

**BEFORE THE**  
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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In Re:

|                                 |   |                        |
|---------------------------------|---|------------------------|
| SECURITIES CERTIFICATE OF       | : |                        |
| PPL ELECTRIC UTILITIES          | : |                        |
| CORPORATION FOR AUTHORIZATION   | : |                        |
| OF AMENDMENT TO INCREASE        | : | SECURITIES CERTIFICATE |
| EXTENSIONS OF CREDIT TO UP TO   | : |                        |
| \$700 MILLION UNDER             | : | NO. S-2015-            |
| CREDIT FACILITY APPROVED        | : |                        |
| BY COMMISSION ORDER ISSUED      | : |                        |
| AUGUST 18, 2010 AT DOCKET       | : |                        |
| NO. S-2010-2183912 AS MODIFIED  | : |                        |
| BY COMMISSION ORDER ISSUED      | : |                        |
| SEPTEMBER 22, 2011 AT DOCKET    | : |                        |
| S-2011-2263370 AS FURTHER       | : |                        |
| MODIFIED BY COMMISSION          | : |                        |
| ORDER ISSUED SEPTEMBER 11, 2014 | : |                        |
| AT DOCKET NO. S-2014-2436477    | : |                        |

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TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. The name of the public utility filing this Securities Certificate is PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), Two North Ninth Street, Allentown, Pennsylvania 18101-1179.

2. The name and address of PPL Electric’s attorneys are Frederick C. Paine and Michael A. McGrail, Two North Ninth Street, Allentown, Pennsylvania 18101-1179.

3. PPL Electric is a corporation that was organized on June 4, 1920 under the laws of the Commonwealth of Pennsylvania to exist perpetually. The Company is subject to the Pennsylvania Associations Code (15 Pa. C.S. §101 et seq.),

including the Pennsylvania Business Corporation Law of 1988 (15 Pa. C.S. §1101 et seq.) for the government and regulation of its affairs. PPL Electric is engaged, *inter alia*, in the distribution of electricity and its intrastate rates and services are regulated by the Pennsylvania Public Utility Commission (“PUC” or “Commission”) pursuant to the Public Utility Code, 66 Pa.C.S. §§ 101 *et seq.* PPL Electric presently serves approximately 1.4 million customers in its service territory, which encompasses approximately 10,000 square miles in eastern and central Pennsylvania. PPL Electric's service territory encompasses all or portions of 29 counties and includes 129 communities with populations over 5,000. The largest cities served by PPL Electric are Allentown, Bethlehem, Harrisburg, Hazleton, Lancaster, Scranton, Wilkes-Barre and Williamsport.

4. The Company is a direct subsidiary of PPL Corporation. PPL Corporation owns all of the Common Stock of the Company and, as a result, 100% of the outstanding voting stock of the Company.

5. In an order entered on September 11, 2014 at Docket Number S-2014-2436477 (attached hereto as Attachment 1; the “September 2014 Order”) the Commission granted the Company authorization, during the term of its existing credit facility (the “Existing Credit Facility”), to reset, no more often than once in any year, the scheduled maturity of the Existing Credit Facility to a date up to five years from the date of such amendment.

6. As described in the September 2014 Order, the Commission had originally authorized the Company to enter into a \$300 million credit facility (the “Original Credit Facility”) in its order entered August 18, 2010 at Docket No. S-2010-2183912 and had authorized the Company to extend the maturity of the Original Credit

Facility as provided in its order entered September 22, 2011 at Docket No. S-2011-2263370.

7. In the present Securities Certificate, the Company is requesting authority to increase the aggregate principal amount available to be borrowed under the Existing Credit Facility to from \$300 million to \$700 million.

8. The Company primarily uses the Existing Credit Facility to provide liquidity backstop for its commercial paper issuances and to obtain letters of credit for its general corporate purposes. The Existing Credit Facility also provides for the Company to make direct borrowings. The Company's five-year business plan calls for more than \$1 billion annually to be invested in improvements to its transmission and distribution properties, and the Company believes significant savings can be achieved by financing early stages of such capital projects with short-term debt, including commercial paper. Consequently, the Company believes it is cost-effective and in the best interest of the Company, its shareowners and ratepayers to provide for additional flexibility to issue commercial paper and other short term obligations to provide interim funding for capital expenditures and other general corporate purposes and to support such obligations with liquidity available under the Existing Credit Facility and, therefore, that it is appropriate to further amend the Existing Credit Facility to provide authority for the Company to increase the amount available under the Existing Credit Facility up to an aggregate principal amount of \$700 million. Except as otherwise provided above, the Existing Credit Agreement would remain unchanged as modified through the September 2014 Order.

9. The following is a description of the terms the Company expects will be applicable to the obligations under the Existing Credit Facility:

**EXACT TITLE OF SECURITY:**

Notes. The Company may issue promissory notes to evidence some or all of its obligations under the Existing Credit Facility (such notes and obligations, the “Notes”).

**AGGREGATE PRINCIPAL AMOUNT TO BE ISSUED:**

Not in excess of \$700,000,000 aggregate principal amount at any one time outstanding.

**NOMINAL DATE OF ISSUE:**

The Notes will be issuable by the Company at any time up to a specified time prior to the maturity date, as set forth in the Existing Credit Facility

**DATE OF MATURITY:**

Up to five years from the date of the next amendment of the Existing Credit Facility, with the continued ability to amend to extend the scheduled maturity date to a date up to five years from each such subsequent amendment

**INTEREST RATE AND PAYMENT DATES:**

Interest Rate:

To be determined in negotiations with the Banks in connection with the amendment to increase the aggregate principal amount to be available under the Existing Credit Facility. The Notes will bear interest on the unpaid principal amount thereof at ascertainable, market-based rates, which could be based upon the prime interest rate of specified banks, the overnight federal funds rate for transactions with Federal Reserve System members, the London Interbank Offered Rate or other market rates.

Payment Dates:

To be determined in negotiations with the Banks.

**EXTENT TO WHICH TAXES ON SECURITIES ARE ASSUMED:**

Taxes on Securities

None, except for any stamp or documentation taxes that may be imposed in connection with loans pursuant to the Existing Credit Facility.

Additional Costs:

The Existing Credit Facility provides that if any change in applicable law or regulation or in the interpretation or administration thereof shall increase the cost to a participating Bank of making a loan or reduce the amount of principal or interest receivable by a Bank, the Company will be obligated to pay such Bank such additional amount as may be necessary to compensate the Bank for such additional costs or reductions.

**CALLABILITY PROVISIONS:**

As provided in the Existing Credit Facility. The Notes will be payable without premium at any time. However, the Company may be required to compensate the Banks for the costs of redeploying funds at lower interest rates in certain circumstances.

**CONVERSION PROVISIONS:**

None.

**MAINTENANCE, DEPRECIATION AND SINKING  
FUND OR OTHER PROVISIONS:**

None.

**NAME AND ADDRESS OF TRUSTEE AND  
WHETHER AFFILIATED:**

Not applicable.

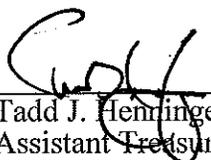
10. As of the date of this Securities Certificate, there is outstanding under the Existing Credit Facility \$912 million of letters of credit and no borrowings. The letters of credit have been issued to collateralize certain energy purchase obligations with PJM, and for other workers' compensation and minor road construction obligations.

11. There are appended hereto and made a part hereof the following:

- (A) A balance sheet of the Company as of September 30, 2015.
- (B) A statement of income and statement of retained earnings of the Company for the twelve months ended September 30, 2015.
- (C) Statement of utility plant of the Company at original cost as of September 30, 2015. The Company makes a part hereof by reference the revised Reclassification and Original Cost Studies heretofore filed with the Commission.
- (D) Statement of securities of other corporations owned by the Company as of September 30, 2015.
- (E) Statement showing the status of the funded debt of the Company as of September 30, 2015.
- (F) Statement showing the status of outstanding capital stock of the Company as of September 30, 2015.
- (G) No filing is required under the Securities Act.
- (H) The Public Utility Holding Company Act has been repealed.
- (I) Copy of resolutions of the Board of Directors of the Company authorizing the requested increase to the Credit Facility.  
(To be supplied on or before December 23, 2015).
- (J) See Exhibit L to this Securities Certificate.
- (K) Statement showing, in journal entry form, all charges to be made on the books of account of the Company as a result of the proposed sale, issuance and delivery of the Notes.
- (L) Proposed form of amendment to Credit Facility. (To be supplied when negotiated).
- (M) No Net Earnings Certificate is required for the issuance of the Notes.
- (N) Not applicable.
- (O) Capital structure of the Company at September 30, 2015 and as adjusted to give effect, among other things, to the additional \$300 million of Notes to be issueable under the proposed amendment to the Existing Credit Facility.
- (P) Calculation of book value per share of the Company's Common Stock as of September 30, 2015.

