense by \$46,000 on a Pennsylvania jurisdictional basis.
18

19 **Late Payment Revenues**

20 Q. WOULD YOU PLEASE ADDRESS THE CHANGE IN LATE PAYMENT
21 REVENUES AS DISCUSSED BY MR. SCHADT ON PAGE 16 OF HIS
22 REBUTTAL TESTIMONY?

23 A. Yes. Mr. Schadt indicated that the Company agrees with the inclusion of an additional
24 \$336,000 in revenues related to late payment fees. Therefore, I have adjusted late
25 payment revenues to reflect this change. However, after reviewing the testimony of both

1 the Company and the Office of Trial Staff on this issue, I believe it is appropriate to
2 recognize that late payment revenues will increase as a result of this rate increase. The
3 recognition of the increase in late payment revenues is similar to the recognition of the
4 increase in uncollectible expense resulting from the rate increase. On Schedule LKM-
5 19S, I present this adjustment which increases revenues by \$330,000, and calculates the
6 effect of the rate increase on late payment revenues of \$1,080,000.

7 Q. WHY IS THE 3-YEAR AVERAGE RATIO APPROPRIATE?

8 A. I calculated the effect of the rate increase on late payment revenues based upon the 3-year
9 average ratio of late payment revenues to total revenues. The 3-year average ratio has
10 been found to be reasonable by this Commission for estimating uncollectibles.
11 Consistent with that finding, I believe the 3-year average ratio is appropriate for use in
12 this adjustment.

13
14 **Transmission Revenues**

15 Q. WOULD YOU PLEASE RESPOND TO MR. KRALL'S DISCUSSION ON
16 YOUR COMMENTS WITH REGARD TO POINT-TO-POINT REVENUES.

17 A. Yes. In my direct testimony I indicated that given that there was a mechanism in place to
18 compensate companies for the loss of point-to-point revenues, the Commission should
19 take that into account when allowing the pass through of PPL's proposed \$57.2 million
20 transmission revenue increase. Mr. Krall has explained that point-to-point revenues are
21 not part of the transmission service to which the proposed \$57.2 million is related.
22 Therefore, I am withdrawing my recommendation that the Commission reduce the
23 transmission service revenue increase to recognize the point-to-point revenues.
24

1 Prepaid Postage

2 Q. MR. KLEHA STATES THAT YOUR ADJUSTMENT TO REMOVE PREPAID
3 POSTAGE WILL DENY THE COMPANY A RETURN ON PREPAID
4 POSTAGE. DO YOU AGREE?

5 A. No. In my direct testimony, I disagreed with the Company's approach of including
6 prepaid postage in rate base while including postage expense in the lead/lag study with
7 lead days assigned. As a result, I recommended that prepaid postage be removed from
8 rate base because of the Company's treatment of postage expense in the lead/lag study.

9 Mr. Kleha responded to my direct testimony by stating in his rebuttal testimony
10 that no double recovery existed because the inclusion of prepaid postage in rate base and
11 the treatment of postage expense in the lead/lag study were measuring two different time
12 periods. I disagree with Mr. Kleha because only the lead/lag study includes a measure of
13 time (i.e., when the Company pays for postage or when postage is expensed) in
14 calculating the amount of working capital to be included in rate base. The prepaid
15 balance is simply the balance at the end of the month, and does not attempt to measure
16 any time interval.

17 Q. WHAT DOES THE PREPAID BALANCE REPRESENT, AND HOW IS IT
18 USED?

19 A. The prepaid balance represents the average amount of funds tied up in a prepaid expense
20 (in this instance, it is postage). It is included in rate base to allow a company to earn a
21 return on funds that are held in the prepaid expense.

22 Q. WHAT DOES AN EXPENSE WITH LEAD DAYS REPRESENT?

23 A. When lead days are applied to an expense it measures prepayment of an expense, and it
24 has the effect of increasing the allowance for cash working capital. The lead/lag study is
25 based upon measuring time intervals and converting the effect of the interval into

1 working capital requirements. That working capital amount is then added to rate base for
2 the company to earn a return on it.

3 In this instance the Company has calculated the lead days from the prepayment
4 date to the date the postage was used. Consequently, the working capital for that period
5 of time has been fully captured by the lead/lag study, and there is no need to add prepaid
6 postage to rate base.

7 Q. ARE YOU SAYING THAT BOTH METHODS PROVIDE THE AMOUNT ON
8 WHICH A RETURN SHOULD BE EARNED?

9 A. Yes. That is why I disagree with the Company's approach and continue to recommend
10 that the Commission adopt my adjustment.

11
12 **Customer Deposits**

13 Q. PLEASE COMMENT ON MR. KLEHA'S RECOMMENDATION FOR
14 CUSTOMER DEPOSITS AS STATED ON PAGES 12 AND 13 OF HIS
15 REBUTTAL TESTIMONY.

16 A. Mr. Kleha has annualized the growth in customer deposits based upon the first six
17 months of 2004. Based upon this growth rate, he proposes an increase of \$4,424,000 to
18 customer deposits. I have reviewed his adjustment and find it reasonable. Therefore, I
19 will revise my adjustment to customer deposits accordingly. This adjustment also affects
20 my adjustment to the level of interest on customer deposits, which I will also revise to
21 reflect the \$4,424,000 customer deposits balance. My revised adjustment to customer
22 deposits is presented on Schedule LKM-6S. As presented on that schedule, customer
23 deposits are increased by \$4.4 million, and interest on customer deposits is increased by
24 \$57,000.
25

Capital Stock Tax

1
2 Q. MR. KLEHA DISAGREES WITH YOUR ADJUSTMENT TO THE CAPITAL
3 STOCK TAX. PLEASE RESPOND TO HIS COMMENTS.

4 A. In my adjustment to the capital stock tax, I removed the years 2000 and 2001 from the net
5 income component of the tax calculation and added 2005 to that component. I also use
6 the tax rate for the rate effective period instead of the 2004 rate.

7 In stating his disagreement with my adjustment, Mr. Kleha indicates that the tax
8 law requires the net income component of the tax formula be based upon the average of
9 the most recent five years without regard to changes in a company's operations. Despite
10 his objection to the removal of 2000 and 2001 net income, Mr. Kleha does not disagree
11 that the change in net income is related to the PPL's former generation operations.

12 Q. SHOULD DISTRIBUTION RATES INCLUDE COSTS RELATED TO
13 GENERATION?

14 A. No. The net income related to the former generation operations should be excluded
15 because distribution rates should not contain costs related to generation. To the extent
16 that the Company's tax liability is higher because of the generation assets, the additional
17 tax should follow the generation assets and not be included in distribution rates.

18 Q. WHY DOES MR. KLEHA DISAGREE WITH THE USE OF THE CAPITAL
19 STOCK TAX RATE THAT WILL BE IN EFFECT DURING THE PERIOD
20 WHEN THE DISTRIBUTION RATES FROM THIS PROCEEDING GO INTO
21 EFFECT?

22 A. Mr. Kleha states that the Company prefers to use the 2004 capital stock tax rate in
23 determining rates in this proceeding and to use the State Tax Adjustment Surcharge
24 (STAS) to capture any difference between the 2004 and the 2005 capital stock tax rate.
25 He indicates that the legislature rescinded proposed capital stock tax rate decreases in the

1 two previous years, and apparently concludes that it will occur again in 2005.
2 Accordingly, to avoid the second increase in rates, he proposes to use the 2004 capital
3 stock tax rate because he does not expect the 2005 rate to go into effect. His position is
4 that in the event the lower rate does go into effect, the STAS can be used to capture the
5 difference in rates.

6 Q. DO YOU AGREE WITH MR. KLEHA?

7 A. No. I disagree with Mr. Kleha because given that the capital stock tax rate reduction is
8 codified, it is more probable that the lower rate will become effective than the
9 expectation that the General Assembly will rescind the tax rate decrease again.
10 Therefore, I recommend that the Commission accept my adjustment using the 2005
11 capital stock tax rate of 5.99 mills.

