

1. REPORT DATE: 00/00/00 :  
 2. BUREAU: FUS :  
 3. SECTION(S) : 4. PUBLIC MEETING DATE:  
 5. APPROVED BY: : 00/00/00  
 DIRECTOR: :  
 SUPERVISOR: :  
 6. PERSON IN CHARGE: : 7. DATE FILED: 07/17/06  
 8. DOCKET NO: R-00061681 : 9. EFFECTIVE DATE: 07/27/06

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: PPL ELECTRIC UTILITIES CORP

COMP/APP COUNTY: UTILITY CODE: 110500

ALLEGATION OR SUBJECT

PPL ELECTRIC UTILITIES CORPORATION HAS FILED SUPPLEMENT NO 49 TO TARIFF ELE-  
 CTIC PA PUC NO 201, TO BECOME EFFECTIVE JULY 27, 2006, WHICH PROPOSES TO RE-  
 FLECT CHANGES IN THE STATE TAX ADJUSTMENT SURCHARGE. A DECREASE FROM THE PRE-  
 SENT RATE OF NEGATIVE 0.052% TO A PROPOSED RATE OF NEGATIVE 0.097% FOR THE  
 DISTRIBUTION RATE COMPONENT AND FROM THE PRESENT RATE OF NEGATIVE 0.051% TO A  
 PROPOSED RATE OF NEGATIVE 0.069% FOR ALL OTHER RATE COMPONENTS.

DOCUMENT  
FOLDER

**DOCKETED**  
 JUL 24 2006

DOCUMENT  
FOLDER

**Paul E. Russell**  
Associate General Counsel

**PPL**  
Two North Ninth Street  
Allentown, PA 18101-1179  
Tel. 610.774.4254 Fax 610.774.6726  
perussell@pplweb.com



**FEDERAL EXPRESS**

00061681

**ORIGINAL**

July 17, 2006

**RECEIVED**

JUL 17 2006

James J. McNulty, Esquire  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17105-3265

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Re: **PPL Electric Utilities Corporation**  
**Revised 2006 State Tax Adjustment Surcharge**  
~~Docket No. E-00051211~~

Dear Mr. McNulty:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are an original and eight (8) copies of Supplement No. 49 to PPL Electric's Tariff-Electric Pa. P.U.C. No. 201. This supplement reflects a recomputation of PPL Electric's State Tax Adjustment Surcharge ("STAS") to reflect changes in the Pennsylvania Capital Stock Tax rate, as well as the reconciliation of the application of PPL Electric's 2005 STAS rates. This filing is being made pursuant to the Commission's regulations at 52 Pa. Code § 69.51, et seq., and PPL Electric's tariff.

Recomputation of PPL Electric's STAS, as of July 17, 2006, to reflect these changes indicates a decrease from the present rate of negative 0.052% to a proposed rate of negative 0.097% for the distribution rate component and from the present rate of negative 0.051% to a proposed rate of negative 0.069% for all other rate components of customers' bills, for application during the period July 27, 2006 through December 31, 2006.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on July 17, 2006, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

87

James J. McNulty, Secretary

- 2 -

July 17, 2006

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding the enclosed filing, please call me or Joseph M. Kleha, PPL Electric's Manager - Regulatory Projects at (610) 774-4486.

Very truly yours,



Paul E. Russell

Enclosures

cc: Irwin A. Popowsky, Esquire  
William R. Lloyd, Esquire  
J. Edward Simms, Esquire  
Mr. Robert A. Rosenthal  
Mr. Robert F. Wilson

RECEIVED

JUL 17 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

00061681

Supplement No. 49  
Electric Pa. P.U.C. No. 201

ORIGINAL

DOCUMENT  
FOLDER



RECEIVED

JUL 17 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**PPL Electric Utilities Corporation**

DOCKETED  
JUL 24 2006

**GENERAL TARIFF**

**RULES AND RATE SCHEDULES  
FOR ELECTRIC SERVICE**

In the territory listed on pages 4, 4A, and 4B  
and in the adjacent territory served.

ISSUED: July 17, 2006

EFFECTIVE: July 27, 2006

Issued by  
**JOHN F. SIFICS, PRESIDENT**  
Two North Ninth Street  
Allentown, PA 18101-1179

**NOTICE**

THIS TARIFF MAKES (CHANGES) IN EXISTING RATES. SEE PAGE TWO.

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**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**CHANGES:**

State Tax Adjustment Surcharge (STAS)  
Page No. 16

The State Tax Adjustment Surcharge (STAS)  
Part 1 will be -0.097%.

The State Tax Adjustment Surcharge (STAS)  
Part 2 will be -0.069%.

**RECEIVED**

JUL 17 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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	19A.4	First

**STATE TAX ADJUSTMENT SURCHARGE**

**STATE TAX ADJUSTMENT SURCHARGE**

**(C)**

In addition to the charges and credits provided for in this tariff, except for charges or credits under Rate Schedules PR-1(R) and PR-2(R) for incremental or decremental kilowatt-hour usage and under the Generation Rate Adjustment Rider, a two-part surcharge will be charged for all service rendered on and after the effective date of this provision.

- Part 1 will include Capital Stock Tax, Corporate Income Tax, Public Utility Realty Tax, and Gross Receipts Tax, which will be applied to the Distribution component of the bill. Effective July 27, 2006, this part of the surcharge will be -0.097%.
- Part 2 will include the Gross Receipts Tax, which will be applied to all other components of the bill. Effective July 27, 2006, this part of the surcharge will be -0.069%.

Each part of the State Tax Adjustment Surcharge will be recomputed using the elements prescribed by the Commission in its regulations at 52 Pa. Code §69.51, et seq. and at 52 Pa. Code §54.91, et seq.:

- on December 21, 2006, and each year thereafter until the surcharge is rolled into base rates, and
- whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in its state tax liability arising under 66 Pa. C. S. §§2806 (g), 2809(c) or 2810 (c).

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations at 52 Pa. Code §54.91, et seq. If the recomputed surcharge is less than the one in effect, the utility will, or if the recomputed surcharge is more than the one in effect the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations at 52 Pa. Code §54.91, et seq.

**TAX INDEMNIFICATION**

If the Company becomes liable, under Section 2806(g) or 2809(c) of the Public Utility Code, 66 Pa. C.S. §§ 2806(g) and 2809(c), for any Pennsylvania state taxes not paid by an electric generation supplier, the non-tax-compliant electric generation supplier shall indemnify the Company for the full amount of additional state tax liability imposed upon it by the Pennsylvania Department of Revenue due to the failure of the electric generation supplier to pay, or remit to the Commonwealth, the tax imposed on the electric generation supplier's gross receipts under Section 1101 of the Tax Report Code of 1971 or Chapter 28 of Title 66.

PPL ELECTRIC UTILITIES CORPORATION

Computation of State Tax Adjustment Surcharge  
As of July 27, 2006, Based on Application Year 2006 Operations

	Distribution <u>Amount</u>	Other <u>Amount</u>	<u>Schedule</u>
1. Capital Stock Tax	\$ (346,942)	\$ -	A
2. Corporate Net Income Tax	-	-	B <u>1/</u>
3. Utility Realty Tax	289,718	-	C
4. Gross Receipts Tax	-	-	D <u>1/</u>
5. Total of Lines 1, 2, 3, and 4	<u>(57,224)</u>	-	
6. PURTA Surcharge Rate Adjustment	-	-	D <u>1/</u>
7. Total of Lines 5 and 6	<u>\$ (57,224)</u>	\$ -	
8. Line 7 divided by complement of Gross Receipts Tax Rate (.941)	\$ (60,812)	\$ -	
9. STAS reconciliation for period January 1, 2005 through December 31, 2005 less amounts refunded for the period January 1, 2006 through July 26, 2006	<u>(210,239)</u>	<u>(721,496)</u>	
10. Total of Lines 8 and 9	<u>\$ (271,051)</u>	\$ <u>(721,496)</u>	
11. Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the Pennsylvania Public Utility Commission projected for the application period July 27, 2006 through December 31, 2006	<u>\$ 280,479,041</u>	\$ <u>1,045,331,376</u>	E
12. Surcharge rate to be applied for the period July 27, 2006 through December 31, 2006 (Line 10 divided by Line 11)	<u>-0.097%</u>	<u>-0.069%</u>	

1/ Not applicable to this filing.