WHEREFORE, PPL Electric Utilities Corporation requests the Commission to register this Securities Certificate pursuant to Chapter 19 of the Public Utility Code and evidence such registration by an Order.

PPL Electric Utilities Corporation

By:  \_\_\_\_\_  
Tadd J. Heminger  
Assistant Treasurer

Dated: November 20, 2015

COMMONWEALTH OF PENNSYLVANIA )  
 : SS  
COUNTY OF LEHIGH )

TADD J. HENNINGER, being duly sworn according to law, deposes and says that he is Assistant Treasurer of PPL Electric Utilities Corporation; that he is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct to the best of his knowledge, information and belief and he expects the said PPL Electric Utilities Corporation to be able to prove the same at any hearing hereof.

Sworn to and subscribed before me  
This 20 th day of November, 2015.

Jacqueline M. Jacob

:  
:  
:  
:  
:

C. Hoff

NOTARIAL SEAL  
JACQUELINE M. JACOB  
Notary Public  
ALLENTOWN CITY, LEHIGH COUNTY  
My Commission Expires Mar 20, 2016

# **Attachment 1**

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held September 11, 2014

Commissioners Present:

Robert F. Powelson, Chairman  
John F. Coleman, Jr., Vice Chairman  
James H. Cawley  
Pamela A. Witmer  
Gladys M. Brown

Securities Certificate of PPL Electric Utilities  
Corporation for an amendment to extend the  
maturity date of a credit facility.

S-2014-2436477

**ORDER**

**BY THE COMMISSION:**

On August 5, 2014, PPL Electric Utilities Corporation (PPL Electric or the Company) filed the above-captioned securities certificate for registration pursuant to Chapter 19 of the Public Utility Code, 66 Pa. C.S. §§ 1901, *et seq.* On August 14, 2014, PPL Electric voluntarily extended the consideration period until September 12, 2014.

PPL Electric (utility code 110500), located at Two North Ninth Street, Allentown, PA 18101, is a corporation that was organized on June 4, 1920, under the laws of the Commonwealth of Pennsylvania. PPL Electric is engaged, *inter alia*, in the distribution of electricity, and presently serves approximately 1.4 million customers in eastern and central Pennsylvania. PPL Electric is a direct subsidiary of PPL Corporation.

On June 25, 2010, PPL Electric filed with the Commission a securities certificate requesting authority to enter into a credit facility of up to \$300 million. The Commission registered this securities certificate by Order entered August 18, 2010, at Docket No. S-2010-2183912 (the 2010 Order). Pursuant to the authority granted to PPL Electric by the Commission in the 2010 Order, on December 31, 2010, the Company entered into a \$200 million revolving credit agreement among PPL Electric, the Lenders party thereto, and Wells Fargo Bank, National Association as administrative agent (Credit Agreement).

The 2010 Order includes a provision that the Credit Agreement can have a maturity of up to four years from the date of execution of the Credit Agreement, with the ability on each anniversary date of the execution thereof to extend the scheduled term of the Credit Agreement for an additional year, with consent of the applicable lenders.

On September 19, 2011, the Company filed a securities certificate requesting authority to amend and restate the Credit Agreement to extend the maturity to a date five years from the requested date of amendment, with the continued ability each year to further extend the term of the Credit Agreement by a period of one year, with consent of the applicable lenders. The Commission registered this securities certificate by Order entered September 22, 2011, at Docket No. S-2011-2263370 (the 2011 Order).

Pursuant to the authority granted to PPL Electric by the Commission in the 2011 Order, on October 19, 2011, the Company extended the maturity of the Credit Agreement to October 19, 2016. Subsequently, pursuant to authority granted by the 2010 Order and the 2011 Order, on November 6, 2012 the Company entered into a \$300 million Amended and Restated Revolving Credit Agreement among the Company, the Lenders party thereto and Wells Fargo Bank, National Association as Administrative Agent, which extended the maturity date to October 18, 2017 (Amended Credit Agreement).

PPL Electric had intended to amend the Amended Credit Agreement again in 2013 to extend its maturity to 2018, but due to market and other conditions it was not favorable for the Company to do so. The Company did, however, amend the Amended Credit Agreement on July 28, 2014 to extend the maturity date for an additional year at existing rates. The lenders have agreed to further extend such maturity to July 28, 2019 so as to provide the Company with a five year credit facility upon receipt of Commission approval.

A five-year credit facility reduces exposure to the volatility of the bank markets and offers PPL Electric and its ratepayers more stable costs than facilities of shorter durations. According to the Company, because it was not desirable or practicable to amend the term of the Amended Credit Agreement during 2013, it effectively lost the ability to maintain a five-year credit facility through annual amendments and now would like to restore this ability.

However, PPL Electric avers that the annual, one-year extension mechanism is not the optimal mechanism to preserve the desired five-year maturity term, as it depends on the Company amending its credit facility every year, whether or not pricing and other terms are favorable at such time. Therefore,

PPL Electric is requesting authority to have ongoing flexibility to, no more than once each calendar year, at any time before the scheduled maturity of the Amended Credit Agreement, amend the Amended Credit Agreement to reset the scheduled maturity date to a date up to five years from such amendment.

PPL Electric believes it is in the best interests of the Company, its shareholders and ratepayers to be able to contractually lock in fees and interest rates when market conditions make it desirable to do so, without amending every year solely to maintain the five-year maturity feature.

PPL Electric primarily uses the credit facility to provide liquidity backstop for its commercial paper issuances and to obtain letters of credit for its general corporate purposes, rather than for direct borrowings. As of June 30, 2014, there were outstanding under the Amended Credit Agreement approximately \$1 million of letters of credit and no borrowings. The letters of credit have been issued to collateralize certain energy purchase obligations with PJM, and for workers' compensation and minor road construction obligations.

PPL Electric believes it prudent to amend the credit facility in accordance with its proposal because banks have indicated that they may soon limit availability and charge more for committed, undrawn revolving credit facilities.

Extension of the maturity of the credit facility will have no effect on PPL Electric's capital structure, which is approximately 49% debt to total capitalization.

Compliance checks found that PPL Electric is current with its annual and Security Planning and Readiness reports and has no outstanding fines or assessments.

Having examined the instant filing, we have determined that PPL Electric's proposal of an amendment to extend the maturity date of a credit facility is necessary or proper for the present and probable future capital needs of the utility; **THEREFORE,**

**IT IS ORDERED:**

1. That the securities certificate of PPL Electric Utilities Corporation for an amendment to extend the maturity date of a credit facility registered by Commission Order entered August 18, 2010 at Docket No. S-2010-2183912, and modified by Commission Order entered September 22, 2011 at Docket No. S-2011-2263370 is hereby registered.

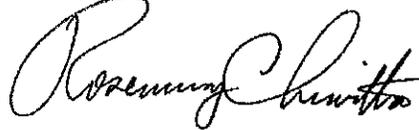
2. That PPL Electric Utilities Corporation's request for authority to have ongoing flexibility to reset the scheduled maturity date of the credit facility approved in Ordering Paragraph No. 1, above, to a date up to five years from such amendment is hereby granted, consistent with this Order.

3. That the proposed securities certificate will amend and replace PPL Electric Utilities Corporation's existing authority to enter into a credit facility of up to \$300 million that was registered by the Commission at Docket No. S-2010-2183912, and modified by Commission Order entered September 22, 2011 at Docket No. S-2011-2263370.

4. That within 60 days of each amendment of the credit facility pursuant to Ordering Paragraph No. 2, above, PPL Electric Utilities Corporation shall file notice with the Commission of such amendment together with a summary of the interest rate and maturity date of the amended credit facility.

5. That this case shall be marked closed.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta", written in a cursive style.

Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: September 11, 2014

ORDER ENTERED: September 11, 2014

PPL ELECTRIC UTILITIES CORPORATION  
BALANCE SHEET ACCOUNTS

| ACCT.<br>NO. | TITLE OF ACCOUNT  | SEPTEMBER 30, 2015 |
|--------------|---|--------------------|
|              | <b>ASSETS AND OTHER DEBITS</b>  |                    |
|              | UTILITY PLANT   |                    |
| 101          | UTILITY PLANT IN SERVICE  | \$ 7,144,966,042   |
| 105          | UTILITY PLANT HELD FOR FUTURE USE   | 45,681,169         |
| 106          | CC NOT CLASSIFIED   | 1,715,001,367      |
| 107          | CONSTRUCTION WORK IN PROGRESS   | 518,814,931        |
|              | GROSS UTILITY PLANT   | 9,424,463,509      |
| 108/111      | ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE | (2,591,950,868)    |
|              | NET UTILITY PLANT   | 6,832,512,641      |
|              | OTHER PROPERTY AND INVESTMENTS  |                    |
| 121          | NONUTILITY PROPERTY   | 3,543,774          |
| 122          | ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY                       | (938,888)          |
|              | NET NONUTILITY PROPERTY   | 2,604,886          |
| 123.1        | INVESTMENT IN SUBSIDIARY COMPANIES  | 53,647,136         |
| 124          | OTHER INVESTMENTS   | 250,000            |
| 128          | OTHER SPECIAL FUNDS   | 0                  |
|              | TOTAL OTHER PROPERTY AND INVESTMENTS  | 56,502,022         |
|              | CURRENT AND ACCRUED ASSETS  |                    |
| 131          | CASH  | 3,843,863          |
| 132          | INTEREST SPECIAL DEPOSITS   | 0                  |
| 134          | OTHER SPECIAL DEPOSITS  | 0                  |
| 135          | WORKING FUNDS   | 0                  |
| 136          | TEMPORARY CASH INVESTMENTS  | 21,291,940         |
|              | NOTES AND ACCOUNTS RECEIVABLE   |                    |
| 141          | NOTES RECEIVABLE  | 0                  |
| 142          | CUSTOMER ACCOUNTS RECEIVABLE  | 284,016,190        |
| 143          | OTHER ACCOUNTS RECEIVABLE   | 37,509,617         |
| 144          | ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT                             | (14,835,738)       |
|              | TOTAL NOTES AND ACCOUNTS RECEIVABLE   | 306,690,069        |
|              | RECEIVABLES FROM ASSOCIATED COMPANIES   |                    |
| 145          | NOTES RECEIVABLE FROM ASSOCIATED COMPANIES  | 0                  |
| 146          | ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES                                       | 250,145            |
|              | TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES   | 250,145            |
|              | MATERIALS AND SUPPLIES  |                    |
| 154          | PLANT MATERIALS AND OPERATING SUPPLIES  | 32,753,455         |
| 163          | STORES EXPENSE UNDISTRIBUTED  | 1,048,702          |
|              | TOTAL MATERIALS AND SUPPLIES  | 33,802,157         |
| 165          | PREPAYMENTS   | 26,710,178         |
|              | OTHER CURRENT AND ACCRUED ASSETS  |                    |
| 171          | INTEREST AND DIVIDENDS RECEIVABLE   | 2,505              |
| 172          | RENTS RECEIVABLE  | 3,384,184          |
| 173          | ACCRUED UTILITY REVENUES  | 82,941,390         |
| 174          | MISCELLANEOUS CURRENT AND ACCRUED ASSETS  | 12,810,793         |
| 190          | ACCUMULATED DEFERRED INCOME TAXES (CURRENT)   | 109,595,868        |
|              | TOTAL OTHER CURRENT AND ACCRUED ASSETS  | 208,734,740        |
|              | TOTAL CURRENT AND ACCRUED ASSETS  | 601,323,092        |
|              | DEFERRED DEBITS   |                    |
| 181          | UNAMORTIZED DEBT EXPENSE  | 21,284,327         |
| 182.3        | OTHER REGULATORY ASSETS   | 779,060,629        |
| 183          | PRELIMINARY SURVEY AND INVESTIGATION CHARGES  | 2,205,276          |
| 184          | CLEARING ACCOUNTS   | 0                  |
| 185          | TEMPORARY FACILITIES  | 150,295            |
| 186          | MISCELLANEOUS DEFERRED DEBITS   | 13,181,733         |
| 189          | UNAMORTIZED LOSS ON REACQUIRED DEBT   | 44,024,809         |
| 190          | ACCUMULATED DEFERRED INCOME TAXES   | 537,887,800        |
|              | LESS CURRENT ACCUMULATED DEFERRED INCOME TAXES                                      | 109,595,868        |
|              | TOTAL ACCUMULATED DEFERRED INCOME TAXES (NONCURRENT)                                | 428,291,932        |
|              | TOTAL DEFERRED DEBITS   | 1,288,199,001      |
|              | TOTAL ASSETS AND OTHER DEBITS   | \$ 8,778,536,756   |

PPL ELECTRIC UTILITIES CORPORATION  
BALANCE SHEET ACCOUNTS

| ACCT.<br>NO. | <u>TITLE OF ACCOUNT</u>  | <u>SEPTEMBER 30, 2015</u> |
|--------------|--|---------------------------|
|              | <b>LIABILITIES AND OTHER CREDITS</b>                                     |                           |
|              | PROPRIETARY CAPITAL  |                           |
| 201          | COMMON STOCK ISSUED  | \$ 363,833,249            |
| 204          | PREFERRED STOCK ISSUED   | 0                         |
| 207          | PREMIUM ON CAPITAL STOCK   | 0                         |
| 211          | ADDITIONAL PAID IN CAPITAL   | 1,931,510,405             |
| 214          | CAPITAL STOCK EXPENSE  | (6,283,429)               |
| 216          | EARNINGS REINVESTED  | 800,160,853               |
| 216.1        | UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS                         | (419,096)                 |
| 217          | REACQUIRED CAPITAL STOCK   | 0                         |
| 219          | OTHER COMPREHENSIVE INCOME   | (23,582)                  |
|              | TOTAL PROPRIETARY CAPITAL  | 3,088,778,400             |
|              | LONG-TERM DEBT   |                           |
| 221          | BONDS  | 2,613,750,000             |
| 222          | REACQUIRED BONDS   | 0                         |
| 224          | OTHER LONG-TERM DEBT   | 0                         |
| 225          | UNAMORTIZED PREMIUM ON LONG-TERM DEBT                                    | 0                         |
| 226          | UNAMORTIZED DISCOUNT ON LONG-TERM DEBT-DEBIT                             | (10,799,220)              |
|              | TOTAL LONG-TERM DEBT   | 2,602,950,780             |
|              | LESS AMOUNTS DUE WITHIN ONE YEAR   |                           |
| 221          | BONDS  | 100,000,000               |
|              | TOTAL LONG-TERM DEBT   | 2,502,950,780             |
|              | OTHER NONCURRENT LIABILITIES   |                           |
| 227          | OBLIGATIONS UNDER CAPITAL LEASES-NONCURRENT                              | 0                         |
| 228.3        | ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS                          | 201,176,153               |
| 229          | ACCUMULATED PROVISION FOR RATE REFUNDS                                   | 0                         |
|              | TOTAL OTHER NONCURRENT LIABILITIES                                       | 201,176,153               |
|              | CURRENT AND ACCRUED LIABILITIES  |                           |
|              | LONG-TERM DEBT DUE WITHIN ONE YEAR                                       |                           |
| 221          | BONDS  | 100,000,000               |
| 231          | NOTES PAYABLE  | 68,000,000                |
| 232          | ACCOUNTS PAYABLE   | 324,580,136               |
| 233          | NOTES PAYABLE - AFFILIATED COMPANIES                                     | 0                         |
| 234          | ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES                                 | 62,926,598                |
| 235          | CUSTOMER DEPOSITS  | 17,452,597                |
| 236          | TAXES ACCRUED  | 34,447,464                |
| 237          | INTEREST ACCRUED   | 26,099,200                |
| 238          | DIVIDENDS DECLARED   | 0                         |
| 240          | MATURED INTEREST   | 0                         |
| 241          | TAX COLLECTIONS PAYABLE  | 964,775                   |
| 242          | MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES                            | 76,385,123                |
| 243          | OBLIGATIONS UNDER CAPITAL LEASES-CURRENT                                 | 0                         |
| 283          | ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)                        | 13,159,250                |
|              | TOTAL CURRENT AND ACCRUED LIABILITIES                                    | 724,015,143               |
|              | DEFERRED CREDITS   |                           |
| 252          | CUSTOMER ADVANCES FOR CONSTRUCTION                                       | 409,547                   |
| 253          | OTHER DEFERRED CREDITS   | 29,344,470                |
| 254          | OTHER REGULATORY LIABILITIES   | 145,641,927               |
| 255          | ACCUMULATED DEFERRED INVESTMENT TAX CREDITS                              | 539,944                   |
| 257          | UNAMORTIZED GAIN ON REAQUIRED DEBT                                       | 0                         |
| 281          | ACCUMULATED DEFERRED INCOME TAXES -<br>ACCELERATED AMORTIZATION PROPERTY | 0                         |
| 282          | ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY                         | 1,647,633,698             |
| 283          | ACCUMULATED DEFERRED INCOME TAXES-OTHER                                  | 451,205,944               |
|              | LESS ACCUMULATED DEFERRED INCOME TAXES-OTHER (CURRENT)                   | 13,159,250                |
|              | TOTAL ACCUMULATED DEFERRED INCOME TAXES-OTHER (NONCURRENT)               | 438,046,694               |
|              | TOTAL DEFERRED CREDITS   | 2,261,616,280             |
|              | TOTAL LIABILITIES AND OTHER CREDITS                                      | \$ 8,778,536,756          |

**PPL ELECTRIC UTILITIES CORPORATION  
STATEMENT OF CONTINGENT LIABILITIES  
SEPTEMBER 30, 2015**

**Commitments and Contingencies**

**Legal Matters**

PPL Electric Utilities Corporation (PPL Electric) is involved in legal proceedings, claims and litigation in the ordinary course of business. PPL Electric cannot predict the outcome of such matters, or whether such matters may result in material liabilities, unless otherwise noted.