12 Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

13 A. Yes, it does.

14
15 00080463
16

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PPL ELECTRIC UTILITIES)
CORPORATION) DOCKET NO. R-00049255**

**SCHEDULES ACCOMPANYING THE
SURREBUTTAL TESTIMONY OF
LAFAYETTE K. MORGAN, JR.**

**ON BEHALF OF THE
OFFICE OF CONSUMER ADVOCATE**

AUGUST 2004

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ASSOCIATES, INC.
5565 Sterrett Place
Suite 310
Columbia, Maryland 21044

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Docket No. R-00049255
Schedule LKM-1S
Page 1 of 2

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Summary of Operating Income
For the Test Year Ended December 31, 2004
(\$000)

	PAPUC Jurisdictional Amount per Co.	OCA Cost of Service Adjustments	Amount After Adjustments	OCA Recommended Change In Revenue	After Proposed Rate Increase
Operating Revenues	\$ 517,322	\$ -	\$ 517,322	\$ 115,697	\$ 633,019
Late Payment Revenue	5,886	330	6,216	1,080	7,295
Total Operating Revenues	<u>\$ 523,208</u>	<u>\$ 330</u>	<u>\$ 523,538</u>	<u>\$ 116,777</u>	<u>\$ 640,315</u>
<u>Operating Expenses</u>					
O&M Expenses	\$ 309,837	\$ (9,045)	\$ 300,792	\$ -	\$ 300,792
Depreciation & Amortization Expenses	93,906	(501)	93,405	-	93,405
Taxes Other Than Income	44,588	(2,517)	42,071	6,890	48,961
Current State Income Tax	(170)	1,256	1,086	10,978	12,064
Current Federal Income Tax	(25,502)	3,962	(21,540)	34,618	13,078
Deferred Income Taxes	30,464	(46)	30,418	-	30,418
Investment Tax Credit	(1,913)	-	(1,913)	-	(1,913)
Total Operating Expenses	<u>\$ 451,210</u>	<u>\$ (6,891)</u>	<u>\$ 444,319</u>	<u>\$ 52,486</u>	<u>\$ 496,805</u>
Net Operating Income	<u>\$ 71,998</u>	<u>\$ 7,221</u>	<u>\$ 79,219</u>	<u>\$ 64,291</u>	<u>\$ 143,510</u>
Rate Base	<u>\$ 1,842,744</u>		<u>\$ 1,828,149</u>		<u>\$ 1,828,149</u>
Return On Rate Base	<u>3.91%</u>		<u>4.33%</u>		<u>7.85%</u>

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PPL ELECTRIC UTILITIES CORPORATION

Summary of Revenue Increase at OCA Rate of Return
 For the Test Year Ended December 31, 2004
 (\$000)

	<u>Amount</u>	
Adjusted Rate Base	\$ 1,828,149	Schedule LKM-2, Page 2
Required Rate of Return	<u>7.850%</u>	
<i>Net Operating Income Required</i>	\$ 143,510	
Net Operating Income at Present Rates	<u>79,219</u>	Schedule LKM-1, Page 1
Income Deficiency/(Surplus)	\$ 64,291	
Revenue Multiplier	<u>1.816378</u>	
Required Change in Company Revenue	<u>\$ 116,777</u>	
Proposed Revenue Change	\$ 116,777	
Gross Revenues Tax	5.900% <u>6,890</u>	
Subtotal	\$ 109,887	
State Income Tax	9.990% <u>10,978</u>	
Subtotal	\$ 98,909	
Federal Income Tax	35.00% <u>34,618</u>	
Net Income Increase Required	<u>\$ 64,291</u>	

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Docket No. R-00049255
Schedule LKM- 2S
Page 1 of 2

PA PUBLIC UTILITY COMMISSION
~~PPI SECRETARY'S BUREAU~~ CORPORATION

Summary of Rate Base
For the Test Year Ended December 31, 2004
(\$000)

	PAPUC Jurisdictional Amount per Co.	OCA Rate Base Adjustments	Amount After Adjustments
Total Plant in Service	\$ 3,426,913	\$ -	\$ 3,426,913
Accumulated Depreciation	(1,287,091)	-	(1,287,091)
Net Plant in Service	\$ 2,139,822	\$ -	\$ 2,139,822
Cash Working Capital	\$ 18,389	\$ (7,955)	\$ 10,434
Materials & Supplies	22,698	-	22,698
Plant Held For Future Use	2,200	(2,213)	(13)
Customer Advances	(174)	-	(174)
Customer Deposits	(16,039)	(4,427)	(20,466)
Accumulated Deferred Income Taxes	(324,152)	-	(324,152)
Total Rate Base	<u>\$ 1,842,744</u>	<u>\$ (14,595)</u>	<u>\$ 1,828,149</u>

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PPL ELECTRIC UTILITIES CORPORATION

Summary of Rate Base Adjustments
For the Test Year Ended December 31, 2004
(\$000)

	<u>Source</u>	PAPUC Jurisdictional Amount per Co.
Rate Base per Company Filing	Schedule LKM-2, Page 1	<u>\$ 1,842,744</u>
<u>OCA Adjustments:</u>		
Plant Held For Future Use	Schedule LKM-4	\$ (2,213)
Cash Working Capital	Schedule LKM-5, Page 1	(7,594)
Customer Deposits	Schedule LKM-6	(4,427)
Prepayments	Schedule LKM-7	<u>(361)</u>
Total Ratemaking Adjustments		<u>\$ (14,595)</u>
Adjusted Rate Base per OCA		<u><u>\$ 1,828,149</u></u>

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Docket No. R-00049255
Schedule LKM-3S
Page 1 of 2

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
PPL ELECTRIC UTILITIES CORPORATION

Summary of Adjustments to Net Income
For the Test Year Ended December 31, 2004
(\$000)

	<u>Total Company Amount</u>
Net Income per Company	\$ 71,998
<u>OCA Adjustments:</u>	
Remove AMR Displacement Amortization	\$ 1,032
Remove Hurricane Isabel Amortization	1,756
Revise Community Affairs Department Expenses	136
Remove Expiring Amortizations	339
Normalize Environmental Remediation Expenses	1,125
Normalize Certain Social Programs Expense	1,141
Annualize Pension Expense	288
Annualize Postretirement Benefits Expense	(153)
Annualize Interest on Customer Deposits	(33)
Annualize Capital Stock Tax	1,472
Annualize Late Payment Fees	193
Interest Synchronization	(76)
Total Ratemaking Adjustments	<u>\$ 7,221</u>
Total Adjusted Net Income per OCA	<u>\$ 79,219</u>

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PPL ELECTRIC UTILITIES CORPORATION

Summary of Adjustments to Net Income
 For the Test Year Ended December 31, 2004
 (\$000)

	Operating Revenues	O&M Expenses	Depreciation & Amortization Expenses	Taxes Other Than Income	Current State Income Taxes	Current Federal Income Tax	Deferred Income Taxes	Investment Tax Credit	Net Operating Income
Total Company Amount per Company	\$ 523,208	\$ 309,837	\$ 93,906	\$ 44,588	\$ (170)	\$ (25,502)	\$ 30,464	\$ (1,913)	\$ 71,998
<u>OCA Adjustments:</u>									
Remove AMR Displacement Amortization	\$ -	\$ (1,764)	\$ -	\$ -	\$ 176	\$ 556	\$ -	\$ -	\$ 1,032
Remove Hurricane Isabel Amortization	-	(3,002)	-	-	300	946	-	-	1,756
Revise Community Affairs Department Expenses	-	(232)	-	-	23	73	-	-	136
Remove Expiring Amortizations	-	-	(501)	-	50	158	(46)	-	339
Normalize Environmental Remediation Expenses	-	(1,924)	-	-	192	606	-	-	1,125
Normalize Certain Social Programs Expense	-	(1,950)	-	-	195	614	-	-	1,141
Annualize Pension Expense	-	(491)	-	-	49	155	-	-	288
Annualize Postretirement Benefits Expense	-	261	-	-	(26)	(82)	-	-	(153)
Annualize Interest on Customer Deposits	-	57	-	-	(6)	(18)	-	-	(33)
Annualize Capital Stock Tax	-	-	-	(2,517)	251	793	-	-	1,472
Annualize Late Payment Fees	330	-	-	-	33	104	-	-	193
Interest Synchronization	-	-	-	-	18	58	-	-	(76)
Total Ratemaking Adjustments	\$ 330	\$ (9,045)	\$ (501)	\$ (2,517)	\$ 1,256	\$ 3,962	\$ (46)	\$ -	\$ 7,221
Total Adjusted Income	\$ 523,538	\$ 300,792	\$ 93,405	\$ 42,071	\$ 1,086	\$ (21,540)	\$ 30,418	\$ (1,913)	\$ 79,219

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Docket No. R-00049255
Schedule LKM-4S

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Plant Held For Future Use
For the Test Year Ended December 31, 2004
(\$000)

	PAPUC Jurisdictional Amount	1/
Substations	\$ 1,917	
Lines	30	
Other	266	
Total	\$ 2,213	
Adjustment to Rate Base	\$ (2,213)	

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Notes:

1/ Exhibit Future 1C, C-3.