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax Adjustment  
(Electric Department)

1. Value of capital stock (Per-official settlement dated August 4, 2004 attached, Schedule A, Page 4) (Value per settlement of \$848,508,079 plus statutory exemption of \$125,000)	\$ 848,633,079
2. Statutory exemption	<u>150,000</u>
3. Value of capital stock less statutory exemption	848,483,079
4. Apportionment percentage	<u>0.986454</u>
5. Taxable value of capital stock	836,989,527
6. Tax rate - 2006 (4.89 mills)	<u>0.00489</u>
7. Pa. capital stock tax based on new tax rate - 2006	4,092,879
8. Pa. capital stock tax (Based on 2002 settled value and 2005 tax rates)	<u>5,013,567</u>
9. Tax decrease - 2006	(920,688)
10. PUC jurisdictional allocation factor	<u>0.77790</u>
11. Allocated tax decrease - 2006	(716,203)
12. Allocated tax decrease - January 1, 2006 through July 26, 2006 ((\$651,113 from Schedule A Page 2, Line 11 divided by 365 times 207)	<u>(369,261)</u>
13. Allocated tax decrease - July 27, 2006 through December 31, 2006 (Line 11 minus Line 12)	<u>\$ (346,942)</u>

PPL ELECTRIC UTILITIES CORPORATIONCapital Stock Tax Adjustment  
(Electric Department)

1. Value of capital stock (Per official settlement dated August 4, 2004 attached, Schedule A, Page 4) (Value per settlement of \$848,508,079 plus statutory exemption of \$125,000)	\$ 848,633,079
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statutory exemption	848,508,079
4. Apportionment percentage	<u>0.986454</u>
5. Taxable value of capital stock	837,014,189
6. Tax rate - 2006 (4.99 mills)	<u>0.00499</u>
7. Pa. capital stock tax based on new tax rate - 2006	4,176,701
8. Pa. capital stock tax (Based on 2002 settled value and 2005 tax rates)	<u>5,013,715</u>
9. Tax decrease - 2006	(837,014)
10. PUC jurisdictional allocation factor	<u>0.77790</u>
11. Allocated tax decrease - 2006	<u>\$ (651,113)</u>

REPORT  
RECEIVED 10/14/03

Bureau of Corporation Taxes  
DEPT. 280703  
HARRISBURG, PA 17128-0703

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



OFFICIAL NOTICE OF SETTLEMENT  
REPLACEMENT NOTICE DATE 11/01/04

PA ACCOUNT ID: 8280-166  
TAXABLE YEAR: 01/01/02 TO 12/31/02  
DLN: 46-3-02930

PPL ELECTRIC UTILITIES CO  
2 N 9TH ST  
ALLENTOWN PA 18101

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND  
THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----		
TAX	AS REPORTED	AS SETTLED
	5,929,761	6,059,983
----- SECTION B - LOANS TAX -----		
TAX	AS REPORTED	AS SETTLED
	3,602	3,602
----- SECTION C - CORPORATE NET INCOME TAX -----		
TAX	AS REPORTED	AS SETTLED
	4,550,540	4,550,540

DEPARTMENT OF REVENUE  
(717)783-6031  
RANDALL SARVEY

MAILING DATE

AUDITED AND APPROVED BY  
DEPARTMENT OF AUDITOR GENERAL  
FRANKLIN C KRAMER

07/26/04

08/04/04

08/03/04

TO FORMALLY CONTEST THIS SETTLEMENT, A PETITION FOR RESETTLEMENT, ALONG WITH A  
COPY OF THIS SETTLEMENT NOTICE MUST BE FILED WITHIN 90 DAYS OF THIS NOTICE  
MAILING DATE. APPEALS, SIGNED BY A CORPORATE OFFICER, MAY BE FILED VIA THE  
INTERNET @ WWW.BOARDOFAPPEALS.STATE.PA.US, OR MAILED TO: BOARD OF APPEALS,  
DEPT 281021, HARRISBURG, PA. 17128-1021.

LOANS AND CNI SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:

- \* DEPARTMENT OF REVENUE COMPUTATION DIFFERS FROM SUBMITTED FIGURE
- D2 BDDK INCOME REVISED TO REFLECT M-2 ADJUSTMENTS.
- F1 USE CONSOLIDATED NET WORTH.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/98 TO 12/31/98		560,378,205-	PY
01/01/99 TO 12/31/99		477,299,182	PY
01/01/00 TO 12/31/00		277,363,986	PY
01/01/01 TO 12/31/01		124,281,534	PY
01/01/02 TO 12/31/02	43,632,995	49,803,678	D2
TOTAL BOOK INCOME		368,370,175	
AVERAGE NET INCOME	72,439,898	73,674,035	*
EQUITY YEAR ENDING	1,197,698,737	1,229,000,000	F1
EQUITY YEAR BEGINNING	981,568,019	1,013,000,000	F1
NET WORTH	1,197,698,737	1,229,000,000	*
CAPITAL STOCK VALUE	830,274,648	848,508,079	*
APPORTIONMENT PROPORTION	.986454	.986454	
CAPITAL STOCK/FRANCHISE TAX	5,929,761	6,059,983	*

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA	
PROPERTY FACTOR - TOTAL	
PAYROLL FACTOR - PA	
PAYROLL FACTOR - TOTAL	
SALES FACTOR - PA	
SALES FACTOR - TOTAL	
SINGLE FACTOR - NUMERATOR	3,854,670,264
SINGLE FACTOR - DENOMINATOR	3,907,603,428

----- SECTION B - LOANS TAX -----

INDEBTEDNESS	917,438	
LOANS TAX	3,602	3,602

----- SECTION C - CORPORATE NET INCOME TAX -----

DEPRECIATION CARRY IN AND OUT	5,777,113	5,269,490	PY
NET INCOME	42,850,477		
DIVIDENDS	926,259		
US INTEREST	627		
DEPRECIATION DEDUCTION	507,623	507,623	
OTHER			
TOTAL DEDUCTIONS	1,434,509	1,434,509	
INCOME TAXES	4,505,651		
TAX PREFERENCE ITEMS	370,667-		
EIP ADJUSTMENTS			
DEPRECIATION ADDITION			
OTHER			
TOTAL ADDITIONS	4,134,984	4,134,984	
ADJUSTED INCOME	45,550,952	45,550,952	
TOTAL NONBUSINESS INCOME		0	
INCOME TO BE APPORTIONED		45,550,952	
APPORTIONMENT PROPORTION	1.000000	1.000000	
PA APPORTIONED INCOME		45,550,952	
PA NONBUSINESS INCOME		0	
INCOME PRIOR TO NL DEDUCTION	45,550,952	45,550,952	
NET LOSS DEDUCTION		0	
PA TAXABLE INCOME		45,550,952	
CORPORATE NET INCOME TAX	4,550,540	4,550,540	

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA	4,090,095,645
PROPERTY FACTOR - TOTAL	4,090,095,645
PAYROLL FACTOR - PA	213,094,549
PAYROLL FACTOR - TOTAL	213,094,549
SALES FACTOR - PA	2,727,860,392
SALES FACTOR - TOTAL	2,727,860,392
SINGLE FACTOR - PA	
SINGLE FACTOR - TOTAL	

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR	
12-31-94	0	0 PY
12-31-95	0	0 PY
12-31-96	0	0 PY
12-31-97	0	0 PY
12-31-98	0	0 PY
12-31-99	0	0 PY
12-31-00	0	0 PY
12-31-01	0	0 PY
		0 PY

PPL ELECTRIC UTILITIES CORPORATION

Pennsylvania Public Utility Realty Tax Adjustment  
(Electric Department)

1. Taxable value of T&D plant at December 31, 2004 (per Notice of Determination dated August 1, 2005 - attached, Schedule C, Page 3)	<u>\$ 145,675,654</u>
2. Pa. Public Utility Realty Tax (Based on applied rate of 28.2254 mills per Notice of Determination dated August 1, 2005- attached, Schedule C, Page 3)	<u>\$ 4,111,754</u>
3. Taxable value of T&D plant at December 31, 2002 (per Notice of Determination dated August 1, 2003 - attached, Schedule C, Page 5)	<u>105,089,890</u>
4. Pa. Public Utility Realty Tax (Based on applied rate of 30.9390 mills per Notice of Determination dated August 1, 2003- attached, Schedule C, Page 5)	<u>3,251,378</u>
5. Increase in Pa. Public Utility Realty Tax	860,376
6. PUC jurisdictional allocation factor	<u>0.77790</u>
7. Allocated tax increase - 2006	<u>669,286</u>
8. Allocated tax increase - July 27, 2006 through December 31, 2006 (Line 7 divided by 365 times 158)	<u>\$ 289,718</u>

BUREAU OF CORPORATION TAXES  
 PURTA UNIT  
 P.O. BOX 280704  
 HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA  
 DEPARTMENT OF REVENUE



Mailing Date:  
 August 1, 2005

PENNSYLVANIA POWER & LIGHT CO  
 TAX SECTION GENTW11  
 2 N 9TH STREET  
 ALLENTOWN, PA 18101

**Re: 2004 Pennsylvania Public Utility Realty Tax  
 Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2004. This notice is based on information provided by your County Tax Assessor's Office. Any errors must be addressed with that agency and not with the Pennsylvania Department of Revenue. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