**Regulatory Issues**

Electricity - Reliability Standards

The North American Electric Reliability Corporation (NERC) is responsible for establishing and enforcing mandatory reliability standards (Reliability Standards) regarding the bulk power system. The Federal Energy Regulatory Commission (FERC) oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk power electricity system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties of up to \$1 million per day, per violation, for certain violations.

PPL Electric monitors its compliance with the Reliability Standards and continues to self-report or self-log potential violations of certain applicable reliability requirements and submits accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Any Regional Reliability Entity (including ReliabilityFirst or SERC Reliability Corporation) determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.

In the course of implementing its programs to ensure compliance with the Reliability Standards, certain other instances of potential non-compliance may be identified from time to time. PPL Electric cannot predict the outcome of these matters, and cannot estimate a range of reasonably possible losses, if any.

In October 2012, the FERC initiated its consideration of proposed changes to Reliability Standards to address the impacts of geomagnetic disturbances on the reliable operation of the bulk-power system, which might, among other things, lead to a requirement to install equipment that blocks geomagnetically induced currents on implicated transformers. In May 2013, FERC issued Order No. 779, requiring NERC to submit two types of Reliability Standards for FERC's approval. The first type would require certain owners and operators of the nation's electricity infrastructure, such as PPL Electric, to develop and implement operational procedures to mitigate the effects of geomagnetic disturbances on the bulk-power system. This NERC-proposed standard was approved by FERC in June 2014. These requirements do not impose significant costs on PPL Electric. The second type is to require owners and operators of the bulk-power system to assess certain geomagnetic disturbance events and develop and implement plans to protect the bulk-power system from those events. FERC issued a notice of proposed rulemaking on this second type of Reliability Standard on May 14, 2015. PPL Electric does not presently anticipate significant costs to comply with the requirements if finalized as proposed.

**Environmental Matters**

Due to the environmental issues discussed below or other environmental matters, it may be necessary for PPL Electric to modify, curtail, replace or cease operation of certain facilities or performance of certain operations to comply with statutes, regulations and other requirements of regulatory bodies or courts. In addition, legal challenges to new environmental permits or rules add to the uncertainty of estimating the future cost of these permits and rules.

There are certain costs of complying with the Clean Air Act, as amended, and those federal, state or local environmental requirements applicable to coal combustion wastes and by-products from facilities that generate electricity from coal in accordance with approved compliance plans. All such costs for PPL Electric are subject to rate recovery before the Pennsylvania Public Utility Commission (PUC), or the FERC, if applicable. Because PPL Electric does not own any generating plants, its exposure to related environmental compliance costs is reduced. PPL Electric can provide no assurances as to the ultimate outcome of future environmental or rate proceedings before regulatory authorities.

## Air

### *Climate Change*

#### Authority to Regulate Carbon Dioxide Emissions

The Environmental Protection Agency (EPA) issued rules in 2014 regulating carbon dioxide emissions from stationary sources under the New Source Review and Title V operating permit provisions of the Clean Air Act. The EPA's rules were challenged in court and, in June 2014, the U.S. Supreme Court ruled that the EPA has authority to regulate carbon dioxide emissions under the Clean Air Act but only for stationary sources that would otherwise have been subject to these provisions due to significant increases in emissions of other pollutants. As a result, any new sources or major modifications to an existing greenhouse gas source causing a net significant increase in carbon dioxide emissions must comply with permit limits for carbon dioxide, but only if it would otherwise be subject to limits on new or modified sources due to significant increases in other pollutants.

#### The EPA's Rules under Section 111 of the Clean Air Act

As further described below, in August 2015, the EPA finalized rules imposing greenhouse gas emission standards for both new and existing power plants. The EPA has also issued a proposed federal implementation plan which would apply to any states that fail to submit an acceptable state implementation plan under these rules. The EPA's authority to promulgate these regulations under Section 111 of the Clean Air Act has been challenged in the D.C. Circuit Court by several states and industry groups.

The EPA's rule for new power plants imposes separate emission standards for coal and natural gas units based on the application of different technologies. The coal standard is based on the application of partial carbon capture and sequestration technology, but because this technology is not presently commercially available, the rule effectively precludes the construction of new coal-fired plants. The standard for natural gas-fired combined-cycle power plants is the same as the EPA proposed in 2012 and is not continuously achievable. The preclusion of new coal-fired plants and the compliance difficulties posed for new natural gas-fired plants could have a significant industry-wide impact.

## Water/Waste

### *Waters of the United States (WOTUS)*

The U.S. Court of Appeals for the Sixth Circuit has issued a stay of EPA's rule on the definition of WOTUS pending the court's review of the rule. The effect of the stay is that the WOTUS rule is not currently in effect anywhere in the United States. The ultimate outcome of the court's review of the rule remains uncertain. PPL Electric had not expected the rule to have a significant impact on its operations, but was unable to predict the impact of the rule in light of the ongoing litigation, particularly in Pennsylvania where the rule could have resulted in significant project delays and added costs, as permits and other regulatory requirements could have been imposed for many activities not otherwise covered by permitting requirements (including vegetation management for transmission lines and activities affecting storm water conveyances and wetlands).

### *Other Issues*

The EPA is reassessing its polychlorinated biphenyls (PCB) regulations under the Toxic Substance Control Act, which currently allow certain PCB articles to remain in use. In April 2010, the EPA issued an Advanced Notice of Proposed Rulemaking for changes to these regulations. This rulemaking could lead to a phase-out of all or some PCB-containing equipment. The EPA has postponed the release of the revised regulations to March 2016. PPL Electric cannot predict at this time the outcome of these proposed EPA regulations and what impact, if any, they would have on its facilities, but the costs could be significant.

## Superfund and Other Remediation

PPL Electric is potentially responsible for costs at several sites listed by the EPA under the federal Superfund program, including the Columbia Gas Plant site, the Metal Bank site and the Brodhead site. Clean-up actions have been or are being undertaken at all of these sites, the costs of which have not been significant to PPL Electric. Should the EPA require different or additional measures in the future, however, or should PPL Electric's share of costs at multi-party sites increase substantially more than currently expected, the costs could be significant.

PPL Electric is investigating, responding to agency inquiries, remediating, or has completed the remediation of, several sites that were not addressed under a regulatory program such as Superfund, but for which PPL Electric may be liable for remediation. These include a number of former coal gas manufacturing plants in Pennsylvania previously owned or operated or currently owned by a predecessor

of PPL Electric. To date, the costs of these sites have not been significant. There are additional sites, formerly owned or operated by a PPL Electric predecessor, for which PPL Electric lacks information on current site conditions and is therefore unable to predict what, if any, potential liability it may have.

Depending on the outcome of investigations at sites where investigations have not begun or been completed or developments at sites for which PPL Electric currently lacks information, the costs of remediation and other liabilities could be significant. PPL Electric cannot estimate a range of reasonably possible losses, if any, related to these matters.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of coal gas manufacturing. As a result of the EPA's evaluation, individual states may establish stricter standards for water quality and soil cleanup. This could require PPL Electric to take more extensive assessment and remedial actions at former coal gas manufacturing plants. PPL Electric cannot estimate a range of reasonably possible losses, if any, related to these matters.

From time to time, PPL Electric undertakes remedial action in response to notices of violations, spills or other releases at various on-site and off-site locations, negotiates with the EPA and state and local agencies regarding actions necessary for compliance with applicable requirements, negotiates with property owners and other third parties alleging impacts from PPL Electric's operations and undertakes similar actions necessary to resolve environmental matters that arise in the course of normal operations. Based on analyses to date, resolution of these environmental matters is not expected to have a significant adverse impact on the operations of PPL Electric.

Future cleanup or remediation work at sites currently under review, or at sites not currently identified, may result in significant additional costs for PPL Electric.

## Other

### Guarantees and Other Assurances

In the normal course of business, PPL Electric may enter into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance the creditworthiness attributed to a subsidiary on a stand-alone basis or to facilitate the commercial activities in which these subsidiaries engage.