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Docket No. R-00049255
Schedule LKM-5S
Page 1 of 3

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PA PUBLIC UTILITY COMMISSION
PUBLIC UTILITIES CORPORATION
SECRETARY'S BUREAU

Adjustment to Allowance for Cash Working Capital
For the Test Year Ended December 31, 2004
(\$000)

	<u>Amount</u>	<u>1/</u>
Total Pro Forma O&M Expenses	\$ 406,890	
<u>Less: Non-cash Items and Adjustments</u>		
Uncollectibles	17,500	
On-Track Customer Assistance Expense	3,700	
Amortization of AMR Displacement costs	1,764	
Amortization of Hurricane Isabel Deferred Costs	3,002	
Adjustment to Community Affairs Department Expenses	300	
Adjustment to Environmental Remediation Expenses	2,483	
Adjustment to Equipment Lease Expense	1,950	
Adjustment to Pension Expense	519	
Adjustment to Postretirement Benefits Expense	(276)	
Adjustment to Social Programs	1,950	
	<u>32,893</u>	
Total Reductions from Working Capital Base	32,893	
Pro Forma O&M Expenses for Cash Working Capital	\$ 373,997	
Daily O&M Expense	\$ 1,025	
Average Revenue Lag Days	45.50	2/
Average O&M Expense Lag Days	41.79	3/
Average Net Lag	<u>3.71</u>	
O&M Expense Cash Working Capital per OCA	\$ 3,800	
O&M Expense Cash Working Capital per PPL	13,990	3/
Adjustment to Cash Working Capital	\$ (10,190)	
PAPUC Jurisdictional Allocation Factor	<u>74.52%</u>	4/
Adjustment to Cash Working Capital	<u>\$ (7,594)</u>	

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Notes:

1/ Exhibit Future C-4, Page 2.

2/ Revenue Lag Days per Exhibit Historic C-4, Page 2.

3/ Schedule LKM-5, Page 2.

4/ Calculated based on data presented on Exhibit JMK-2, Page 16, Line 9.

PPL ELECTRIC UTILITIES CORPORATION

Calculation of Other Expenses Lag
 For the Test Year Ended December 31, 2004

	Amount	1/	Days Lags	1/	Dollar Days
Employee Expenses	\$ 636,938		12.00		\$ 7,643,256
Materials & Supplies	617,554		65.00	2/	40,142,968
Printing & Office Supplies	301,276		(5.64)		(1,699,197)
Tree Trimming	3,862,562		56.08		216,612,477
Work by Outsiders	4,946,413		80.71		399,224,993
Services	1,726,824		54.52		94,146,444
Postage	1,277,309		(13.73)		(17,537,453)
Telephones & leased Wires	624,380		18.29		11,419,910
Rents	1,883,186		(22.25)		(41,900,889)
Advertising	739,563		9.55		7,062,827
Miscellaneous	2,836,460		34.49		97,829,505
	<hr/>				<hr/>
Adjustment to O&M Expenses	\$ 19,452,465				\$ 812,944,844
Weighted Lag Days			<hr/> <hr/>		<hr/> <hr/>

Notes:

1/ Attachment II-B-4, Page 4.

2/ Schedule LKM-5, Page 3.

PPL ELECTRIC UTILITIES CORPORATION

Calculation of Materials & Supplies Expense Lag
 For the Test Year Ended December 31, 2004

	Amount	1/	Days Lags	1/	Dollar Days
Flir Systems	\$ 50,827.00		83		\$ 4,218,641
Achieveglobal Inc.	13,623.12		36		490,432
Benson W Probst Excavating	1,244.44		30		37,333
Greentree Transportation Co.	546.48		21		11,476
BOC Gases	299.88		41		12,295
ITRON	17,162.31		49		840,953
Achieveglobal Inc.	13,623.12		36		490,432
Megasys Inc.	11,315.78		131		1,482,367
Keystone Fluid Power	720.13		30		21,604
United Parcel Service	358.02		19		6,802
Burkhardt Excavating	201.00		122		24,522
Flir Systems	104,848.57		47		4,927,883
Megasys Inc.	8,968.78		82		735,440
Osrose Utilities Services Inc.	8,205.05		50		410,253
Airgas East	5,842.00		311	2/	1,816,862
Brazen Software Inc.	1,023.96		16		16,383
Emery Forwarding	506.66		43		21,786
UGI Utilities Inc.	247.20		28		6,922
	<u>\$ 239,563.50</u>				<u>\$ 15,572,387.24</u>
Weighted Lag Days			<u>65.00</u>		

Notes:

1/ Attachment II-B-4, Page 5.

2/ Calculated based on a delivery date of 8/30/2002 and a payment date of 7/7/2003.

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Schedule LKM-6S

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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Reflect Projected Customer Deposits
For the Test Year Ended December 31, 2004
(\$000)

	PAPUC Jurisdictional Amount
<u>Rate Base Adjustment</u>	
Customer Deposits At December 2003	\$ 16,039 1/
2003 Growth Rate	127.6% 2/
Projected Customer Deposits At December 2004	20,466
Projected Customer Deposits At December 2004 per PPL	\$ 16,039
Adjustment to Rate Base	\$ 4,427
<u>Expense Adjustment</u>	
Projected Customer Deposits At December 2004	\$ 20,466
Interest Rate	1.28% 3/
Interest on Customer Deposits	\$ 262
Interest on Customer Deposits per Company	205 3/
Adjustment to O&M Expense	\$ 57

Notes:

1/ Exhibit Future 1C, C-1.

2/ Page 13, line 4 of witness Kleha Rebuttal Testimony.

3/ Exhibit Future 1D, D-7.

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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Prepaid Postage
For the Test Year Ended December 31, 2004
(\$000)

	<u>PAPUC Jurisdictional Amount</u>
Prepaid Postage Included in Rate Base	\$ 381 1/
PAPUC Jurisdictional Allocation Factor	<u>94.75% 2/</u>
Adjustment to Rate Base	<u>\$ (361)</u>

DOCUMENT

Notes:

1/ Exhibit Future 1C, C-4.

2/ Calculated based on data presented on Exhibit JMK-2, Page 17, Line 3.

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PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Amortization of AMR Displacement Costs
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Amount</u>
Annual Amortization of AMR Displacement Costs	\$ 1,764 1/
PAPUC Jurisdictional Allocation Factor	<u>100.00% 2/</u>
Adjustment to O&M Expenses	<u>\$ (1,764)</u>

Notes:

1/ Exhibit Future D-9.

2/ Exhibit JMK-2, Page 19, Line 12.

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Docket No. R-00049255
Schedule LKM-9S

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Amortization of Hurricane Isabel Costs
For the Test Year Ended December 31, 2004
(\$000)

	<u>Amount</u>
Annual Amortization of Hurricane Isabel Costs	\$ 3,002 1/
PAPUC Jurisdictional Allocation Factor	<u>100.00% 2/</u>
Adjustment to O&M Expenses	<u>\$ (3,002)</u>

Notes:

1/ Exhibit Future D-10.

2/ Exhibit JMK-2, Page 19, Line 13.

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Schedule LKM-10S

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Revise Community Affairs Department Expenses
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Amount</u>
Revised Community Affairs Department Expenses	\$ 500 1/
Community Affairs Department Expenses per Filing	<u>800 2/</u>
Adjustment to T&D O&M Expenses PAPUC Jurisdictional Allocation Factor	\$ (300) <u>77.46% 3/</u>
Adjustment to O&M Expenses	<u>\$ (232)</u>

Notes:

1/ Response to OTS-RE-86.

2/ Part II-D-8, Page 2 of Company's filing.

3/ Calculated based on data presented on Exhibit JMK-2, Page 19, Line 5.

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Schedule LKM-11S

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Remove Expiring Amortizations
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

Power Management System Software:
Adjustment to T&D O&M Expenses
PAPUC Jurisdictional Allocation Factor
Adjustment to O&M Expenses

<u>Amount</u>
\$ (530) 1/
94.58% 2/
<u>\$ (501)</u>

Deferred Income Taxes Related to Removal Costs:

Adjustment to T&D Deferred Income Taxes
PAPUC Jurisdictional Allocation Factor
Adjustment to Deferred Income Taxes

\$ (70) 3/
65.54% 4/
<u>\$ (46)</u>

Notes:

- 1/ Response to OCA-III-53.
- 2/ Calculated based on data presented on Exhibit JMK-2, Page 20, Line 25.
- 3/ Based on page 9, lines 1 through 7 of witness Schadt's Rebuttal Testimony.
- 4/ Calculated based on data presented on Exhibit JMK-2, Page 23, Line 7.