2005 PURTA property information for next tax year's filings will soon be filed with the Department of Revenue by local taxing jurisdictions. This information comes directly from your County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes or corrections to the County Tax Assessor's records must be addressed and/or appealed at the local level. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Bureau of Corporation Taxes  
 Department of Revenue

**1998 - 2004 NOTICES:**

2004 Liability:	\$4,111,754.00
2003 Liability Adjustment:	\$230,453.00
2002 Liability Adjustment:	\$209,542.00
2001 Liability Adjustment:	\$220,163.00
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	\$211,725.00
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	\$195,546.00
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$598,904.00
1998 Transition Credit Adjustment:	\$0.00

PLEASE SEE PAGE 2  
 FOR DETAIL

Account Id: 3500090

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500090

Detail

Tax Year 2004 \*

	<u>2004</u>
1) Realty Tax Equivalent (RTE):	\$ 30,361,542
2) Total State Taxable Value (STV) for all utilities:	\$ 1,472,043,134
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	28.2254 mills
4) STV for Utility:	\$145,675,654
5) Liability (Line 3 x Line 4):	\$4,111,754

Tax Year 1998 - 2003

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 39,663,277	\$ 28,874,993	\$ 29,761,819	\$ 29,750,366	\$ 30,323,939
2) Adjusted Total STV for all utilities:	\$ 2,101,312,290	\$ 2,092,107,471	\$ 1,388,341,262	\$ 1,361,751,810	\$ 1,390,667,325	\$ 1,407,045,543
3) Adjusted Millage Rate (includes 7.6 mills for PTA):	70.9890 mills	26.5585 mills	28.3982 mills	29.4555 mills	28.9929 mills	29.1515 mills
4) Adjusted STV for Utility:	\$221,562,182	\$236,450,915	\$117,144,445	\$113,400,472	\$120,251,675	\$129,292,019
5) Adjusted Liability (Line 3 x Line 4):	\$15,728,478	\$6,279,782	\$3,326,691	\$3,340,268	\$3,486,445	\$3,769,056
6) Adjusted Transition Credit:	\$0	\$0	\$0	\$0	N/A	N/A
7) Adjustment to Liability of 8/1/2004:	\$598,904	\$195,546	\$211,725	\$220,163	\$209,542	\$230,453
8) Adjustment to Transition Credit of 8/1/2004:	\$0	\$0	\$0	\$0	N/A	N/A

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

\* If you do not agree with this Notice of Determination for 2004 PURTA, you may have Petition privileges pursuant to Section 1109-A. Please refer to the enclosed copy of the PURTA statute.

BUREAU OF CORPORATION TAXES  
PURTA UNIT  
DEPT. 280704  
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



Mailing Date:  
August 1, 2003

PENNSYLVANIA POWER & LIGHT CO  
TAX SECTION GENTW11  
2 N 9TH STREET  
ALLENTOWN, PA 18101

**Re: 2002 Pennsylvania Public Utility Realty Tax  
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2002. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

2003 PURTA property information for next tax year's filings will soon be filed with the Department of Revenue by local taxing jurisdictions. This information comes directly from your local County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes you deem necessary to the local County Assessor's report must be addressed and/or appealed at the local level. You must make sure that each county properly reports to the Department of Revenue relevant and accurate information. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Bureau of Corporation Taxes  
Department of Revenue

**2002,2001,2000,1999 & 1998 NOTICES:**

2002 Liability:	\$3,251,378.00
2001 Liability Adjustment:	(\$35,595.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	\$60,712.00
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	(\$14,906.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$300,288.00
1998 Transition Credit Adjustment:	\$0.00

**PLEASE SEE  
REVERSE SIDE  
FOR DETAIL**

Account Id: 3500090

BUREAU OF CORPORATION TAXES  
PURTA UNIT  
DEPT. 280704  
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



Mailing Date:  
August 1, 2003

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500090

Detail

Tax Year 2002 \*

	<u>2002</u>
1) Realty Tax Equivalent (RTE):	\$ 32,527,600
2) Total State Taxable Value (STV) for all utilities:	\$ 1,393,700,840
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	30.9390 mill
4) STV for Utility:	\$105,089,890
5) Liability (Line 3 x Line 4):	\$3,251,378

Tax Year 1998 - 2001

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 40,145,551	\$ 31,667,138	\$ 32,783,466
2) Adjusted Total STV for all utilities:	\$ 2,184,494,108	\$ 2,093,188,013	\$ 1,392,156,950	\$ 1,377,115,970
3) Adjusted Millage Rate (including 7.6 mills for PTA):	68.5752 mills	26.7791 mills	30.3468 mills	31.4059 mills
4) Adjusted STV for Utility:	\$212,468,408	\$227,294,425	\$102,965,537	\$97,824,002
5) Adjusted Liability (Line 3 x Line 4):	\$14,570,067	\$6,086,750	\$3,124,676	\$3,072,249
6) Adjusted Transition Credit:	\$0	\$0	\$0	\$0
7) Adjustment to Liability of 8/1/2002:	\$300,288	(\$14,906)	\$60,712	(\$35,595)
8) Adjustment to Transition Credit of 8/1/2002:	\$0	\$0	\$0	\$0

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

\* If you do not agree with this Notice of Determination for 2002 PURTA, you may file a Petition for Recalculation pursuant to Section 1109-A with the Board of Finance and Revenue which must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within thirty (30) days of the mailing date of this notice.

Petitions should be addressed to:

Board of Finance and Revenue  
1101 South Front Street, Suite 400  
Harrisburg, Pa 17104-2539

PPL ELECTRIC UTILITIES CORPORATION

Projected Revenues from Service Under  
Rates Subject to Jurisdiction of  
Pennsylvania Public Utility Commission  
For the Application Period January 1, 2006 to December 31, 2006

<u>Month</u>	<u>Distribution Rate Revenues</u>	<u>All Other <sup>1/</sup> Rate Revenues</u>
January 2006	\$ 60,787,969	\$ 230,565,426
February	57,654,573	220,008,382
March	58,355,899	217,514,035
April	54,570,157	201,648,974
May	49,415,896	183,880,277
June	50,697,064	189,139,886
July 1 - 26	45,233,539	173,377,029
Subtotal - January through July 26	<u>376,715,097</u>	<u>1,416,134,009</u>
July 27 - 31	8,698,758	33,341,736
August	55,731,225	212,410,941
September	51,468,714	196,066,741
October	51,645,685	188,162,196
November	54,434,206	196,999,964
December	58,500,453	218,349,798
Subtotal - July 27 through December	<u>280,479,041</u>	<u>1,045,331,376</u>
Total Projected Revenue	<u>\$ 657,194,138</u>	<u>\$ 2,461,465,385</u>

<sup>1/</sup> Includes projected energy and capacity, CTC, ITC and transmission rate-related revenues.

PPL ELECTRIC UTILITIES CORPORATION

Reconciliation of State Tax Adjustment Surcharge  
for the Period January 1, 2005 through December 31, 2005

	Distribution Amount	Other Amount	Schedule Number
1. Capital Stock Tax	\$ -	\$ -	A
2. Corporate Net Income Tax	-	-	B 1/
3. Utility Realty Tax	226,469	-	C
4. Gross Receipts Tax	-	-	D 1/
5. Total of Lines 1, 2, 3, and 4	226,469	0	
6. PURTA Surcharge Rate Adjustment	387,707	1,384,539	D
7. Total of Lines 5 and 6	\$ 614,176	\$ 1,384,539	
8. Revised Tax Liability for the period January 1, 2005 through December 31, 2005 (Line 7 divided by complement of Gross Receipts Tax Rate (.9404))	\$ 653,101	\$ 1,472,287	
9. STAS overcollection for the period January 1, 2004 through December 31, 2004	(124,348)	0	2/
10. Total of Lines 8 and 9	528,753	1,472,287	
11. STAS Revenue Collections	888,535	2,732,142	E
12. (Over)/Under Collection (Line 8 minus Line 9)	(359,782)	(1,259,855)	
13. Less: (Over)/Under Collection Refunded for period January 1, 2006 through July 26, 2006	(149,543)	(538,359)	E
14. Net (Over)/Under Collection For period July 27, 2006 through December 31, 2006 (Line 12 minus Line 13)	\$ (210,239)	\$ (721,496)	

1/ Not applicable to this filing.

2/ Amount includes actual results through December 31, 2004.