The table below details the guarantee provided as of September 30, 2015. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The probability of expected payment/performance under this guarantee is remote.

|                              | <u>Exposure at</u><br><u>September 30, 2015</u> | <u>Expiration</u><br><u>Date</u> |
|------------------------------|---|----------------------------------|
| Guarantee of inventory value | \$ 36 (a)                                       | 2018                             |

(a) A third party logistics firm provides inventory procurement and fulfillment services. The logistics firm has title to the inventory, however, upon termination of the contracts, PPL Electric has guaranteed to purchase any remaining inventory that has not been used or sold.

PPL Electric provides other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, no significant payments have been made with respect to these types of guarantees and the probability of payment/performance under these guarantees is remote.

PPL Corporation, on behalf of itself and certain of its subsidiaries, including PPL Electric, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of \$225 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT OF INCOME**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2015**

| ACCT.<br>NO. |   |                  |
|--------------|---|------------------|
|              | UTILITY OPERATING INCOME  |                  |
| 400          | OPERATING REVENUES  | \$ 2,248,355,429 |
|              | OPERATING EXPENSES  |                  |
| 401          | OPERATION EXPENSES  | 1,223,990,466    |
| 402          | MAINTENANCE EXPENSES  | 131,640,046      |
| 403/406      | DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC<br>PLANT ACQUISITION ADJUSTMENTS | 205,844,546      |
| 407.3        | REGULATORY DEBITS   | 13,623,972       |
| 407.4        | REGULATORY CREDITS  |                  |
| 408.1        | TAXES OTHER THAN INCOME TAXES   | 121,104,688      |
| 409.1        | INCOME TAXES  |                  |
|              | FEDERAL   | 11,718,159       |
|              | STATE   | 24,479,496       |
| 410.1        | PROVISION FOR DEFERRED INCOME TAXES   | 774,829,968      |
| 411.1        | PROVISION FOR DEFERRED INCOME TAXES-CREDIT  | (638,983,072)    |
| 411.4        | INVESTMENT TAX CREDIT ADJUSTMENT  | (1,199,451)      |
| 411.6        | GAINS FROM DISPOSITION OF UTILITY PLANT   |                  |
| 411.7        | LOSSES FROM DISPOSITION OF UTILITY PLANT  | 8,974            |
| 411.8        | GAINS FROM DISPOSITION OF EMISSION ALLOWANCES                                       |                  |
|              | TOTAL UTILITY OPERATING EXPENSES  | 1,867,057,792    |
|              | NET UTILITY OPERATING INCOME  | 381,297,637      |
|              | OTHER INCOME AND DEDUCTIONS   |                  |
|              | OTHER INCOME  |                  |
| 415/416      | MERCHANDISING, JOBBING AND CONTRACT WORK  | 13,616           |
| 417.1        | EXPENSES OF NONUTILITY OPERATIONS   |                  |
| 418          | NONOPERATING RENTAL INCOME  | (43,660)         |
| 418.1        | EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES  | 13,733,400       |
| 419          | INTEREST AND DIVIDEND INCOME  | 805,573          |
| 419.1        | ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION                                 | 11,431,713       |
| 421          | MISCELLANEOUS NONOPERATING INCOME   | (32,415)         |
| 421.1        | GAIN ON DISPOSITION OF PROPERTY   | 58,995           |
|              | TOTAL OTHER INCOME  | 25,967,222       |
|              | OTHER INCOME DEDUCTIONS   |                  |
| 421.2        | LOSS ON DISPOSITION OF PROPERTY   | 162,805          |
| 426.1-426.5  | MISCELLANEOUS INCOME DEDUCTIONS   | 28,925,809       |
|              | TOTAL OTHER INCOME DEDUCTIONS   | \$ 29,088,614    |

PPL ELECTRIC UTILITIES CORPORATION  
STATEMENT OF INCOME  
TWELVE MONTHS ENDED SEPTEMBER 30, 2015

|             |   |    |                    |
|-------------|---|----|--------------------|
| ACCT.       |   |    |                    |
| <u>NO.</u>  |   |    |                    |
|             | OTHER INCOME AND DEDUCTIONS (CONTINUED)                   |    |                    |
|             | TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS           |    |                    |
| 408.2       | TAXES OTHER THAN INCOME TAXES                             | \$ | 200                |
| 409.2       | INCOME TAXES  |    |                    |
|             | FEDERAL   |    | (4,143,409)        |
|             | STATE   |    | (3,169,287)        |
| 410.2/411.2 | PROVISION FOR DEFERRED INCOME TAXES-NET                   |    | (1,369,191)        |
| 411.5       | INVESTMENT TAX CREDIT                                     |    |                    |
|             | TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS     |    | <u>(8,681,687)</u> |
|             | NET OTHER INCOME AND DEDUCTIONS                           |    | <u>5,560,295</u>   |
|             | INCOME BEFORE INTEREST CHARGES                            |    | <u>386,857,932</u> |
|             | INTEREST CHARGES  |    |                    |
| 427         | INTEREST ON LONG-TERM DEBT                                |    | 119,395,375        |
| 428         | AMORTIZATION OF DEBT DISCOUNT AND EXPENSE                 |    | 2,285,060          |
| 428.1       | AMORTIZATION OF LOSS ON REACQUIRED DEBT                   |    | 7,191,310          |
| 429         | AMORTIZATION OF PREMIUM ON DEBT-CREDIT                    |    |                    |
| 429.1       | AMORTIZATION OF GAIN ON REACQUIRED DEBT-CREDIT            |    |                    |
| 430         | INTEREST ON DEBT TO ASSOCIATED COMPANIES                  |    | 22,940             |
| 431         | OTHER INTEREST CHARGES                                    |    | 4,651,576          |
| 432         | ALLOW. FOR BORROWED FUNDS USED DURING CONSTRUCTION-CREDIT |    | (5,300,896)        |
|             | NET INTEREST CHARGES                                      |    | <u>128,245,365</u> |
|             | NET INCOME  | \$ | <u>258,612,567</u> |

**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT OF RETAINED EARNINGS**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2015**

|  |                       |
|--|-----------------------|
| Retained earnings, September 30, 2014                      | \$ 717,750,156        |
| Activity during the twelve months ended September 30, 2015 |                       |
| Net income   | 258,612,567           |
| Dividends declared - common                                | (176,620,966)         |
| Retained earnings, September 30, 2015                      | <u>\$ 799,741,757</u> |

**PPL ELECTRIC UTILITIES CORPORATION  
UTILITY PLANT ACCOUNTS**

| Acct.<br><u>No.</u> |   | <u>SEPTEMBER 30, 2015</u>      |
|---------------------|---|--------------------------------|
|                     | Utility plant in service                                |                                |
| 101                 | Electric plant in service                               |                                |
|                     | Intangible plant  | \$ 87,770,608                  |
|                     | Transmission plant                                      | 1,731,816,334                  |
|                     | Distribution plant                                      | 4,695,675,722                  |
|                     | General plant   | 629,703,378                    |
|                     | Electric plant in service                               | <u>7,144,966,042</u>           |
| 101.1               | Property under capital leases                           |                                |
|                     | Total utility plant in service                          | <u>7,144,966,042</u>           |
| 105                 | Electric plant held for future use                      | 45,681,169                     |
| 106                 | CC not classified                                       | 1,715,001,367                  |
| 107                 | Construction work in progress                           | 518,814,931                    |
|                     | Total utility plant                                     | <u>9,424,463,509</u>           |
| 108                 | Accumulated provision for depreciation of utility plant | (2,518,921,753)                |
| 111                 | Accumulated provision for amortization of utility plant | (73,029,115)                   |
|                     | Net utility plant                                       | <u><u>\$ 6,832,512,641</u></u> |

**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT OF SECURITIES OF OTHER ENTITIES OWNED**  
**AS OF SEPTEMBER 30, 2015**

| Name of Issuer                              | Title of Security  | Number of<br>Shares or<br>Principal<br>Amount | Date<br>Acquired | Price Paid        | Book Value           | Approximate Value<br>Indicated by<br>Market Quotations<br>September 30, 2015 |
|---|--------------------|---|------------------|-------------------|----------------------|--|
| Securities of Subsidiaries                  |                    |   |                  |                   |                      |  |
| CEP Commerce, LLC                           | Member's Interests | \$ 10,072                                     | 7/1/2000         | \$ 10,072         | \$ 323,882           | Not Available  |
| PPL Receivables Corporation                 | Common             | \$ 100  | 3/22/2004        | 100               | 53,323,254           | Not Available  |
|   |                    |   |                  | <u>10,172</u>     | <u>53,647,136</u>    |  |
| Other Corporate Securities                  |                    |   |                  |                   |                      |  |
| Mortgages                                   |                    |   |                  |                   |                      |  |
| Pocono Mtn Business Park (Senda)            | Mortgage           | 290,000                                       | 3/15/2002        | 290,000           | 250,000              | Not Available  |
|   |                    |   |                  | <u>\$ 290,000</u> | <u>250,000</u>       |  |
| Total Mortgages                             |                    |   |                  |                   |                      |  |
| Total Securities of Other<br>Entities Owned |                    |   |                  |                   | <u>\$ 53,897,136</u> |  |