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Schedule LKM-12S

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Normalize Environmental Remediation Expense
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Amount</u>
2001 Environmental Remediation Expense	\$ 193 1/
2002 Environmental Remediation Expense	- 1/
2003 Environmental Remediation Expense	<u>3,025 1/</u>
<i>Average Environmental Remediation Expense</i>	\$ 1,073
Environmental Remediation Expense Included in Cost of Service	<u>3,556 2/</u>
Adjustment to T&D O&M Expenses	\$ (2,483)
PAPUC Jurisdictional Allocation Factor	<u>77.46% 3/</u>
Adjustment to O&M Expenses	<u><u>\$ (1,924)</u></u>

Notes:

1/ Response to OTS-RE-81.

2/ Attachment II-D-7a.

3/ Calculated based on data presented on Exhibit JMK-2, Page 13, Line 27.

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Schedule LKM-13S

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Normalize Certain Social Programs Expense
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Annualized Amount</u>
Average Annual Expenditure for On Track Program	\$ 13,200 1/
Average Annual Expenditure for WRAP Program	<u>6,250 1/</u>
Annual Expenditure for On Track and WRAP programs	\$ 19,450
Annual Expenditure for On Track and WRAP programs in O&M Expenses	<u>21,400 2/</u>
Adjustment to T&D O&M Expenses	\$ (1,950)
PAPUC Jurisdictional Allocation Factor	<u>100.00% 3/</u>
Adjustment to O&M Expenses	<u><u>\$ (1,950)</u></u>

Notes:

- 1/ Based upon 2005 and 2006 expenditures per page 12, line 13 of witness Dahl's direct testimony.
2/ Exhibit Future I, D-8.
3/ Calculated based on data presented on Exhibit JMK-2, Page 19, Line 11.

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Schedule LKM-14S

PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annualize Pension Expense
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Amount</u>
<u>PPL Retirement Plan</u>	
Pension Cost per April 2004 Actuarial Study	\$ 3,878 1/
PPL Electric Allocation Factor	<u>36.64% 2/</u>
PPL Electric Allocated Pension Costs	\$ 1,421 1/
O&M Percentage	<u>69.50% 2/</u>
PPL Electric Pension Expense	\$ 988
PPL Electric Pension Expense per Budget	<u>1,477 2/</u>
Adjustment to PPL Retirement Plan Expenses	\$ (489)
<u>PPL Supplemental Executive Retirement Plan (SERP)</u>	
Company's Assumed Increase in SERP	<u>(30) 3/</u>
Adjustment to T&D O&M Expenses	\$ (519)
PAPUC Jurisdictional Allocation Factor	<u>94.60% 4/</u>
Total Adjustment to O&M Expense	<u>\$ (491)</u>

Notes:

- 1/ Page SI-4 of April 2004 Actuarial Valuation Report provided in the response to OTS-RE-92.
- 2/ Per Response to OTS-RE-94.
- 3/ Page 4, line 21 of witness Schadt Rebuttal Testimony.
- 4/ Calculated based on data presented on Exhibit JMK-2, Page 19, Line 8.

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Schedule LKM-15S

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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annualize Postretirement Benefits Other Than Pension Expense
For the Test Year Ended December 31, 2004
(\$000)

	DOCUMENT	<u>Amount</u>
2004 OPEB Actuarial Study Costs		\$ 36,000 1/
PPL Electric Allocation Factor		<u>39.76% 2/</u>
PPL Electric Allocated OPEB Costs		\$ 14,314
O&M Percentage		<u>69.50% 2/</u>
PPL Electric OPEB Expense		\$ 9,948
PPL Electric OPEB Expense per 2004 Budget		<u>9,672 2/</u>
Adjustment to T&D O&M Expenses		\$ 276
PAPUC Jurisdictional Allocation Factor		<u>94.60% 3/</u>
Adjustment to O&M Expense		<u><u>\$ 261</u></u>

Notes:

1/ Supplemental Response to OCA X-16.

2/ Per Response to OTS-RE-97.

3/ Calculated based on data presented on Exhibit JMK-2, Page 19, Line 8.

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Schedule LKM-16S

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Normalize Capital Stock Tax Expense
For the Test Year Ended December 31, 2004
(\$000)

	<u>Amount</u> 1/
2002 Net Income	\$ 43,633
2003 Net Income	28,470
2004 Net Income	45,551
Projected 2005 Net Income	<u>107,551</u>
Total Book Income up to 5 Years	\$ 225,205
Divisor	<u>4</u>
Average Net Income	<u>\$ 56,301</u>
Average Net Income / 9.5%	<u>\$ 592,645</u>
Net Worth @ End of Year	<u>\$ 1,287,339</u>
Net Worth per Return X .75	<u>\$ 965,504</u>
Total Average Net Income / 9.5% and Net Worth per Return X .75	<u>\$ 1,558,149</u>
Subtotal Divided by 2	\$ 779,074
Less Exemption	<u>(125)</u>
Capital Stock Value	\$ 778,949
Apportionment Percentage	<u>0.995148</u>
Taxable Value	\$ 775,170
Rate	0.599% 2/
Capital Stock Tax	\$ 4,643
Capital Stock Tax per Company	7,160
Adjustment to Taxes Other Than Income	<u>\$ (2,517)</u>

Notes

1/ Exhibit Future D-12, Page 2.

2/ Capital Tax Rate Effective 2005.

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Schedule LKM-17S

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Interest Synchronization Adjustment
For the Test Year Ended December 31, 2004

	Amount
OCA Rate Base	\$ 1,828,149 1/
Weighted Cost of Debt	3.32%
Adjusted Interest Deduction	\$ 60,695
Interest Deduction Per Company	60,879 2/
Adjustment to Synchronize Interest Expense	\$ (184)
Effective State Income Tax Rate	9.99%
Adjustment to State Income Taxes	\$ 18
Federal Income Tax Base	(\$166)
Federal Income Tax Rate	35.00%
Adjustment to Federal Income Taxes	\$ 58

Notes:

1/ Schedule LKM-2, Page 1.

2/ Exhibit JMK-2, Page 27, Line 1.

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PPL ELECTRIC UTILITIES CORPORATION
Reconciliation of State and Federal Income Taxes
For the Test Year Ended December 31, 2004

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 at
 Rates

	Test Year Per Company	Rate-making Adjustments	at Rates	Increase at OCA Rate of Return	After Proposed Increase
CALCULATION OF COMBINED CURRENT INCOME TAX					
Net Operating Income Before Income Taxes	\$ 46,326	\$ 12,393	\$ 58,719	\$ 109,887	\$ 168,606
Adjustments for Income Taxes (Including Interest)	(119,361)	184	(119,177)	-	(119,177)
<i>Subtotal</i>	\$ (73,035)	\$ 12,577	\$ (60,458)	\$ 109,887	\$ 49,429
Special Tax Deductions	71,330	-	71,330	-	71,330
State Taxable Income	\$ (1,705)	\$ 12,577	\$ 10,872	\$ 109,887	\$ 120,759
State Income Tax	9.99% \$ (170)	\$ 1,256	\$ 1,086	\$ 10,978	\$ 12,064
Federal Taxable Income Before State Income Tax	\$ (73,035)	\$ 12,577	\$ (60,458)	\$ 109,887	\$ 49,429
State Income Tax	\$ (170)	\$ 1,256	\$ 1,086	\$ 10,978	\$ 12,064
Federal Taxable Income	\$ (72,865)	\$ 11,321	\$ (61,544)	\$ 98,909	\$ 37,365
Federal Income Tax	35.00% \$ (25,503)	\$ 3,962	\$ (21,540)	\$ 34,618	\$ 13,078
Net Combined Current Income Tax	\$ (25,673)	\$ 5,219	\$ (20,454)	\$ 45,596	\$ 25,142
Total Combined Current Income Taxes (Schedule LKM-1, Page 1)	(25,672)	5,218	(20,454)	45,596	25,142
Unreconciled/Rounding	\$ (1)	\$ 0	\$ (1)	\$ (0)	\$ (1)

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Docket No. R-00049255
Schedule LKM-19S
Page 1 of 2

PA PUBLIC UTILITY COMMISSION
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PPL ELECTRIC UTILITIES CORPORATION

Adjustment to Annualize Late Payment Revenues
For the Test Year Ended December 31, 2004
(\$000)

DOCUMENT

	<u>Amount</u>
<u>Adjustment to Reflect Company's Increase in Late Payment Revenues</u>	
Company Adjustment to Late Payment Revenues	\$ 336 1/
PAPUC Jurisdictional Allocation Factor	<u>98.13%</u>
 Adjustment to Reflect Company's Increase in Late Payment Revenues	 <u>\$ 330</u>
 Total Projected Revenues Before Rate Increase	 \$ 2,515,735 2/
OCA Revenue Increase	<u>115,600</u>
 <u>Increase in Late Payment Revenue Resulting From Rate Increase</u>	
Adjusted Revenues	\$ 2,631,335
Late Payment Fee Ratio	<u>0.2818% 3/</u>
 Total Annualized Late Payment Revenues	 \$ 7,416
Late Payment Revenues per Company	<u>6,336</u>
 Increase in Late Payment Revenue to Reflect Rate Increase	 <u>\$ 1,080</u>

Notes:

- 1/ Page 16 of witness Schadt rebuttal testimony.
2/ Future Exhibit D-1, Column (1).
3/ Schedule LKM-19S, page 2.