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax Adjustment  
(Electric Department)

1. Value of capital stock (Per official settlement dated August 4, 2004 attached, Schedule A, Page 3) (Value per settlement of \$848,508,079 plus statutory exemption of \$125,000)	\$ 848,633,079
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statutory exemption	848,508,079
4. Apportionment percentage	<u>0.986454</u>
5. Taxable value of capital stock	837,014,189
6. Tax rate - 2005 (5.99 mills)	<u>0.00599</u>
7. Pa. capital stock tax based on new tax rate - 2005	5,013,715
8. Pa. capital stock tax (Based on 2002 settled value and 2005 tax rates)	<u>5,013,715</u>
9. Tax decrease - 2005	0
10. PUC jurisdictional allocation factor	<u>0.78847305389</u>
11. Allocated tax decrease - 2005	<u>\$ -</u>

REPORT  
RECEIVED 10/14/03

Bureau of Corporation Taxes  
DEPT. 280703  
HARRISBURG, PA 17128-0703

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



REV-57 CT APP (9-98)

OFFICIAL NOTICE OF SETTLEMENT  
REPLACEMENT NOTICE DATE 11/01/04

PA ACCOUNT ID: 0280-166  
TAXABLE YEAR: 01/01/02 TO 12/31/02  
DLN: 46-3-02930

PPL ELECTRIC UTILITIES CO  
2 N 9TH ST  
ALLENTOWN PA 18101

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----		
TAX	AS REPORTED	AS SETTLED
	5,929,761	6,059,983
----- SECTION B - LOANS TAX -----		
TAX	AS REPORTED	AS SETTLED
	3,602	3,602
----- SECTION C - CORPORATE NET INCOME TAX -----		
TAX	AS REPORTED	AS SETTLED
	4,550,540	4,550,540

DEPARTMENT OF REVENUE  
(717)783-6031  
RANDALL SARVEY

MAILING DATE

AUDITED AND APPROVED BY  
DEPARTMENT OF AUDITOR GENERAL  
FRANKLIN C KRAMER

07/26/04

08/04/04

08/03/04

TO FORMALLY CONTEST THIS SETTLEMENT, A PETITION FOR RESETTLEMENT, ALONG WITH A COPY OF THIS SETTLEMENT NOTICE MUST BE FILED WITHIN 90 DAYS OF THIS NOTICE MAILING DATE. APPEALS, SIGNED BY A CORPORATE OFFICER, MAY BE FILED VIA THE INTERNET @ WWW.BOARDOFAPPEALS.STATE.PA.US, OR MAILED TO: BOARD OF APPEALS, DEPT 281021, HARRISBURG, PA. 17128-1021.

LOANS AND CNI SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:

- \* DEPARTMENT OF REVENUE COMPUTATION DIFFERS FROM SUBMITTED FIGURE
- D2 BOOK INCOME REVISED TO REFLECT M-2 ADJUSTMENTS.
- F1 USE CONSOLIDATED NET WORTH.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/98 TO 12/31/98		560,378,205-	PY
01/01/99 TO 12/31/99		477,299,182	PY
01/01/00 TO 12/31/00		277,363,986	PY
01/01/01 TO 12/31/01		124,281,534	PY
01/01/02 TO 12/31/02	43,632,995	49,803,678	D2
TOTAL BOOK INCOME		368,370,175	
AVERAGE NET INCOME	72,439,898	73,674,035	*
EQUITY YEAR ENDING	1,197,698,737	1,229,000,000	F1
EQUITY YEAR BEGINNING	981,568,019	1,013,000,000	F1
NET WORTH	1,197,698,737	1,229,000,000	**
CAPITAL STOCK VALUE	830,274,648	848,508,079	**
APPORTIONMENT PROPORTION	986454	986454	*
CAPITAL STOCK/FRANCHISE TAX	5,929,761	6,059,983	*

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA	
PROPERTY FACTOR - TOTAL	
PAYROLL FACTOR - PA	
PAYROLL FACTOR - TOTAL	
SALES FACTOR - PA	
SALES FACTOR - TOTAL	
SINGLE FACTOR - NUMERATOR	3,854,670,264
SINGLE FACTOR - DENOMINATOR	3,907,603,428

----- SECTION B - LOANS TAX -----	
INDEBTEDNESS	917,438
LOANS TAX	3,602
	3,602

----- SECTION C - CORPORATE NET INCOME TAX -----			
DEPRECIATION CARRY IN AND OUT	5,777,113	5,269,490	PY
NET INCOME	42,850,477		
DIVIDENDS	926,259		
US INTEREST	627		
DEPRECIATION DEDUCTION	507,623	507,623	
OTHER			
TOTAL DEDUCTIONS	1,434,509	1,434,509	
INCOME TAXES	4,505,651		
TAX PREFERENCE ITEMS	370,667-		
EIP ADJUSTMENTS			
DEPRECIATION ADDITION			
OTHER			
TOTAL ADDITIONS	4,134,984	4,134,984	
ADJUSTED INCOME	45,550,952	45,550,952	
TOTAL NONBUSINESS INCOME		0	
INCOME TO BE APPORTIONED		45,550,952	
APPORTIONMENT PROPORTION	1.000000	1.000000	
PA APPORTIONED INCOME		45,550,952	
PA NONBUSINESS INCOME		0	
INCOME PRIOR TO NL DEDUCTION	45,550,952	45,550,952	
NET LOSS DEDUCTION		0	
PA TAXABLE INCOME		45,550,952	
CORPORATE NET INCOME TAX	4,550,540	4,550,540	

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA	4,090,095,645
PROPERTY FACTOR - TOTAL	4,090,095,645
PAYROLL FACTOR - PA	213,094,549
PAYROLL FACTOR - TOTAL	213,094,549
SALES FACTOR - PA	2,727,860,392
SALES FACTOR - TOTAL	2,727,860,392
SINGLE FACTOR - PA	
SINGLE FACTOR - TOTAL	

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR	
12-31-94	0	0 PY
12-31-95	0	0 PY
12-31-96	0	0 PY
12-31-97	0	0 PY
12-31-98	0	0 PY
12-31-99	0	0 PY
12-31-00	0	0 PY
12-31-01	0	0 PY
		0 PY

PPL ELECTRIC UTILITIES CORPORATION

Pennsylvania Public Utility Realty Tax Adjustment  
(Electric Department)

1. Taxable value of T&D plant at December 31, 2003 (per Notice of Determination dated August 1, 2004 - attached, Schedule C, Page 3)	<u>\$ 121,214,926</u>
2. Pa. Public Utility Realty Tax (Based on applied rate of 29.1928 mills per Notice of Determination dated August 1, 2004 - attached, Schedule C, Page 3)	<u>\$ 3,538,603</u>
3. Taxable value of T&D plant at December 31, 2002 (per Notice of Determination dated August 1, 2003 - attached, Schedule C, Page 5)	<u>105,089,890</u>
4. Pa. Public Utility Realty Tax (Based on applied rate of 30.9390 mills per Notice of Determination dated August 1, 2003- attached, Schedule C, Page 5)	<u>3,251,378</u>
5. Increase in Pa. Public Utility Realty Tax	287,225
6. PUC jurisdictional allocation factor	<u>0.78847305389</u>
7. Allocated tax increase - 2005	<u>\$ 226,469</u>

BUREAU OF CORPORATION TAXES  
PURTA UNIT  
DEPT. 280704  
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



Mailing Date:  
August 1, 2004

PENNSYLVANIA POWER & LIGHT CO  
TAX SECTION GENTW11  
2 N 9TH STREET  
ALLENTOWN, PA 18101

**Re: 2003 Pennsylvania Public Utility Realty Tax  
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2003. This notice is based on information provided by your County Tax Assessor's Office. Any errors must be addressed with that agency and not with the Pennsylvania Department of Revenue. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

2004 PURTA property information for next tax year's filings will soon be filed with the Department of Revenue by local taxing jurisdictions. This information comes directly from your County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes or corrections to the County Tax Assessor's records must be addressed and/or appealed at the local level. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

**2003,2002,2001,2000,1999 & 1998 NOTICES:**

Bureau of Corporation Taxes  
Department of Revenue

2003 Liability:	\$3,538,603.00
2002 Liability Adjustment:	\$25,525.00
2001 Liability Adjustment:	\$47,856.00
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	(\$9,710.00)
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	(\$2,514.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$559,507.00
1998 Transition Credit Adjustment:	\$0.00

PLEASE SEE  
REVERSE SIDE  
FOR DETAIL

Account Id: 350090



Mailing Date:  
 August 1, 2004

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500090

Detail

Tax Year 2003 \*

2003

1) Realty Tax Equivalent (RTE):	\$ 30,099,169
2) Total State Taxable Value (STV) for all utilities:	\$ 1,393,941,876
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	29.1928 mills
4) STV for Utility:	\$121,214,926
5) Liability (Line 3 x Line 4):	\$3,538,603

Tax Year 1998 - 2002

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 40,135,742	\$ 29,139,976	\$ 30,233,815	\$ 29,696,279
2) Adjusted Total STV for all utilities:	\$ 2,093,939,089	\$ 2,093,157,437	\$ 1,399,099,948	\$ 1,382,747,254	\$ 1,387,144,282
3) Adjusted Millage Rate (includes 7.6 mills for PTA):	71.2122 mills	26.7747 mills	28.4277 mills	29.4650 mills	29.0082 mills
4) Adjusted STV for Utility:	\$212,457,610	\$227,238,268	\$109,575,037	\$105,891,919	\$112,964,725
5) Adjusted Liability (Line 3 x Line 4):	\$15,129,574	\$6,084,236	\$3,114,966	\$3,120,105	\$3,276,903
6) Adjusted Transition Credit:	\$0	\$0	\$0	\$0	N/A
7) Adjustment to Liability of 8/1/2003:	\$559,507	(\$2,514)	(\$9,710)	\$47,856	\$25,525
8) Adjustment to Transition Credit of 8/1/2003:	\$0	\$0	\$0	\$0	N/A

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

\* If you do not agree with this Notice of Determination for 2003 PURTA, you may have Petition privileges pursuant to Section 1109-A. Please refer to the enclosed copy of the PURTA statute.