PPL ELECTRIC UTILITIES CORPORATION  
STATEMENT SHOWING THE STATUS OF THE FUNDED DEBT  
AS OF SEPTEMBER 30, 2015

| Name and Description<br>of Obligation<br>(a)    | Interest    |                      | Term<br>at Date<br>Of Issue<br>(Years)<br>(d) | Date of<br>Maturity<br>(e) | Total<br>Principal<br>Amount<br>Authorized<br>(f) | Total Principal<br>Amount Outstanding<br>(Not Held by the<br>Public Utility)<br>(g) | Total Principal Amount Held by<br>the Public Utility |                |  |
|---|-------------|----------------------|---|----------------------------|---|---|--|----------------|--|
|   | Rate<br>(b) | Dates Payable<br>(c) |   |                            |   |   | Reacquired<br>and Held in<br>Treasury<br>(h)         | Pledged<br>(i) | In Sinking<br>or Other<br>Funds<br>(j) |
| First Mortgage Bonds:                           |             |                      |   |                            |   |   |  |                |  |
| 4.95% Series due 2015                           | 4.95%       | June 15 & Dec. 15    | 10  | Dec. 15, 2015              | \$ 100,000,000                                    | \$ 100,000,000  | None   | None           | None                                   |
| 5.15% Series due 2020                           | 5.15%       | June 15 & Dec. 15    | 15  | Dec. 15, 2020              | 100,000,000                                       | 100,000,000   | None   | None           | None                                   |
| 6.45% Series due 2037                           | 6.45%       | Feb. 15 & Aug. 15    | 30  | Aug. 15, 2037              | 250,000,000                                       | 250,000,000   | None   | None           | None                                   |
| 6.25% Series due 2039                           | 6.25%       | May 15 & Nov. 15     | 30  | May 15, 2039               | 300,000,000                                       | 300,000,000   | None   | None           | None                                   |
| 5.20% Series due 2041                           | 5.20%       | Jan. 15 & July 15    | 30  | July 15, 2041              | 250,000,000                                       | 250,000,000   | None   | None           | None                                   |
| 3.00% Series due 2021                           | 3.00%       | Mar. 15 & Sept. 15   | 10  | Sept. 15, 2021             | 400,000,000                                       | 400,000,000   | None   | None           | None                                   |
| 2.50% Series due 2022                           | 2.50%       | Mar. 1 & Sept. 1     | 10  | Sept. 1, 2022              | 250,000,000                                       | 250,000,000   | None   | None           | None                                   |
| 4.75% Series due 2043                           | 4.75%       | Jan. 15 & July 15    | 30  | July 15, 2043              | 350,000,000                                       | 350,000,000   | None   | None           | None                                   |
| 4.125% Series due 2044                          | 4.125%      | June 15 & Dec. 15    | 30  | June 15, 2044              | 300,000,000                                       | 300,000,000   | None   | None           | None                                   |
|   |             |                      |   |                            |   | 2,300,000,000   |  |                |  |
| Senior Secured Bonds (Pollution Control Series) |             |                      |   |                            |   |   |  |                |  |
| Series 2008 due 2023                            | 4.00%       | Apr. 1 & Oct. 1      | 15  | Oct. 1, 2023               | 90,000,000  | 90,000,000  | None   | None           | None                                   |
| 4.75% Series due 2027                           | 4.75%       | Feb. 15 & Aug. 15    | 22  | Feb. 15, 2027              | 108,250,000                                       | 108,250,000   | None   | None           | None                                   |
| 4.70% Series due 2029                           | 4.70%       | Mar. 1 & Sept. 1     | 24  | Sept. 1, 2029              | 115,500,000                                       | 115,500,000   | None   | None           | None                                   |
|   |             |                      |   |                            |   | 313,750,000   |  |                |  |
| Unamortized Premium on Long-Term Debt           |             |                      |   |                            |   | 0   |  |                |  |
| Unamortized Discount on Long-Term Debt          |             |                      |   |                            |   | (10,799,220)  |  |                |  |
| Total Funded Debt                               |             |                      |   |                            |   | \$ 2,602,950,780  |  |                |  |

**PPL ELECTRIC UTILITIES CORPORATION**  
**STATEMENT SHOWING THE STATUS OF OUTSTANDING CAPITAL STOCK**  
**AS OF SEPTEMBER 30, 2015**

| Designation of Kind and Class (a) | Number of Shares Authorized (b) | Par Value Per Share (c) | Amount Authorized (d) | Amount Outstanding (Not Held by the Public Utility) (1) (e) | Held by the Public Utility          |             |                               | Stated Book Value of Outstanding Stock Having No Par Value As of Date of Balance Sheet (f) |
|-----------------------------------|---------------------------------|-------------------------|-----------------------|---|-------------------------------------|-------------|-------------------------------|--|
|                                   |                                 |                         |                       |   | Reacquired and Held in Treasury (f) | Pledged (g) | In Sinking or Other Funds (h) |  |
| <b>Preference Stock</b>           |                                 |                         |                       | <u>0 shares</u>   | None                                | None        | None                          | \$ 0.00  |
| <b>Common Stock, no par</b>       | 170,000,000                     |                         | 170,000,000 shares    | <u>66,368,056 shares</u>                                    | None                                | None        | None                          | \$ 3,088,778,400 (2)   |
| <b>Treasury Stock</b>             |                                 |                         |                       | <u>0 shares</u>   | None                                | None        | None                          | \$ 0.00  |

(1) All common shares of PPL Electric stock are owned by PPL.  
(2) Book value of common stock held by PPL Corporation.

PPL ELECTRIC UTILITIES CORPORATION  
HOLDERS OF EACH CLASS OF CAPITAL STOCK AS OF SEPTEMBER 30, 2015

COMMON

---

Shares

|  |            |
|--|------------|
| PPL Corporation<br>Two North Ninth Street<br>Allentown, PA 18101 | 66,368,056 |
|--|------------|

PPL ELECTRIC UTILITIES CORPORATION

STATEMENT SHOWING, IN JOURNAL ENTRY FORM, ALL CHARGES AND CREDITS  
TO BE MADE ON THE BOOKS OF ACCOUNT AS A RESULT OF  
AN INCREASE OF ANY BORROWINGS UNDER THE CREDIT FACILITY

Journal Entry 1

|     |               |    |    |
|-----|---------------|----|----|
| 131 | Cash          | \$ |    |
| 231 | Notes Payable |    | \$ |

To record borrowings under the Increased Credit Facility.

Journal Entry 2

|     |                          |    |    |
|-----|--------------------------|----|----|
| 181 | Unamortized Debt Expense | \$ |    |
| 131 | Cash                     |    | \$ |

To record the payment of expenses in connection with the Increased Credit Facility. Expenses will be amortized over the life of the facility.

**PPL ELECTRIC UTILITIES CORPORATION  
CAPITAL STRUCTURE**

The capital structure of the Company at September 30, 2015, and on a pro forma basis to give effect to the transactions footnoted below, is as follows:

|   | <u>Actual<br/>Amount</u> | <u>Adjustment<br/>Authorized<br/>Issuance</u> | <u>Pro Forma<br/>Amount</u> | <u>% of<br/>Capitalization</u> |
|---|--------------------------|---|-----------------------------|--------------------------------|
| <b>Common Equity</b>                                |                          |   |                             |                                |
| Common Stock Issued.....                            | \$ 363,833,249           |   | \$ 363,833,249              |                                |
| Miscellaneous Paid-In Capital.....                  | 1,931,510,405            |   | 1,931,510,405               |                                |
| Capital Stock Expense.....                          | (6,283,429)              |   | (6,283,429)                 |                                |
| Treasury Stock.....                                 | -                        |   | -                           |                                |
| Other Comprehensive Income.....                     | (23,582)                 |   | (23,582)                    |                                |
| Earnings Reinvested.....                            | 799,741,757              |   | 799,741,757                 |                                |
| Total Common Equity.....                            | <u>3,088,778,400</u>     | <u>-</u>                                      | <u>3,088,778,400</u>        | 51%                            |
| <b>Preferred Securities</b>                         |                          |   |                             |                                |
| Preferred Stock without Mandatory Redemption.....   | -                        |   | -                           | 0%                             |
| <b>Long-Term Debt (a)</b>                           |                          |   |                             |                                |
| First Mortgage Bonds.....                           | 2,300,000,000            | \$ 350,000,000 (b)                            | 2,650,000,000               |                                |
| Senior Secured Bonds (Pollution Control Series).... | 313,750,000              |   | 313,750,000                 |                                |
| Unamortized Premium/Discount- Net.....              | (10,799,220)             |   | (10,799,220)                |                                |
| Total Long-Term Debt.....                           | <u>2,602,950,780</u>     | <u>350,000,000</u>                            | <u>2,952,950,780</u>        | 49%                            |
| Total Capitalization.....                           | <u>\$ 5,691,729,180</u>  | <u>\$ 350,000,000</u>                         | <u>\$ 6,041,729,180</u>     | <u>100%</u>                    |

(a) Long-term debt includes amounts due within one year.