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PPL ELECTRIC UTILITIES CORPORATION

Calculation of Annualize Late Payment Ratio
For the Test Year Ended December 31, 2004
(\$000)

<u>Year</u>	<u>Total Annual Revenues</u>	<u>1/</u>	<u>Annual Late Payment Revenues</u>	<u>2/</u>	<u>Ratio</u>
2001	\$ 2,276,256		\$ 7,217		0.003171
2002	2,376,649		4,998		0.002103
2003	2,419,693		7,717		0.003189
	<u>\$ 7,072,598</u>		<u>\$ 19,932</u>		<u>0.002818</u>

Notes:

1/ Attachment VI-B, Page 1 of Company Filing.

2/ Response to OTS RE-30.

DOD Statement No. 1
8/9/04
110g
jar

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In the Matter of:)
)
Pennsylvania Public Utility Commission,)
et al.)
v.)
)
PPL Electric Utilities Corporation)

Docket No. R-00049255
and C0001-5

DOCUMENT

**Direct Testimony
of Thomas J. Prisco**

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AUG 18 2004

David A. McCormick, Attorney
Regulatory Law Office
U.S. Army Legal Services Agency
JALS-RL
901 N. Stuart Street, Room 713
Office of Judge Advocate General
Arlington, VA 22203-1837

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FOR

**THE UNITED STATES DEPARTMENT OF DEFENSE
AND OTHER ALL FEDERAL EXECUTIVE AGENCIES**

Dated: June 25, 2004
Filing Due: June 29, 2004

1 **Q. WOULD YOU PLEASE STATE YOUR FULL NAME AND BUSINESS**
2 **ADDRESS?**

3 A. My name is Thomas J. Prisco and my business address is United States Army
4 Litigation Center, JALS-RL, Suite 713, 901 North Stuart Street, Arlington,
5 Virginia 22203-1837.

6
7 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

8 A. I am employed by the Regulatory Law Office, United States Army Office of The
9 Judge Advocate General, Department of the Army, as a Staff Accountant and
10 Financial Advisor.

11
12 **Q. PLEASE SUMMARIZE YOUR PAST WORK EXPERIENCE.**

13 A. Prior to assuming my present position in October 1987, I had been employed by the
14 United States Army Information Systems Command as a Systems Accountant,
15 responsible for the development and fielding of a cost chargeback system for the
16 VIABLE Project Management Office. From 1978 to 1983, I held various positions
17 with the United States Computer Systems Command, including Staff Accountant,
18 Chief Accounting Operations, and Contracting Officer. Prior to accepting civilian
19 employment with the Department of the Army, I held a variety of positions with RCA
20 at its Dunmore, Pennsylvania plant. I also served a tour with the United States Air
21 Force in Vietnam.

22
23 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND.**

1 A. I received a Bachelor of Science degree with a major in accounting from the
2 University of Scranton. I've attended numerous professional development courses
3 which include Price and Cost Analysis, U.S. Army Financial Management, and
4 Computer Performance and Capacity Management. I have also attended numerous
5 Regulatory Studies Programs and seminars.

6

7 **Q. WHAT ARE THE RESPONSIBILITIES AND DUTIES ASSOCIATED WITH**
8 **YOUR PRESENT POSITION?**

9 A. As Staff Accountant and Financial Advisor with the Regulatory Law Office, I analyze
10 testimony, exhibits, and supporting data submitted by utilities to regulatory bodies in
11 justification of rate increases/decreases; advise office attorneys in accounting matters;
12 draft proposed cross-examination of company witnesses; prepare statements and
13 exhibits for use in regulatory proceedings; and present testimony before utility
14 commissions to protect the consumer interests of the Federal Government.

15

16 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN RATE PROCEEDINGS BEFORE**
17 **REGULATORY COMMISSIONS?**

18 A. Yes. I participated in numerous regulatory proceedings in the states of Arizona,
19 Florida, Georgia, Indiana, Kansas, Kentucky, Maryland, Missouri, New Jersey, New
20 York, North Carolina, Pennsylvania, South Carolina, Texas plus the District of
21 Columbia. I have also participated in proceedings before the FERC and ICC. These
22 proceedings involved gas, electric, water, wastewater, telephone, and railroad. A list

1 of the various proceedings in which I have filed testimony is outlined on DOD
2 Exhibit TJP-9.

3
4 **Q. WOULD YOU OUTLINE THE SUBJECT MATTER OF THE EXPERT**
5 **TESTIMONY YOU HAVE PRESENTED BEFORE REGULATORY**
6 **COMMISSIONS?**

7 A. My testimony has addressed the overall revenue requirements, depreciation, capital
8 structure, cost of capital, valuation, integrated resource planning, rate design,
9 incentive rates, rate base and appropriate tariffs of communications, electric, gas, and
10 water utilities.

11
12 **Q. WHO ARE YOU REPRESENTING IN THIS PROCEEDING?**

13 A. I am presenting testimony on behalf of the consumer interest of the Department of
14 Defense and all Other Federal Executive Agencies (hereinafter called "DOD"). The
15 Secretary of Defense has been delegated authority by the General Services
16 Administration to provide representation of the consumer interest of federal civilian
17 agencies in this proceeding.

18
19 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
20 **PROCEEDING?**

21 A. The magnitude of PPL Electric Utilities Corporation proposed rates warrants
22 intervention to protect the consumer interests of the Federal government. My purpose
23 is to review PPL's rate base filing for its electric operations and provide

1 recommendations to the Pennsylvania Public Utility Commission (PPUC or
2 Commission) that may help mitigate the impact on the DOD. In order to develop my
3 recommendations, I reviewed the prefiled testimony and exhibits of the Company; the
4 responses to data request submitted by the Office of Trial Staff, the Office of
5 Consumer Advocate, and other parties. I believe my testimony identifies a number of
6 legitimate base rate adjustments that the Commission may wish to consider.

7

8 **Q. PLEASE SUMMARIZE YOUR TESTIMONY IN THIS PROCEEDING.**

9 A. My testimony demonstrates that the base rate increase of \$164,438,000 is overstated
10 and should be reduced. My review of the Company's filing indicates that a revenue
11 increase of no more than \$131,574,000 may be authorized. It should be noted that
12 because of limited time and resources a comprehensive analysis of all phases of the
13 Company's operation could not be accomplished at this time. Therefore, items not
14 specifically addressed in this filing does not constitute an endorsement of
15 PPL's position.

16

17 **Q. HOW DID YOU ARRIVE AT YOUR RECOMMENDED REVENUE**
18 **RECOMMENDATION?**

19 A. My revenue requirement recommendation is supported by a number of operating
20 income adjustments and a \$64M reduction of the Company's Proposed Measure of
21 Value for the Future Test Year. In quantifying my revenue requirement
22 recommendation I used the return on equity (ROE) for PPL electric found reasonable
23 by DOD witness Mr. Kenneth L. Kincel Of 10.75%.

1 **Q. MR. PRISCO, PLEASE LIST THE BASE RATE ADJUSTMENTS YOU ARE**
2 **RECOMMENDING IN YOUR DIRECT TESTIMONY.**

3 A. Recommended adjustments to PPL's filing are listed below:

4 **Operating Income Adjustments**

- 5 • Adjustment to PPL's pro forma unbilled revenues.
- 6 • Adjustment to social programs.
- 7 • Adjustment to remediation work.
- 8 • Adjustment to injuries and damages.
- 9 • Adjustment to self funded health insurance.

10

11 **Q. WHAT IS THE OVERALL RATE OF RETURN AND THE**
12 **CAPITALIZATION YOU ARE UTILIZING IN THIS PROCEEDURING?**

13 A. I made no adjustment to the capitalization proposed by the Company. However, in
14 determining the overall cost of capital, as previously stated, I used the return on
15 equity (ROE) recommended in the testimony of DOD witness Mr. Kenneth Kincel of
16 10.75%. The utilization of PPL's capitalization and DOD's ROE results in an overall
17 rate of return of 8.46%. The calculation of the overall cost of capital is provided on
18 DOD Exhibit TJP- 2. DOD Exhibit TJP-1 provides the calculation of net operating
19 revenues required by PPL of \$150,424,000 (line 5).