BUREAU OF CORPORATION TAXES  
PURTA UNIT  
DEPT. 280704  
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



Mailing Date:  
August 1, 2003

PENNSYLVANIA POWER & LIGHT CO  
TAX SECTION GENTW11  
2 N 9TH STREET  
ALLENTOWN, PA 18101

**Re: 2002 Pennsylvania Public Utility Realty Tax  
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2002. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

2003 PURTA property information for next tax year's filings will soon be filed with the Department of Revenue by local taxing jurisdictions. This information comes directly from your local County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes you deem necessary to the local County Assessor's report must be addressed and/or appealed at the local level. You must make sure that each county properly reports to the Department of Revenue relevant and accurate information. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Bureau of Corporation Taxes  
Department of Revenue

**2002,2001,2000,1999 & 1998 NOTICES:**

2002 Liability:	\$3,251,378.00
2001 Liability Adjustment:	(\$35,595.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	\$60,712.00
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	(\$14,906.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$300,288.00
1998 Transition Credit Adjustment:	\$0.00

PLEASE SEE  
REVERSE SIDE  
FOR DETAIL

Account Id: 3500090

BUREAU OF CORPORATION TAXES  
PURTA UNIT  
DEPT. 280704  
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



Mailing Date:  
August 1, 2003

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500090

Detail

<u>Tax Year 2002 *</u>	<u>2002</u>
1) Realty Tax Equivalent (RTE):	\$ 32,527,609
2) Total State Taxable Value (STV) for all utilities:	\$ 1,393,700,844
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	30.9390 mills
4) STV for Utility:	\$105,089,890
5) Liability (Line 3 x Line 4):	\$3,251,378

<u>Tax Year 1998 - 2001</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 40,145,551	\$ 31,667,138	\$ 32,783,466
2) Adjusted Total STV for all utilities:	\$ 2,184,494,108	\$ 2,093,188,013	\$ 1,392,156,950	\$ 1,377,115,970
3) Adjusted Millage Rate (including 7.6 mills for PTA):	68.5752 mills	26.7791 mills	30.3468 mills	31.4059 mills
4) Adjusted STV for Utility:	\$212,468,408	\$227,294,425	\$102,965,537	\$97,824,002
5) Adjusted Liability (Line 3 x Line 4):	\$14,570,067	\$6,086,750	\$3,124,676	\$3,072,249
6) Adjusted Transition Credit:	\$0	\$0	\$0	\$0
7) Adjustment to Liability of 8/1/2002:	\$300,288	(\$14,906)	\$60,712	(\$35,595)
8) Adjustment to Transition Credit of 8/1/2002:	\$0	\$0	\$0	\$0

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

\* If you do not agree with this Notice of Determination for 2002 PURTA, you may file a Petition for Recalculation pursuant to Section 1109-A with the Board of Finance and Revenue which must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within thirty (30) days of the mailing date of this notice.

Petitions should be addressed to:

Board of Finance and Revenue  
1101 South Front Street, Suite 400  
Harrisburg, Pa 17104-2539

PPL ELECTRIC UTILITIES CORPORATION

Revenue Neutral Reconciliation (RNR) Tax Adjustment  
Applicable to Gross Receipts Tax

	<u>Distribution</u>	<u>Other</u>
1. Actual taxable revenues for Pa. gross receipts tax for period January 1, 2005 to December 31, 2005	\$ 646,178,938	\$ 2,307,565,216
2. PURTA surcharge established under 72 P.S. § 8111-A(d)	<u>0.0006</u>	<u>0.0006</u>
3. Actual increase in applicable 2005 gross receipts tax liability based on PURTA surcharge rate	<u>\$ 387,707</u>	<u>\$ 1,384,539</u>

PPL ELECTRIC UTILITIES CORPORATION

Computation of Revenues from Service Under  
Rates Subject to Jurisdiction of  
Pennsylvania Public Utility Commission  
For Twelve Months Ended December 31, 2005

<u>Month</u>	<u>Distribution Rate Revenues</u>	<u>All Other <sup>1/</sup> Rate Revenues</u>
January 2005	\$ 53,026,241	\$ 206,969,776
February	60,411,486	211,810,615
March	58,836,646	206,364,115
April	52,618,979	183,734,948
May	47,483,166	163,280,099
June	49,760,024	173,695,332
July	55,477,483	204,619,902
August	57,215,509	205,738,024
September	54,214,270	195,981,002
October	50,235,792	182,326,040
November	49,244,485	173,067,808
December	57,654,857	199,977,555
Total	<u>\$ 646,178,938</u>	<u>\$ 2,307,565,216</u>

<sup>1/</sup> Includes energy and capacity, CTC, ITC and transmission rate-related revenues.

PPL ELECTRIC UTILITIES CORPORATIONDetail of Tax Surcharge Revenue Collections

<u>Month</u>	<u>Distribution</u> <u>STAS Revenues</u>	<u>All Other</u> <u>1/</u> <u>STAS Revenues</u>
January 2005	\$ 373,297	\$ 1,419,074
February	57,080	148,533
March	50,579	129,909
April	45,154	113,014
May	41,130	101,144
June	42,825	107,475
July	48,121	123,111
August	49,733	127,389
September	46,008	121,330
October	42,960	111,341
November	42,577	106,296
December	49,071	123,526
Total	<u>\$ 888,535</u>	<u>\$ 2,732,142</u>

1/ Includes energy and capacity, CTC, ITC and transmission STAS revenues.

PPL ELECTRIC UTILITIES CORPORATIONDetail of Tax Surcharge Revenue Collections

<u>Month</u>	<u>Distribution</u> <u>STAS Revenues</u>	<u>All Other</u> <sup>1/</sup> <u>STAS Revenues</u>
January 2006	\$ 19,099	\$ 30,577
February	(28,448)	(99,554)
March	(30,208)	(108,019)
April	(27,511)	(93,696)
May	(24,870)	(86,742)
June	(26,097)	(92,503)
July 1 - 26 (estimated)	(23,521)	(88,422)
subtotal January 1, 2006 through July 26, 2006	(141,556)	(538,359)
Portion of 2006 STAS related to 2005 Overcollection (\$361,578 overcollection divided by \$342,266 surcharge)	105.6424%	
(\$1,264,326 overcollection divided by \$1,264,326 surcharge)		100.0000%
Total	<u>\$ (149,543)</u>	<u>\$ (538,359)</u>

<sup>1/</sup> Includes energy and capacity, CTC, ITC and transmission STAS revenues.

PPL ELECTRIC UTILITIES CORPORATION

Reconciliation of State Tax Adjustment Surcharge  
for the Period January 1, 2004 through December 31, 2004

	<u>Amount</u>	<u>Schedule Number</u>
1. Capital Stock Tax	(\$6,377,062)	A
2. Corporate Net Income Tax	-	B 1/
3. Utility Realty Tax	(4,482,893)	C
4. Gross Receipts Tax	<u>-</u>	D
5. Total of Lines 1, 2, 3, and 4	(10,859,955)	
6. Revenue Neutral Reconciliation (RNR) Tax Adjustment	<u>39,024,797</u>	D
7. Total of Lines 5 and 6	<u>\$28,164,842</u>	
8. Revised Tax Liability for the period January 1,2004 through December 31, 2004 (Line 7 divided by complement of Gross Receipts Tax Rate (.941))	\$29,930,757	
9. STAS undercollection for the period January 1,2003 through December 31, 2003	<u>69,287</u>	2/
10. Total of Lines 8 and 9	30,000,044	
11. STAS Revenue Collections	<u>30,124,392</u>	E
12. (Over)/Under Collection (Line 8 minus Line 9)	<u>(\$124,348)</u>	

1/ Not applicable to this filing.

2/ Amount includes actual results through December 31, 2003.