(b) The authorized issuance of \$350 million of Debt Securities issued in October 2015.

**PPL ELECTRIC UTILITIES CORPORATION**  
**BOOK VALUE OF COMMON STOCK**  
**SEPTEMBER 30, 2015**

| <u>Acct.<br/>No.</u> |   |    |                      |
|----------------------|---|----|----------------------|
|                      | Common Equity   |    |                      |
| 201                  | Common stock issued   | \$ | 363,833,249          |
| 207                  | Premium on capital stock  |    | -                    |
| 211                  | Additional paid in capital  |    | 1,931,510,405        |
| 214                  | Capital stock expense   |    | (6,283,429)          |
| 216                  | Unappropriated retained earnings  |    | 800,160,853          |
| 216.1                | Unappropriated undistributed subsidiary earnings                                  |    | (419,096)            |
| 217                  | Reacquired capital stock  |    | -                    |
| 219                  | Other comprehensive income  |    | (23,582)             |
|                      | Total Common Equity   | \$ | <u>3,088,778,400</u> |
|                      | Shares of common stock issued at September 30, 2015                               |    | 66,368,056           |
|                      | Shares repurchased and held in treasury   |    | <u>0</u>             |
|                      | Shares of common stock outstanding at September 30, 2015                          |    | <u>66,368,056</u>    |
|                      | Book Value of Common Stock  |    |                      |
|                      | Total common equity ÷ shares of common<br>stock outstanding at September 30, 2015 | \$ | <u>46.54</u>         |

**Chapter 19 Securities Certificate Registrations - Data Request**

To the extent the following information has not been filed with Applicant's registration:

1) Previous registration balances. Provide docket numbers, initial registration amount, issuances by type, amount and date and current remaining balance. Plans for these balances vis-à-vis the current registration.

***Answer:***

PPL Electric has a \$300 million credit facility syndicated with a group of banks that expires in July 2019. This facility was authorized by the PUC under Securities Certificates **No. S-2010-2183912**, **No. S-2011-2263370** and **No. S-2014-2436477**. Under this facility, PPL Electric has the ability to make cash borrowings and to request the lenders to issue letters of credit.

PPL Electric would like to increase the capacity of the credit facility from \$300 million to up to \$700 million.

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2) What effect will this issuance have upon the capital structure of the utility? Show calculations.

***Answer:***

An increase in the credit facility capacity will have no effect on the capital structure.

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3) Current and three year projections for; (Provide details of calculation)

***Sources and Uses of Funds:***

| \$ (000's)                              | 2015             | 2016             | 2017             | 2018             |
|---|------------------|------------------|------------------|------------------|
| <b>Requirements</b>                     |                  |                  |                  |                  |
| Construction                            | 1,128,337        | 1,158,444        | 1,193,600        | 1,159,531        |
| Pension Funding                         | 32,300           | 26,520           | 21,760           | 18,360           |
| Maturities, Redemptions & Sinking Funds | 100,000          |                  |                  |                  |
| <b>Total Requirements</b>               | <b>1,260,637</b> | <b>1,184,964</b> | <b>1,215,360</b> | <b>1,177,891</b> |
| <b>Sources</b>                          |                  |                  |                  |                  |
| Internal, net                           | 910,637          | 799,964          | 845,360          | 797,891          |
| Outside Financing                       |                  |                  |                  |                  |
| Long-term debt                          | 350,000          | 385,000          | 370,000          | 380,000          |
| Short-term debt change                  |                  |                  |                  |                  |
| Other                                   |                  |                  |                  |                  |
| <b>Total Outside</b>                    | <b>350,000</b>   | <b>385,000</b>   | <b>370,000</b>   | <b>380,000</b>   |
| <b>Total Sources</b>                    | <b>1,260,637</b> | <b>1,184,964</b> | <b>1,215,360</b> | <b>1,177,891</b> |

***Capital Expenditures & Ratio of Capital Expenditures to Depreciation and Amortization:***

| \$ (000's)   | 2015           | 2016           | 2017           | 2018           |
|--|----------------|----------------|----------------|----------------|
| Capital Expenditures                                   | 1,128,337      | 1,158,444      | 1,193,600      | 1,159,531      |
| Depreciation   | 209,216        | 239,283        | 265,276        | 296,681        |
| Amortization   | 15,763         | 14,572         | 14,704         | 9,535          |
| <b>Total Depreciation &amp; Amortization</b>           | <b>224,979</b> | <b>253,855</b> | <b>279,980</b> | <b>306,216</b> |
| <b>Capital / Depreciation &amp; Amortization Ratio</b> | <b>5.02x</b>   | <b>4.56x</b>   | <b>4.26x</b>   | <b>3.79x</b>   |

***Capitalization Ratios:***

| \$ (000's)                         | 2015             | 2016             | 2017             | 2018             |
|------------------------------------|------------------|------------------|------------------|------------------|
| Total Long-term Debt               | 2,853,105        | 3,238,720        | 3,609,341        | 3,989,969        |
| Total Short-term Debt              | -                | -                | -                | -                |
| <b>Total Debt</b>                  | <b>2,853,105</b> | <b>3,238,720</b> | <b>3,609,341</b> | <b>3,989,969</b> |
| <b>Total Capitalization</b>        | <b>5,937,811</b> | <b>6,730,282</b> | <b>7,574,785</b> | <b>8,338,027</b> |
| <b>Debt / Total Capitalization</b> | <b>48.0%</b>     | <b>48.1%</b>     | <b>47.6%</b>     | <b>47.9%</b>     |

***Dividend payout ratio:***

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| \$ (000's)                      | 2015    | 2016    | 2017    | 2018    |
|---------------------------------|---------|---------|---------|---------|
| Earnings Available for Common   | 262,763 | 290,956 | 343,182 | 380,214 |
| Total Dividend Paid to Parent   | 169,900 | 184,100 | 214,300 | 237,600 |
| % Earnings Available for Common | 64.7%   | 63.3%   | 62.4%   | 62.5%   |

***Interest coverage ratios – both SEC and Indenture basis:***

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| \$ (000's)  | 2015           | 2016           | 2017           | 2018           |
|---|----------------|----------------|----------------|----------------|
| Income Before Taxes   | 434,029        | 482,426        | 571,886        | 635,423        |
| Total Interest (as shown below)                             | 139,672        | 161,666        | 182,838        | 204,635        |
| Less Interest Component of AFUDC (est)                      | (4,062)        | (6,349)        | (5,068)        | (3,484)        |
| <b>Total Earnings</b>                                       | <b>569,639</b> | <b>637,743</b> | <b>749,656</b> | <b>836,574</b> |
| Fixed Charges, as defined:                                  |                |                |                |                |
| Interest on Long-term Debt                                  | 128,893        | 149,697        | 170,683        | 192,786        |
| Interest on Short-term Debt                                 | 1,733          | 3,062          | 3,116          | 2,655          |
| Other Interest  |                |                |                |                |
| Amortization of Debt Discount, Expense<br>and Premium - net | 9,046          | 8,907          | 9,039          | 9,194          |
| <b>Total Interest</b>                                       | <b>139,672</b> | <b>161,666</b> | <b>182,838</b> | <b>204,635</b> |
| <b>Earnings/Interest</b>                                    | <b>4.08x</b>   | <b>3.94x</b>   | <b>4.10x</b>   | <b>4.09x</b>   |

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4) Three year history of credit ratings – By credit rating agency and class

|                                     | Dec. 31, 2012 | Dec. 31, 2013 | Dec. 31, 2014   | Sept. 30, 2015 |
|-------------------------------------|---------------|---------------|-----------------|----------------|
| <b>Moody's</b>                      |               |               |                 |                |
| Issuer Rating                       | Baa2          | Baa2          | Baa1            | A3             |
| Senior Secured/First Mortgage Bonds | A3            | A3            | A2              | A1             |
| Tax Exempt Bonds                    | A3/Baa2       | A3/Baa2       | A2/Baa1         | A1/A3          |
| Short-term/Commercial Paper         | P-2           | P-2           | P-2             | P-2            |
| Outlook                             | <b>Stable</b> | <b>Stable</b> | <b>Stable</b>   | <b>Stable</b>  |
| <b>Standard &amp; Poor's</b>        |               |               |                 |                |
| Issuer Rating                       | BBB           | BBB           | BBB             | A-             |
| Senior Secured/First Mortgage Bonds | A-            | A-            | A-              | A              |
| Tax Exempt Bonds                    | A-            | A-            | A-              | A              |
| Short-term/Commercial Paper         | A-2           | A-2           | A-2             | A-2            |
| Outlook                             | <b>Stable</b> | <b>Stable</b> | <b>Positive</b> | <b>Stable</b>  |