20

21

22 **Q. WHY DO YOU BELIEVE AN ADJUSTMENT TO THE COMPANY'S**
23 **"UNBILLED REVENUES" IS NECESSARY?**

1 A. The Company eliminated \$2,395,000 of unbilled revenues from the test year. I
2 believe this is not appropriate since the Company is using a future test period which
3 utilizes estimated budget figures to determine revenues, expenses, plant additions.
4 The Company's estimate of unbilled revenues should be as accurate as any of the
5 other estimates used in the future test period and should be included in revenues.
6 The elimination of unbilled revenues creates a mismatch between revenues and
7 expenses for the accounting period. PPL reports unbilled revenues through the end of
8 an accounting period for financial and tax purposes. They are only eliminated for
9 regulatory purposes only. DOD Exhibit TJP-4 reverses the revenue effect of the
10 Company's adjustment to unbilled revenues.

11
12 **Q. WHAT ADJUSTMENT ARE YOU RECOMMENDING TO THE**
13 **COMPANY'S PRO FORMA SOCIAL PROGRAMS ADJUSTMENT?**

14 A. I have made two adjustments to the social costs requested by PPL. I have eliminated
15 the customer supplied funding for the Sustainable Energy Fund and the Community
16 Betterment Initiative.

17
18 **Q. WHY HAVE YOU ELIMINATED PPL'S REQUEST FOR \$1,000,000 IN**
19 **FUNDS FOR THE "COMMUNITY BETTERMENT INITIATIVE?"**

20 A. The Company and its customers are already supporting a number of conservation
21 oriented social programs to help lower income individuals pay electric billings or help
22 them to lower their billings. A customer should have the opportunity to support
23 whatever charitable or social program the customer believes is worthwhile. Including

1 social programs in the electric distribution costs of service upon which rates are based
2 forces ratepayers to support programs the Company believes are beneficial. The
3 Company and its shareholders are certainly at liberty to fund any new programs. I
4 have eliminated the customer funded portion for this new social program from the
5 overall cost of the utility. (DOD Exhibit TJP-5).

6
7 **Q. PLEASE EXPLAIN WHY YOU HAVE ELIMINATED THE FUNDING FOR**
8 **THE SUSTAINABLE ENERGY FUND (SEF)?**

9 **A.** The Department of Defense and the Other Federal Executive Agencies support life-
10 cycle cost effective conservation measures as described in Executive Order 13123,
11 Sec 203 (published in Federal Register on June 8,1999 (FR Vol. 64, 109). The
12 programs currently being undertaken by PPL have not been shown to meet these
13 criteria and should be eliminated.

14
15 **Q. MR. PRISCO, DO YOU HAVE FURTHER REASONS FOR ELIMINATING**
16 **THE FUNDING PROVIDED FOR THE SEF?**

17 **A.** Yes. There presently appears to be adequate funding accrued by PPL available for
18 the SEF to sustain its current rate of operation for several years. Eliminating
19 prospective excess funding of the SEF could help mitigate a little of the impact of the
20 current rate increase. DOD Exhibit TJP-5

21

1 **Q. WHY HAVE ARE YOU ELIMINATING \$3,025,000 FOR REMEDIATION**
2 **WORK AT VARIOUS LOCATIONS OWNED OR FORMERLY OWNED BY**
3 **PPL?**

4 A. PPL's response to Office of Trial Staff interrogatory OTS-RE-144 states:

5 In 2003, PPI Electric reviewed the estimated cost of site remediation, including
6 Superfund sites, substations and pole sites, former coal gas manufacturing
7 facilities and former generating facilities. The estimated future site remediation
8 costs exceeded the loss contingency that previously had been accrued by \$3.025
9 million. Therefore, based on AFAS 5 guidance, that amount was charged to
10 income to bring the loss contingency to the proper level.

11 Current ratepayers should not have to incur the brunt of these remediation expenses.

12 First of all it should be determined if ratepayers are responsible for the
13 remediation cost. Some of these sites date back to the 1800's. The Company has
14 sold some of the properties and may still be held responsible. However if the
15 Company made a profit on these sales, the profit should be used to mitigate the cost
16 of any remediation expense. The Company also claims in their response to OTS-
17 RE-146 that the distribution operations rather than generation was responsible for
18 the remediation because it was more related to the distribution operations. Unless
19 this determination is made by the Commission it should not automatically be
20 adopted. It would appear that manufacturing of gas would be more similar to
21 generating electricity than transporting an end product. If it is ultimately
22 determined that these costs should be born by the distribution customers the costs
23 should be amortized over several years, considering the fact that the problem has
24 existed in some cases over 100 years. See DOD Exhibit TJP-6.

25
26 **Q. WHY HAVE YOU MADE AN ADJUSTMENT TO THE COMPANY'S**

1 **INJURIES AND DAMAGES ESTIMATE?**

2 A. The Company's response to Office of Trial Staff interrogatory OTS-RE-100 identifies
3 Claims in 2003 of \$1,169,000 and in 2004 of \$1,517,000. I believe that the
4 historical amount from 2003 would be appropriate because it is based on historical
5 data and not on speculation. The Company will have fewer employees which should
6 actually reduce the cost from the previous year. I have reduced the companies
7 injuries and damages estimate by \$368,000 to the 2003 actual level. See DOD
8 Exhibit TJP-7.

9 **Q. MR. PRISCO PLEASE EXPLAIN YOUR ADJUSTMENT TO PPL'S SELF**
10 **FUNDED HEALTH INSURANCE PROGRAMS?**

11 A. The Self Funded Health Insurance Programs have been accumulating a large reserve
12 over the past few years. The Company's response to the Office of Consumer
13 Advocate Interrogatory No. 31 identifies a liability reserve of \$3,573,000 at the end
14 of 2004. I am recommending that \$3,000,000 of that amount be returned to
15 ratepayers and amortized over a three year period. This will reduce the current
16 annual accrual for the self funded health insurance programs by \$1,000,000. See
17 DOD Exhibit TJP-8.

18

19 **Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO THE COMPANY'S**
20 **PROPOSED MEASURES OF VALUE.**

21 A. PPL included in the test year the total of all capital additions estimated in its future
22 test year budget. I recommend that only the average or one half of the new additions
23 be allowed. This is based on the principle that only about half of the additions will be

1 used and usefully for providing service to the test year number of customers.

2 Therefore, I have eliminated \$64,684,000 from the Company's measures of value on
3 DOD Exhibit TJP-3.

4
5
6 **Q. PPL IS REQUESTING THE COMMISSION APPROVE A DISTRIBUTION**
7 **SYSTEM IMPROVEMENT CHARGE (DSIC) WHICH WOULD PROVIDE A**
8 **MECHANISM THAT WOULD ALLOW THE COMPANY TO RECOVER,**
9 **BETWEEN FORMAL RATE CASES, THE CARRYING COSTS ON**
10 **CERTAIN CAPITAL INVESTMENTS IN DISTRIBUTION FACILITES. DO**
11 **YOU AGREE WITH THE COMPANY'S RECOMMENDATION?**

12 A. No. Allowing the Company to adjust one specific element of a rate proceeding
13 results in single issue ratemaking. Plant in service should match a predicted level of
14 customers to be served during the period rates will be in effect. Adding plant and not
15 adjusting the level of customers and/or other items addressed during a rate proceeding
16 creates an imbalance between all the elements that were considered during a fully
17 litigate rate proceeding. All the various rate items were taken together to produced a
18 rate that was considered to be fair and equitable by the Commission. The DISC
19 mechanism would create an imbalance by adjusting only one element of many and it
20 should be rejected by the Commission.

21
22 **Q. MR. PRISCO DOES THIS CONCLUDE YOUR TESTIMONY?**

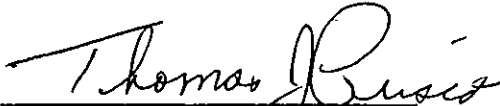
23 A. Yes.