PPL ELECTRIC UTILITIES CORPORATION

Capital Stock Tax Adjustment  
(Electric Department)

1. Value of capital stock (Per official settlement dated March 11, 2002 attached, Schedule A, Page 3) (Value per settlement of \$1,374,445,900 plus 1998 statutory exemption of \$125,000)	\$1,374,570,900
2. Statutory exemption	<u>125,000</u>
3. Value of capital stock less statutory exemption	1,374,445,900
4. Apportionment percentage	<u>0.931240</u>
5. Taxable value of capital stock	1,279,939,000
6. Tax rate - 2004 (6.99 mills)	<u>0.00699</u>
7. Pa. capital stock tax based on new tax rate - 2004	8,946,774
8. Pa. capital stock tax (Based on 2000 settled value and 1998 tax rates)	<u>15,346,469</u>
9. Tax decrease - 2004	(6,399,695)
10. PUC jurisdictional allocation factor	<u>0.996463491</u>
11. Allocated tax decrease - 2004	<u><u>(\$6,377,062)</u></u>



OFFICIAL NOTICE OF SETTLEMENT

PA ACCOUNT ID: 0280-166  
TAXABLE YEAR: 01/01/00 TO 12/31/00  
DLN: 02-7-86281

PPL ELECTRIC UTILITIES CO  
TAX SECTION TW 10  
2 N. 9TH ST  
ALLENTOWN PA 18101

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND  
THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----  
TAX AS REPORTED AS SETTLED  
11,847,035 11,506,652

----- SECTION B - LOANS TAX -----  
TAX AS REPORTED AS SETTLED  
2,858 2,858

----- SECTION C - CORPORATE NET INCOME TAX -----  
TAX AS REPORTED AS SETTLED  
22,940,666 22,940,666

DEPARTMENT OF REVENUE  
GLENWOOD HOSKIN

MAILING DATE

03/01/02

03/11/02

AUDITED AND APPROVED BY  
DEPARTMENT OF AUDITOR GENERAL  
FRANKLIN C KRAMER

03/08/02

IF YOU DISAGREE WITH THIS SETTLEMENT, IT WILL BE NECESSARY TO FILE A  
PETITION FOR RESETTLEMENT WITH THE BOARD OF APPEALS, DEPT. 281021,  
HARRISBURG, PA 17128-1021 WITHIN 90 DAYS OF THE SETTLEMENT MAILING DATE.  
PLEASE FORWARD A COPY OF THIS DOCUMENT WITH YOUR PETITION. NOTE: PETITIONS  
MUST BE SIGNED BY A CORPORATE OFFICER.

LOANS AND CNI SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:

- \* DEPARTMENT OF REVENUE COMPUTATION DIFFERS FROM SUBMITTED FIGURE
- C7 FACTORS MUST REFLECT SEPARATE COMPANY FIGURES, NOT CONSOLIDATED.
- F1 USE CONSOLIDATED NET WORTH.
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.

OFFICIAL NOTICE OF SETTLEMENT  
 RE: 0280-166 PPL ELECTRIC UTILITIES CO 01/01/00 TO 12/31/00 DLN 02-7-86281 PAGE 2

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/96 TO 12/31/96		353,296,416	PY
01/01/97 TO 12/31/97		345,010,976	PY
01/01/98 TO 12/31/98		560,378,205-	PY
01/01/99 TO 12/31/99		477,299,182	PY
01/01/00 TO 12/31/00	277,363,986		
TOTAL BOOK INCOME		892,592,355	
AVERAGE NET INCOME	178,518,471	178,518,471	
EQUITY YEAR ENDING	1,210,989,251	1,160,000,000	F1
EQUITY YEAR BEGINNING	1,346,647,669	1,296,000,000	F1
NET WORTH	1,210,989,251	1,160,000,000	*
CAPITAL STOCK VALUE	1,393,566,869	1,374,445,900	*
APPORTIONMENT PROPORTION	.945632	.931240	*
CAPITAL STOCK/FRANCHISE TAX	11,847,035	11,506,652	*

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA	7,155,194,439	7,155,019,482	C7
PROPERTY FACTOR - TOTAL	7,192,251,356	7,192,055,905	C7
PAYROLL FACTOR - PA	342,232,161	335,955,333	C7
PAYROLL FACTOR - TOTAL	343,281,914	337,005,086	C7
SALES FACTOR - PA	2,985,063,357	2,296,901,800	C7
SALES FACTOR - TOTAL	3,532,181,586	2,864,020,029	C7
SINGLE FACTOR - NUMERATOR			
SINGLE FACTOR - DENOMINATOR			

----- SECTION B - LOANS TAX -----

INDEBTEDNESS	730,653	
LOANS TAX	2,858	2,858

----- SECTION C - CORPORATE NET INCOME TAX -----

NET INCOME	234,954,089	
DIVIDENDS	2,109,385	
US INTEREST		
OTHER		
TOTAL DEDUCTIONS	2,109,385	2,109,385
INCOME TAXES	20,938,624	
TAX PREFERENCE ITEMS	159,545-	
EIP ADJUSTMENTS		
OTHER		
TOTAL ADDITIONS	20,779,079	20,779,079
ADJUSTED INCOME	253,623,783	253,623,783
TOTAL NONBUSINESS INCOME		
INCOME TO BE APPORTIONED		253,623,783
APPORTIONMENT PROPORTION	.905421	.905421
PA APPORTIONED INCOME		229,636,299
PA NONBUSINESS INCOME		
INCOME PRIOR TO NL DEDUCTION	229,636,299	229,636,299
NET LOSS DEDUCTION		0
PA TAXABLE INCOME		229,636,299
CORPORATE NET INCOME TAX	22,940,666	22,940,666

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA	7,155,194,439
PROPERTY FACTOR - TOTAL	7,192,251,356
PAYROLL FACTOR - PA	342,232,161
PAYROLL FACTOR - TOTAL	343,281,914
SALES FACTOR - PA	2,985,063,357
SALES FACTOR - TOTAL	3,532,181,586
SINGLE FACTOR - PA	
SINGLE FACTOR - TOTAL	

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR	
12-31-94	0	0 PY
12-31-95	0	0 PY
12-31-96	0	0 PY
12-31-97	0	0 PY
12-31-98	0	0 PY
12-31-99	0	0 PY
		0

PPL ELECTRIC UTILITIES CORPORATION

Pennsylvania Public Utility Realty Tax Adjustment  
(Electric Department)

1. Total plant taxable value at December 31, 1998 (per report due April 15, 1999 - attached, Schedule C, Page 6)	\$451,241,209	
2. Less: Taxable value of generating plant at December 31, 1998 (per report due April 15, 1999 - attached, Schedule C, Page 8)	<u>(266,713,084)</u>	
3. Taxable value of T&D plant at December 31, 1998	<u>184,528,125</u>	
4. Pa. Public Utility Realty Tax (Based on applied rate of 42 mills)		\$7,750,181
5. Taxable value of T&D plant at December 31, 2002 (per Notice of Determination dated August 1, 2003 - attached, Schedule C, Page 3)	<u>105,089,890</u>	
6. Pa. Public Utility Realty Tax (Based on applied rate of 30.9390 mills per Notice of Determination dated August 1, 2003- attached, Schedule C, Page 3)		<u>3,251,378</u>
7. Decrease in Pa. Public Utility Realty Tax		(4,498,803)
8. PUC jurisdictional allocation factor		<u>0.996463491</u>
9. Allocated tax decrease - 2004		<u>(\$4,482,893)</u>

BUREAU OF CORPORATION TAXES  
PURTA UNIT  
DEPT. 280704  
HARRISBURG, PA 17128-0704

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



Mailing Date:  
August 1, 2003

PENNSYLVANIA POWER & LIGHT CO  
TAX SECTION GENTW11  
2 N 9TH STREET  
ALLENTOWN, PA 18101

**Re: 2002 Pennsylvania Public Utility Realty Tax  
Notice of Determination**

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, as amended by Act 4 of 1999 and Act 23 of 2000, the Department of Revenue herein gives notice of the state taxable values of PURTA realty and the millage rate applicable to tax year 2002. Notice is also given for any PURTA/PTA Tax and transitional credit adjustments for prior tax years.

2003 PURTA property information for next tax year's filings will soon be filed with the Department of Revenue by local taxing jurisdictions. This information comes directly from your local County Tax Assessor's Office. It is very important that you, the utility owner, verify the content and accuracy of this property information (especially if ownership has changed or classification, assessment, or appeal values have been finalized). Any changes you deem necessary to the local County Assessor's report must be addressed and/or appealed at the local level. You must make sure that each county properly reports to the Department of Revenue relevant and accurate information. The accuracy of your next PURTA bill will be dependent upon your verification of county data.

Please be advised that payment of tax is required within 45 days of the mailing of this notice of determination. Previous payments, adjustments, or credits should be taken into consideration. Payments and inquiry correspondence relevant to the PURTA tax - Notice of Determination should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Bureau of Corporation Taxes  
Department of Revenue

**2002,2001,2000,1999 & 1998 NOTICES:**

2002 Liability:	\$3,251,378.00
2001 Liability Adjustment:	(\$35,595.00)
2001 Transition Credit Adjustment:	\$0.00
2000 Liability Adjustment:	\$60,712.00
2000 Transition Credit Adjustment:	\$0.00
1999 Liability Adjustment:	(\$14,906.00)
1999 Transition Credit Adjustment:	\$0.00
1998 Liability Adjustment:	\$300,288.00
1998 Transition Credit Adjustment:	\$0.00

PLEASE SEE  
REVERSE SIDE  
FOR DETAIL

Account Id: 3500090



Mailing Date:  
 August 1, 2003

Name: PENNSYLVANIA POWER & LIGHT CO

Account Id: 3500090

Detail

<u>Tax Year 2002 *</u>	<u>2002</u>
1) Realty Tax Equivalent (RTE):	\$ 32,527,6
2) Total State Taxable Value (STV) for all utilities:	\$ 1,393,700,8
3) PURTA Millage Rate (including 7.6 mills for Public Transportation Act (PTA)):	30.9390 mi
4) STV for Utility:	\$105,089,894
5) Liability (Line 3 x Line 4):	\$3,251,378

<u>Tax Year 1998 - 2001</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
1) Adjusted RTE:	\$ 133,200,000	\$ 40,145,551	\$ 31,667,138	\$ 32,783,466
2) Adjusted Total STV for all utilities:	\$ 2,184,494,108	\$ 2,093,188,013	\$ 1,392,156,950	\$ 1,377,115,970
3) Adjusted Millage Rate (including 7.6 mills for PTA):	68.5752 mills	26.7791 mills	30.3468 mills	31.4059 mills
4) Adjusted STV for Utility:	\$212,468,408	\$227,294,425	\$102,965,537	\$97,824,002
5) Adjusted Liability (Line 3 x Line 4):	\$14,570,067	\$6,086,750	\$3,124,676	\$3,072,249
6) Adjusted Transition Credit:	\$0	\$0	\$0	\$0
7) Adjustment to Liability of 8/1/2002:	\$300,288	(\$14,906)	\$60,712	(\$35,595)
8) Adjustment to Transition Credit of 8/1/2002:	\$0	\$0	\$0	\$0

Under separate cover you will receive an Account Review. Please review it to confirm the current status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

\* If you do not agree with this Notice of Determination for 2002 PURTA, you may file a Petition for Recalculation pursuant to Section 1109-A with the Board of Finance and Revenue which must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within thirty (30) days of the mailing date of this notice.

Petitions should be addressed to:

Board of Finance and Revenue  
 1101 South Front Street, Suite 400  
 Harrisburg, Pa 17104-2539



**Imposition, Base and Rate**

This tax is imposed under the Tax Reform Code, Sec. 1102-A. The public utilities realty tax (commonly called PURTA) is imposed on public utilities. A public utility, which is not limited to corporations, is defined as follows: "Any person, partnership, association, corporation or other entity furnishing public utility service under the jurisdiction of the Pennsylvania Public Utility Commission or the corresponding regulatory agency of any other state or of the United States, and any electric cooperative corporation, municipality or municipality authority furnishing public utility service, but shall not mean any public utility furnishing public utility sewage services, or municipality or municipality authority furnishing public utility services". The tax is imposed at a rate of 42 mills on the utility realty (lands, buildings, structures and enclosures however designated) located within this Commonwealth and owned by a public utility either directly or through a subsidiary, which are used or are in the course of development or construction for use, in the furnishing, including producing, storing, distributing, transporting, of public utility service. The state taxable value is the cost of utility realty, less reserves for depreciation and depletion, as shown on the book account of a public utility; provided that for any public utility which was not required to record annual depreciation on its utility prior to enactment of Section of the Public Utility Law (P.L. 1053) May 28, 1937, the depreciation deduction prescribed in this definition shall be the book reserve or fifty percent of the book cost, whichever is greater. The following are exempt: (1) machinery and equipment, (not determined under any county assessment law; all structures and enclosures, however designated, are taxable), (2) easements or similar interests, (3) railroad rights-of-way and super-structures thereon, (4) pole, transmission tower, pipe, rail or other lines, whether or not attached to land or to any structure or enclosure; (5) such realty as is subject to local real estate taxation under any law in effect on April 23, 1968.

All utilities must complete Table A of the tax report summarizing by county end of year book values of all public utility realty property used, or in the course of development for use, in furnishing public utility service. Electric utilities must include electric generation realty in Table A. Electric utilities must also complete Table B Insert Sheet itemizing by county electric generation assets only.

**Reports and Due Dates**

This report is due on or before April 15 following the end of the calendar year for which it is filed. The time for filing the annual report may be extended; however, a penalty for late filing will be imposed based on the amount of tax: 10% of the first \$1,000, 5% of the next \$4,000, and 1% on excess of \$5,000. Penalty for late filing, where appropriate, will be assessed at the time of settlement. Mail this form with remittance payable to the PA Department of Revenue, Dept. 280-40 Harrisburg, PA, 17128-0407.

**Included in Annual Report Package**

RCT-127	Public Utility Realty Tax Report	Extension to File Coupon
	Estimated Payment Coupon	Custom Refund/Transfer Request Coupon

**Annual Payments**

Page 1 of the RCT-127 provides an area to record the self-assessed tax from the tax report, any prepayments and any balance due or overpayment of tax.

Payment must be postmarked no later than the due date. NO extension of time for payment is permitted. All late payments and untimely transfers will be subject to interest charges. Make remittance payable to the PA Department of Revenue and mail the report to the address shown on the tax report by using the envelope (E-140) provided in this package. Effective January 1, 1994, any tax payment of \$20,000 or more must be submitted by Electronic Funds Transfer. To participate in the EFT Program, the Department of Revenue FIRST must receive your completed Authorization Agreement. For EFT questions only, call (800) 892-9816.

**Overpayment Instructions**

After completing the annual payment section on Page 1 of form RCT-127, if an overpayment exists (the remittance column is less than zero), you must instruct the Department of Revenue as to how you want this overpayment to be transferred and/or refunded. You provide these instructions to the Department of Revenue by selecting only one of the options available in the "Overpayment Instructions" area of Page 1. (YOU MUST SELECT ONE OF THESE OPTIONS if you have an overall overpayment of tax for the year being reported). Requests for refunds and/or transfers of overpayments in a year not covered by the annual report being filed should be made on the Custom Refund/Transfer Request Coupon provided in this package.

Taxpayers have three options for handling overpayments of tax in the current tax year. Check the block on Page 1, "Overpayment Instructions", which directs the Department to handle the overpayment for the current tax year as desired. TAXPAYERS MUST SELECT ONE OF THE OPTIONS LISTED BELOW

- Any overpayment in the current tax year is transferred automatically to offset other underpaid taxes in the current tax year and the remaining portion of the credit is applied to the next tax year for Estimated Tax purposes.
- The amount of the overpayment to be transferred to the next tax year for Estimated Tax purposes must be entered. Any overpayment in the current tax year is transferred automatically to offset other underpaid taxes in the current year. Secondly, the amount of the overpayment to be applied to the next year will be transferred automatically. Finally, the remaining portion of the overpayment will be refunded.
- Any overpayment in the current tax year is transferred to offset automatically other underpaid taxes in the current tax year and the remaining portion of the overpayment will be refunded.

**Estimated Payment Coupon**

All accounts are expected to remit estimated prepayments toward a final liability which a corporation estimates due for the taxable year. The prepayment for Public Utility Realty Tax is due by April 15 of the reported year. Tax remaining due at the close of the taxable year must be paid by April 15th of the following year, without regard to extension of time to file the return. Should a corporation realize that the estimated tax is underpaid, additional payments should be submitted to minimize the underpayment penalty. The underpayment is measured against 90% of the tax reported due for the taxable year. However, if the final settled tax increases the self-reported tax by 10% or more, the underpayment will be measured against the settled tax. The period of underpayment is from the due date of the installment to either the date(s) the underpayment is paid, or the Safe Harbor is satisfied.

A corporation may avoid the imposition of interest if it timely pays the estimated tax at an amount equal to 90% of the tax of the immediate prior year (Safe Harbor). This amount must be adjusted to reflect the estimated tax year's tax rate and law and must reflect the settled liability if it exceeds the self-reported liability by 10% or more. Where the prior year is a short period, the Safe Harbor is annualized.

Mail the Estimated Payment Coupon separately from all other forms in the enclosed return envelope (E-203).

**Extension Request Coupon**

When an extension of time to file the annual report is desired, the Annual Extension Request Coupon must be filed by the original date in lieu of the annual report. There is no extension for payment of taxes. For this reason, the Annual Extension request must also be used to make payment of taxes owed for the taxable year for which the extension is requested. Taxpayers making a payment with an extension request through Electronic Funds Transfer (EFT) are not required to submit the extension coupon. Note that a Federal Form 7004 must accompany your annual report should the extension be selected.

Mail the Extension Coupon separately from all other forms in the enclosed return envelope (E-203).