AFFIDAVIT OF THOMAS J. PRISCO

COUNTY OF ARLINGTON)
COMMONWEALTH OF VIRGINIA)

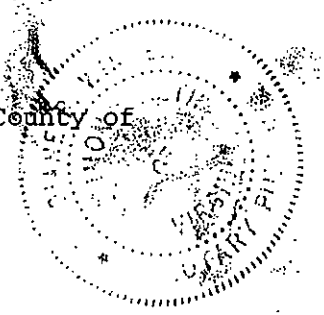
SS:

Before me, the undersigned Notary Public in and for the County of Arlington, Commonwealth of Virginia, this day personally appeared Thomas J. Prisco, Systems Accountant, U.S. Army Legal Services Agency, to me personally known, who stated under oath that the foregoing direct testimony and exhibits were prepared by him or under his direct supervision and control; that he has knowledge of the matters set forth in said testimony and exhibits; and that such matters are true and correct to the best of his knowledge, information, and belief.


Thomas J. Prisco

Subscribed and sworn to before me this 25th day of June, 2004, in the County of Arlington, Commonwealth of Virginia.


Notary Public



My Commission Expires: *April 30, 2008*

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In the Matter of:)
)
Pennsylvania Public Utility Commission,)
et al.)
)
 v.)
)
PPL Electric Utilities Corporation)

**Docket No. R-00049255
and C0001-5**

**Exhitits
of Thomas J. Prisco**

David A. McCormick, Attorney
Regulatory Law Office
U.S. Army Legal Services Agency
JALS-RL
901 N. Stuart Street, Room 713
Office of Judge Advocate General
Arlington, VA 22203-1837

FOR

**THE UNITED STATES DEPARTMENT OF DEFENSE
AND OTHER ALL FEDERAL EXECUTIVE AGENCIES**

Dated: June 25, 2004
Filing Due: June 29, 2004

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DOD EXHIBIT TJP-1

PUBLIC UTILITY COMMISSION
PPL ELECTRIC UTILITIES CORPORATION
CALCULATION OF REVENUE REQUIREMENT
SECRETARY'S OFFICE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004

DOCKETED

AUG 18 2004

1 PPL Measures of Value		\$1,842,744
2 DOD Adjustment to Plant in Service		<u>(64,684)</u>
3 Adjusted Measures of Value		\$1,778,060
4 Rate of Return (DOD Exhibit TJP-2)		<u>8.46%</u>
5 Operating Income Required (line 3 * line 4)		<u>\$150,424</u>
DOD Revenue Adjustments		
6 Unbilled Revenues (DOD Exhibit TJP-4)	\$2,395	
7 Social Programs (DOD Exhibit TJP-5)	4,689	
8 Remediation Work (DOD Exhibit TJP-6)	3,025	
9 Injuries and Damages (DOD Exhibit TJP-7)	348	
10 Self Funded Health Insurance (DOD Exh TJP-8)	<u>1,000</u>	\$11,457
11 Tax Adjusted (line 10 * .451686)		<u>(5,175)</u>
12 DOD Revenue Adjustment		\$6,282
13 PPL T&D Revenue at Present Rates		<u>71,998</u>
14 Total Operating Revenue		<u>\$78,280</u>
15 Operating deficiency (line 5 - line 14)		\$72,144
16 Conversion Factor		<u>54.83%</u>
17 Revenue requirement (line 15 / line 16)		<u>\$131,574</u>

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DOD/FEA EXHIBIT TJP-2

PA PUBLIC UTILITY COMMISSION
SECRETARY'S OFFICE
PPL ENERGY SERVICES CORPORATION
CALCULATION OF COST OF CAPITAL
AS OF DECEMBER 31, 2004

DOCUMENT

Electric A	PPL CAPITALIZATION B	CAPITALIZATION RATIOS C	RATE D	WEIGHTED COST OF CAPITAL E
1 Long Term Debt	\$1,362.5	51.30%	6.44%	3.30%
2 Preferred Stock	48.7	1.83%	6.19%	0.11%
3 Common Equity	1,244.7	46.87%	10.75%	5.04%
4 TOTAL	\$2,655.9	100.00%		8.46%

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AUG 18 2004

DOCUMENT

DOD/FEA EXHIBIT TJP-3

PPL ELECTRIC UTILITIES CORPORATION
ADJUSTMENT TO PPL ELECTRIC PLANT IN SERVICE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003
(Thousands of Dollars)

1 Projected 2004 Capital Budget for Electric Utilities and Facilities Management	\$167,459
2 PPUC Jurisdictional	<u>129,168</u>
3 DOD Average Plant in Service (line 2 / 2)	<u>\$64,584</u>
4 DOD Adjustment to Measures of Value	<u>(\$64,684)</u>

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SECRETARY'S BUREAU

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DOD/FEA EXHIBIT TJP-4

PPL ELECTRIC UTILITIES CORPORATION
ADJUSTMENT TO PPL PRO-FORMA UNBILLED REVENUES RECOMMENDATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
(Thousands of Dollars)

1 PPL Adjustment for Unbilled Revenues		(2,395)
2 Eliminate PPL Adjustment for Unbilled Revenues		<u>0</u>
3 DOD Adjustment to PPL Pro Forma Revenues		<u><u>\$2,395</u></u>

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DOD/FEA EXHIBIT TJP-5

PPL ELECTRIC UTILITIES CORPORATION
ADJUSTMENT TO PPL PRO-FORMA SOCIAL PROGRAMS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
(Thousands of Dollars)

1 PPL Adjustment for Social Programs	\$4,776
2 Eliminate Community Betterment Initiative	(1,000)
3 Elimination of the Sustainable Energy Fund Requirement	<u>(3,689)</u>
4 DOD Recommended Expense Adjustment	<u>\$87</u>
5 Adjustment to Pro Forma Social Programs	<u>\$4,689</u>
6 DOD Adjustment to PPL Pro Forma Revenues	<u>\$4,689</u>

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SECRETARY'S BUREAU

DOCUMENT DOD/FEA EXHIBIT TJP-6

PPL ELECTRIC UTILITIES CORPORATION
ADJUSTMENT FOR REMEDIATION WORK
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
(Thousands of Dollars)

1 PPL Cost of Remediation Expense	\$3,025
2 Recommended Amount	<u>0</u>
3 Adjustment for Remediation Expenses	<u>(3,025)</u>
4 DOD Adjustment to PPL Pro Forma Revenues	<u>\$3,025</u>

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DOD/FEA EXHIBIT TJP-7

PPL ELECTRIC UTILITIES CORPORATION
ADJUSTMENT FOR INJURIES AND DAMAGES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
(Thousands of Dollars)

1 PPL O&M Expense Claims for Injuries and Damages Future Test	Year	\$1,517
2 PPL O&M Expense Claims for Injuries and Damages Historic Test	Year	<u>1,169</u>
3 Adjustment for Remediation Expenses		<u><u>(\$348)</u></u>
4 DOD Adjustment to PPL Pro Forma Revenues		<u><u>\$348</u></u>

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DOD/FEA EXHIBIT TJP-8

PPL ELECTRIC UTILITIES CORPORATION
ADJUSTMENT TO PPL SELF FUNDED HEALTH INSURANCE PROGRAMS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004
(Thousands of Dollars)

1 PPL Funding for Self Funded Health Insurance Programs	\$18,838
2 DOD Recommended Adjustment (Excess Reserve \$3M / 3 Year Amortization)	<u>(1,000)</u>
3 PPL Accrual Amount	<u>\$17,838</u>
4 DOD Adjustment to PPL Pro Forma Revenues	<u>\$1,000</u>

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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AUG 18 2004

PROCEEDING APPEARANCES OF THOMAS J. PRISCO
BEFORE
REGULATORY TRIBUNALS

COMPANY	PROCEEDING	JURISDICTION	ACTION	SUBJECT
MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY	Docket No. E-1051-88-146	ARIZONA	TESTIMONY	Revenue Requirements
TUCSON ELECTRIC POWER COMPANY	Docket No. U1993-90-270	ARIZONA	SETTLEMENT NEGOTIATION	Assist Counsel
TUCSON ELECTRIC POWER COMPANY	Docket No. U1933-95-317	ARIZONA	SETTLEMENT NEGOTIATION	Assist Counsel
POTOMAC ELECTRIC POWER COMPANY	Case No. 912	DISTRICT OF COLUMBIA	TESTIMONY	Revenue Requirements
POTOMAC ELECTRIC POWER COMPANY	Case No. 929	DISTRICT OF COLUMBIA	TESTIMONY	Revenue Requirements
INVESTIGATION OF ALTERNATIVE POWER POOLING SOLUTIONS	Docket No. RM 94-20-000	F.E.R.C.	TESTIMONY	Wholesale Transmission
NOI, PROPOSED RULE MAKING, CAPACITY RESER-VATION, OPEN ACCESS TRANSMISSION TARIFFS	Docket No. RM 96-11-000	F.E.R.C.	TESTIMONY	Comments Rate Design
RECOVERY OF STRANDED COSTS BY PUBLIC AND TRANSMITTING UTILITIES	Docket No. RM 94-007-000	F.E.R.C.	TESTIMONY	Electric Deregulation
UNITED GAS PIPELINE COMPANY (KOCH)	Docket No. RS-92-26-000	F.E.R.C.	SETTLEMENT NEGOTIATION	Assist Counsel
DEMAND SIDE OPTIONS AND CONSERVATION RULES	Docket No. 900834-EI	FLORIDA	TECHNICAL ASSISTANCE	Assist Counsel
ATLANTA GAS LIGHT COMPANY	Docket No. 4451-U	GEORGIA	TESTIMONY	Revenue Requirements