**Custom Refund/Transfer Request**

**Refunds:** Request for refund of overpayments from prior years or refunds of estimated tax payments in advance of filing the annual tax report must be submitted on the Custom Refund/Transfer Request.

**Transfers:** Use this coupon to transfer overpayments to or from tax years prior to that covered by the current annual report.

**NOTE:** DO NOT DUPLICATE REQUESTS FOR REFUND AND TRANSFER ON RCT-127 and REV-427. Use the front page of RCT-127 for Refund and Transfers in the current tax year. Use REV-427 for Refund and Transfers in the current tax year.



Commonwealth of Pennsylvania  
1998 Public Utility Realty Tax Report

PP&L, Inc.  
Account ID: 3500-090

Table A

County Summary of Public Utility Realty Realty  
To Be Completed by All Utilities

Line Reference	Item 1 Column A, Line 1C	Item 2 Column A, Line 1D	Item 3 Column B, Line 1C	Item 4 Column B, Line 1D	Item 5 Line 2
County Property Location	Book Cost Land	Book Depletion Reserve	Book Cost Other Utility Realty	Book Depreciation Reserve	Net Book Value Items (1-2) + (3-4)
Armstrong	500,715		12,455,835	8,182,852	4,773,698
Berks	246,756		9,802,244	5,267,271	4,781,728
Bucks	174,504		1,482,913	493,561	1,163,856
Carbon	284,821		664,623	268,646	680,798
Chester	26,446		127,681	51,610	102,517
Clinton	95,504		2,039,545	732,824	1,402,225
Columbia	175,112		972,044	392,909	754,247
Cumberland	2,199,489		5,913,256	1,979,061	6,133,684
Dauphin	1,901,973		10,512,137	3,578,566	8,835,544
Indiana	252,464		17,193,117	11,367,440	6,078,141
Juniata	50,829		1,798,459	726,953	1,122,335
Lackawanna	893,215		28,065,322	8,648,627	20,309,910
Lancaster	2,416,071		35,999,291	17,403,028	21,012,334
Lebanon	6,628		113,801	46,000	74,429
Lehigh	3,156,184		62,620,080	18,818,224	46,958,040
Luzerne	3,836,621		1,056,047,452	864,580,023	195,304,050
Lycoming	470,776		9,336,056	3,022,631	6,784,201
Monroe	798,630		10,452,823	3,509,964	7,741,489
Montgomery	290,494		4,356,919	1,437,501	3,209,912
Montour	597,019		54,151,180	35,003,008	19,745,191
Northampton	1,377,294		97,978,133	63,433,517	35,921,910
Northumberland	173,245		3,911,980	1,252,865	2,832,360
Perry	119,665		5,319,028	1,549,473	3,889,220
Pike	1,082,848		13,906,379	6,359,080	8,630,147
Schuylkill	545,959		7,382,892	2,516,517	5,412,334
Snyder	206,065		42,572,283	28,166,688	14,611,660
Susquehanna	5,833		188,121	76,040	117,914
Union	91,963		389,495	157,437	324,021
Wayne	942,337		2,234,928	707,689	2,469,576
York	560,404		59,833,569	40,330,237	20,063,736
Total	23,479,866	0	1,557,821,585	1,130,060,242	451,241,209

Insert

Commonwealth of Pennsylvania  
1998 Public Utility Realty Tax Report

Taxpayer Name: PP&L, Inc.  
3500-090

Account ID (PURTA Box Number): 3500-090

Table B

County Summary of Electric Generating Assets Only  
To Be Completed by Electric Utilities Only

County Property Location	Column 1 Book Cost Land	Column 2 Book Depletion Reserve	Column 3 Book Cost Other Utility Realty	Column 4 Book Depreciation Reserve	Column 5 Net Book Value Items (1-2) + (3-4)
Armstrong	500,715	-	12,455,933	8,182,919	4,773,729
Berks	-	-	7,765,169	4,549,485	3,215,684
Bucks	-	-	-	-	-
Carbon	-	-	-	-	-
Chester	-	-	-	-	-
Clinton	-	-	168,659	151,321	17,338
Columbia	-	-	-	-	-
Cumberland	-	-	51,652	46,342	5,310
Dauphin	-	-	28,601	25,661	2,940
Indiana	251,765	-	17,105,676	11,343,525	6,013,916
Juniata	-	-	-	-	-
Lackawanna	-	-	-	-	-
Lancaster	565,669	-	21,502,185	12,547,843	9,520,011
Lebanon	-	-	-	-	-
Lehigh	-	-	603	541	62
Luzerne	1,786,207	-	996,859,064	846,733,448	151,911,823
Lycoming	-	-	-	-	-
Monroe	-	-	-	-	-
Montgomery	-	-	-	-	-
Montour	553,131	-	51,881,252	34,310,027	18,124,356
Northampton	559,390	-	94,524,876	62,081,606	33,002,660
Northumberland	-	-	-	-	-
Perry	-	-	-	-	-
Pike	959,880	-	12,989,340	5,988,405	7,960,815
Schuylkill	49,917	-	84,431	75,752	58,596
Snyder	64,670	-	40,296,016	27,419,411	12,941,275
Susquehanna	-	-	-	-	-
Union	-	-	-	-	-
Wayne	-	-	-	-	-
Wyoming	-	-	-	-	-
York	39,003	-	59,301,582	40,176,015	19,164,570
Total	5,330,347	-	1,315,015,038	1,053,632,301	266,713,084

PA Department of Revenue  
Dept. 280407  
Harrisburg, Pennsylvania  
17128-0407

**OFFICIAL SETTLEMENT  
PENNSYLVANIA PUBLIC UTILITY REALTY TAX  
FOR OFFICIAL USE ONLY**

BUREAU USE ONLY

T/C 1

<b>MAILING INSTRUCTIONS</b> If Settlement Notice Should Be Mailed To Address Other Than That On Front, Fill In New Address In Block To Left.	Received
	Mailed
	DLN
	ACCOUNT ID
TAX PERIOD ENDING	12/31/98

← NAME

← STREET

← CITY  
STATE  
ZIP CODE

DO NOT WRITE BELOW THIS LINE

**SETTLEMENT - PUBLIC UTILITY REALTY TAX**

WHITE

OTHER

Tax on Utility Realty of Public Utilities as of December 31, 1998 .....

State Taxable Value ..... \$ \_\_\_\_\_

Tax at the Rate of 42 Mills (.042) .....

TYPE OF TAX

**20**

SELF ASSESSED TAX

TAX DEBIT OR CREDIT

TOTAL TAX

DEPARTMENT OF REVENUE

Harrisburg, PA \_\_\_\_\_ 19 \_\_\_\_\_

SETTLED AND DELIVERED TO AUDITOR GENERAL:

DEPARTMENT OF AUDITOR GENERAL

Harrisburg, PA \_\_\_\_\_ 19 \_\_\_\_\_

AUDITED AND APPROVED:

PPL ELECTRIC UTILITIES CORPORATION

Revenue Neutral Reconciliation (RNR) Tax Adjustment  
Applicable to Gross Receipts Tax

1. Actual taxable revenues for Pa. gross receipts tax for period January 1, 2004 to December 31, 2004	\$2,601,653,146
2. RNR tax rate established in House Bill 1848, P.N. 4197 Act No. 89 of 2002 (signed June 29, 2002)	<u>0.015</u>
3. Actual increase in applicable 2004 gross receipts tax liability based on RNR tax rate adjustment	<u>\$39,024,797</u>

PPL ELECTRIC UTILITIES CORPORATION

Computation of Revenues from Service Under  
Rates Subject to Jurisdiction of  
Pennsylvania Public Utility Commission  
For Twelve Months Ended December 31, 2004

<u>Month</u>	(A) Base Rate Revenue	(B) Delayed Payment Charge	(C) (A)+(B) PUC Jurisdictional Sales
January 2004	\$249,421,793	\$725,994	\$250,147,787
February	236,948,233	794,450	237,742,683
March	226,641,777	703,523	227,345,300
April	207,035,093	786,016	207,821,109
May	194,378,326	646,463	195,024,789
June	204,680,775	582,542	205,263,317
July	214,226,023	710,709	214,936,732
August	222,198,412	584,383	222,782,795
September	215,157,907	700,550	215,858,457
October	204,387,641	602,378	204,990,019
November	196,133,286	522,461	196,655,747
December	222,301,807	782,604	223,084,411
Total	<u>\$2,593,511,073</u>	<u>\$8,142,073</u>	<u>\$2,601,653,146</u>

PPL ELECTRIC UTILITIES CORPORATIONDetail of Tax Surcharge Revenue Collections

<u>Month</u>	<u>STAS Revenues</u>
January 2004	\$3,015,111
February	2,734,762
March	2,624,586
April	2,394,036
May	2,247,877
June	2,365,204
July	2,480,430
August	2,570,414
September	2,493,870
October	2,365,512
November	2,266,792
December	2,565,798
Total	<u><u>\$30,124,392</u></u>