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FEDERAL PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PROCEEDING APPEARANCES OF THOMAS J. PRISCO
BEFORE
REGULATORY TRIBUNALS

COMPANY	PROCEEDING	JURISDICTION	ACTION	SUBJECT
ECONOMIC DEVELOPMENT INCENTIVE POLICY (GAS, ELECTRIC, TELECOMMUNICATIONS)	Docket No. 4697-U	GEORGIA	TESTIMONY	Rate Design
NOI, NATURAL GAS COMPETITION AND DEREGULATION ACT OF 1997 FILING REQUIREMENT	Docket No. 7656-U	GEORGIA	TESTIMONY	Comments Rate Design
UNITED CITIES GAS COMPANY	Docket No. 4188-U	GEORGIA	TESTIMONY	Revenue Requirements
WHEELING & LAKE ERIE RAILROAD COMPANY, LINE ABANDONMENT	Docket No. AB-277 (Sub No. 2X)	I.C.C.	Settled; Prepared Valuation Study	Assist Counsel
INDIANAPOLIS POWER AND LIGHT COMPANY	Case no. 39,938	INDIANA	TESTIMONY	Revenue Requirements
KANSAS GAS SERVICE A DIVISION OF ONEOK, INC.	KCC Docket No. 03-KGSG-602-RTS	KANSAS	TESTIMONY	Revenue Requirements
SOUTHERN STAR CENTRAL GAS PIPELINE, INC.	KCC Docket No. 99-GIMG-068-GIG	KANSAS	SETTLEMENT	Ad Valorem Tax Refunds
LOUISVILLE Gas & Electric	Docket No. 2003-00433	KENTUCKY	TESTIMONY PENDING	Revenue Requirements
LOUISVILLE GAS AND ELECTRIC COMPANY	Case No. 2000-080 & 2000-137	KENTUCKY	TESTIMONY	Rate Design

PROCEEDING APPEARANCES OF THOMAS J. PRISCO
BEFORE
REGULATORY TRIBUNALS

COMPANY	PROCEEDING	JURISDICTION	ACTION	SUBJECT
LOUISVILLE GAS AND ELECTRIC COMPANY	Case No. 10,064	KENTUCKY	TESTIMONY	Revenue Requirements
BALTIMORE GAS AND ELECTRIC COMPANY	Case No. 8190	MARYLAND	TESTIMONY	Revenue Requirements
BALTIMORE GAS AND ELECTRIC COMPANY	Case No. 8278	MARYLAND	SETTLEMENT NEGOTIATION	Revenue Requirements
BALTIMORE GAS AND ELECTRIC COMPANY	Case No. 8487	MARYLAND	TESTIMONY	Revenue Requirements
BALTIMORE GAS AND ELECTRIC COMPANY	Case No. 8697	MARYLAND	TESTIMONY	Revenue Requirements
BALTIMORE GAS AND ELECTRIC COMPANY	Case No. 8780	MARYLAND	TESTIMONY SETTLEMENT	Revenue Requirements
BALTIMORE GAS AND ELECTRIC COMPANY	Case No. 8794	MARYLAND	TESTIMONY SETTLEMENT	Revenue Requirements
BALTIMORE GAS AND ELECTRIC COMPANY	Case No. 8829	MARYLAND	TESTIMONY	Revenue Req ROR Rate Design
BALTIMORE GAS AND ELECTRIC COMPANY MERGER WITH POTOMAC ELECTRIC POWER CO.	Case No. 8725	MARYLAND	TESTIMONY	Revenues and Rate Design
COMMISSION'S INQUIRY INTO PROVISION AND REGULATION OF ELECTRIC SERVICE	Case No. 8738	MARYLAND	TESTIMONY	Comments, Assist Counsel

PROCEEDING APPEARANCES OF THOMAS J. PRISCO
BEFORE
REGULATORY TRIBUNALS

COMPANY	PROCEEDING	JURISDICTION	ACTION	SUBJECT
INVESTIGATION OF ELECTRIC SERVICE COMPETITION AND REGULATORY POLICIES	Case No. 8678	MARYLAND	TESTIMONY	Electric Deregulation
POTOMAC ELECTRIC POWER COMPANY	Case No. 8251	MARYLAND	TESTIMONY	Revenue Requirements
POTOMAC ELECTRIC POWER COMPANY	Case No. 8466	MARYLAND	SETTLEMENT NEGOTIATION	Assist Counsel
POTOMAC ELECTRIC POWER COMPANY	Case No. 8466	MARYLAND	SETTLEMENT NEGOTIATION	Assist Counsel
POTOMAC ELECTRIC POWER COMPANY	Case No. 8565	MARYLAND	SETTLEMENT NEGOTIATION	Assist Counsel
WASHINGTON GAS LIGHT COMPANY	Case No. 8920	MARYLAND	TESTIMONY	Revenue Requirements
WASHINGTON GAS LIGHT COMPANY	Case No. 8959	MARYLAND	TESTIMONY	Revenue Requirements
SOUTHWESTERN BELL TELEPHONE COMPANY	Case No. TC 89-14	MISSOURI	TESTIMONY	Revenue Requirements
JERSEY CENTRAL POWER AND LIGHT COMPANY	BRC Docket No. ER 89110912J	NEW JERSEY	TESTIMONY	Revenue Requirements
NEW JERSEY AMERICAN WATER COMPANY	BRC Docket No. WR92090908J	NEW JERSEY	TESTIMONY	Revenue Requirements
NEW JERSEY AMERICAN WATER COMPANY	BRC Docket No. WR 91081399J	NEW JERSEY	SETTLEMENT NEGOTIATION	Assist Counsel
NIAGARA MOHAWK POWER	Case Nos.	NEW YORK	TESTIMONY	Revenue

PROCEEDING APPEARANCES OF THOMAS J. PRISCO
BEFORE
REGULATORY TRIBUNALS

COMPANY	PROCEEDING	JURISDICTION	ACTION	SUBJECT
CORPORATION	94-E-0098; 94-E-0099, and 94-E-100			Requirements and Price Caps
NIAGARA MOHAWK POWER CORPORATION	Docket Nos. 96-E-0134 and 135	NEW YORK	TESTIMONY	Revenue Requirements
INVESTIGATION OF SELF GENERATION AND ECONOMIC INCENTIVE RATES RULE MAKING	Docket No. E-100 (Sub 73)	NORTH CAROLINA	TESTIMONY	Rate Design
INVESTIGATION INTO ELECTRIC POWER COMPETITION	Docket No. I-94-0032	PENNSYLVANIA	TESTIMONY	Electric Deregulation
PENNSYLVANIA POWER AND LIGHT COMPANY	Docket No. R-00943271	PENNSYLVANIA	TESTIMONY	Revenue Requirements
PENNSYLVANIA POWER AND LIGHT COMPANY, RETAIL ACCESS PILOT PROGRAM	Docket No. P-00971183	PENNSYLVANIA	TESTIMONY	Comments, Assist Counsel
PG ENERGY	Docket No. R 0098-4280	PENNSYLVANIA	TESTIMONY	Revenue Requirements Settlement
PENNSYLVANIA POWER AND LIGHT COMPANY, RESTRUCTURING PROCEEDING	Docket No. R-00973954	PENNSYLVANIA	TESTIMONY	Revenue Requirements
ENERGY POLICY ACT OF 1992 SECTION 115 CONSERVATION EFFORTS OF GAS UTILITIES	Docket No. 83-730-G	SOUTH CAROLINA	TESTIMONY	Demand Side Management
INTEGRATED RESOURCE PLANNING	Docket No.	SOUTH	TESTIMONY	Demand Side

PROCEEDING APPEARANCES OF THOMAS J. PRISCO
BEFORE
REGULATORY TRIBUNALS

COMPANY	PROCEEDING	JURISDICTION	ACTION	SUBJECT
RULE MAKING FOR GAS UTILITIES	91-677-G	CAROLINA		Management
EL PASO ELECTRIC COMPANY	Docket No. 12,700	TEXAS	TESTIMONY	Revenue Requirements