5) Projected refinancing savings or costs, if applicable

*Answer:*

Not applicable

6) Affiliated interest agreement applicable to instant registration, if financing involves an affiliate

*Answer:*

Not applicable

7) List all unregulated affiliates of the applicant

Below is a list of all subsidiaries and affiliates of PPL Corporation, the parent of applicant. The names of the subsidiaries and affiliates appearing in bold typeface are either distribution companies, regulated by state regulatory authorities, or power marketers or generation companies regulated by Federal regulatory authorities; provided, however, that we have not bolded the names of regulated non-U.S. subsidiaries (namely; Western Power Distribution (East Midlands) plc, Western Power Distribution (West Midlands) plc, Western Power Distribution (South Wales) plc and Western Distribution (South West) plc), which are licensed electric distribution companies regulated by the Office of Gas and Electricity Markets in England and Wales, and Surf Telecoms Limited, which is a commercial telecom provider subject to regulation by the Office of Communications in the U.K.

PPL CORPORATION SUBSIDIARIES AND AFFILIATES

Airborne Clean Energy Ltd.  
Airborne Pollution Control, Inc.  
Aztec Insurance Limited  
Central Networks Trustees Limited  
CEP Commerce, LLC  
CEP Lending, Inc.  
CEP Reserves, Inc.  
DCUSA Limited  
DHA, LLC  
Downtown Commercial Loan Fund, LLC  
EA Technology Limited  
Ebusiness South West Limited  
Electralink Limited  
**Electric Energy, Inc.**  
Electricity Association Services Limited  
Electricity Pensions Limited  
Electricity Pensions Trustee Limited  
Energy Networks Association Limited  
FCD LLC  
Gemserv Limited  
Hyder Limited  
Hyder Profit Sharing Trustee Limited  
Hyder Share Scheme Trustee (2) Limited  
Hyder Share Scheme Trustee Limited  
**Indiana-Kentucky Electric Corporation**  
Infralec 1992 Pension Trustee Limited  
Joppa & Eastern Railroad Company  
Kelston Properties Limited  
Kelston Properties 2 Limited  
**Kentucky Utilities Company**  
Lexington Utilities Company  
LG&E and KU Capital LLC  
LG&E and KU Energy LLC  
LG&E and KU Foundation Inc.  
LG&E and KU Hydro I LLC  
LG&E and KU Services Company  
LG&E Energy Inc.  
**LG&E Energy Marketing Inc.**  
Louisville Development Bancorp, Inc.  
**Louisville Gas and Electric Company**  
Merchants Landing (Amenities) Limited  
Met-South, Inc.  
Meter Operator Services Limited  
Meter Reading Services Limited  
Metro Bank, Inc.  
**Midwest Electric Power, Inc.**  
MRA Service Company Limited  
Northmere Limited  
**Ohio Valley Electric Corporation**  
PMDC Chile, LLC  
PMDC International Holdings, Inc.  
PP&L Residual Corporation  
PPL Capital Funding, Inc.  
PPL Cayman, LLC

**PPL Electric Utilities Corporation**  
PPL Energy Funding Corporation  
PPL EU Services Corporation  
PPL Foundation  
PPL Global, LLC  
PPL Infrastructure Services, LLC  
PPL Island Financing LLP  
PPL Power Insurance Ltd.  
PPL Receivables Corporation  
PPL Services Corporation  
PPL Strategic Development, LLC  
PPL Island Limited  
PPL Midlands Limited  
PPL UK Holdings, LLC  
PPL UK Investments Limited  
PPL UK Resources Limited  
PPL UK Distribution Holdings Limited  
PPL WEM Limited  
PPL WPD Limited  
PPL WPD 3 Limited  
PPL Solutions, LLC  
Smart Energy Code Company Limited  
South Wales Electricity Share Scheme Trustees Limited  
South Western Helicopters Limited  
Spinnaker Quay Management Company Limited  
Surf Telecoms Limited  
The Ombudsman Service Limited  
Victory Park Management Company Limited  
Western Kentucky Energy Corp.  
Western Power Distribution (East Midlands) plc  
Western Power Distribution (West Midlands) plc  
Western Power Distribution (South Wales) plc  
Western Power Distribution (South West) plc  
Western Power Distribution Investments Limited  
Western Power Distribution plc  
Western Power Generation Limited  
Western Power Pension Trustee Limited  
Willow Farm Management Company Limited  
WPD 1957 Limited  
WPD 2014 LLP  
WPD Investments Limited  
WPD Limited  
WPD Limited (Guernsey)  
WPD Midlands Networks Contracting Limited  
WPD Midlands Properties Limited  
WPD Distribution Networks Holdings Limited  
WPD Property Developments Limited  
WPD Property Investments Limited  
WPD Property Limited  
WPD Share Scheme Trustees Limited  
WPD Smart Metering Limited  
WW Share Schemes Trustees Limited

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8) List all debt for which the applicant is a guarantor of affiliated company debt instruments.

*Answer:*

None

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9) For any corporate money pool from which applicant may potentially borrow, lend or deposit excess cash to, provide;

Commission ordered reporting requirements  
Current balances of borrowed and lent funds  
Eligible borrowing and lending entities  
Accounting for money pool transactions  
3 year history of borrowing and lending to the pool

*Answer:*

Not applicable

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10) Describe historical reliance by type of both corporate internal and external sources of financing

*Answer:*

PPL Electric historically has used a combination of equity and debt to fund its ongoing operations and expand/maintain its capital infrastructure in a manner that supports its investment-grade credit ratings. PPL Electric typically relies on issuing either external first mortgage bonds or, temporarily, incurring bank debt as a bridge to the external debt capital markets. Equity sources have been preferred/preference stock, retained earnings or capital contributions from its parent, PPL Corporation.

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11) Where current dividend payout ratio exceeds 75 %, provide three year history and plan for future dividend payouts.

*Answer:*

Current dividend payout ratio does not exceed 75%.

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12) Where the debt to total capital ratio exceeds 55%, provide plan for managing future debt to total capital levels.

*Answer:*

Debt to total capital ratio does not exceed 55%.

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13) With respect to the purpose for which you propose to issue or assume securities;

A. If the purpose is the purchase or construction of new facilities, or the betterment of existing facilities, provide;

1. Estimated final cost
2. A brief description of the new facilities or betterments
3. The date when it is expected that the purchase or construction or betterment will be completed.
4. Estimated amount of AFUDC included in the project costs

*Answer:*

Not applicable.

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B. If the purpose is to obtain working capital, explain any unusual condition which exists, or will exist, in the public utility's current assets or current liabilities, stating;

1. The approximate cost of average materials and supplies inventory which the public utility expects to carry
2. The average time elapsing between the date when the public utility furnishes or begins a period of furnishing services to customers and the date when collection is made from customers for the service.
3. The minimum bank balance requirements.

*Answer:*

Not applicable

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C. If the purpose is to refund obligations, describe obligations in detail.

1. Explain the purpose for which obligations were issued, or refer to the number of securities certificate in which the purpose appears.
2. State whether refunding is to meet maturity, or to effect saving in interest or other annual charges; if to effect savings, state date when, and at price which obligations are to be called, and submit statement showing savings to be effected as a result of refunding.

*Answer:*

Not applicable

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D. If the purpose is for the payment of dividends, please justify the use of funds from the registration to pay dividends.

*Answer:*

Not applicable

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E. If the purpose is to fund pension obligations:

1. Provide the current Accumulated Benefit Obligation (except where no longer used consistent with FASB Statement No. 158), the projected benefit obligation, the current fair value of plan assets, and the percent that the current benefit obligation is funded.
2. Provide the annual contributions to the plan from 2006 to the present, and the projected contributions for the next five years.
3. Provide an explanation as to how compliance with the Pension Protection Act of 2006 will be accomplished.

*Answer:*

Not applicable

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14) Reconcile total capitalization with total rate base for ratemaking purposes. Are any of the funds to be issued for a non-utility purpose? If so, please describe that purpose.

|  | Utility Plant | Working Capital & Other Additions | Other Long Term | Total |
|--|---------------|-----------------------------------|-----------------|-------|
| Distribution Rate Base   | 3,729         | 45                                | (882)           | 2,892 |
| Transmission Rate Base   | 2,837         | 18                                | (437)           | 2,418 |
| Rate Base  | 6,565         | 63                                | (1,319)         | 5,310 |
| CWIP 107<br>(net of Susquehanna-Roseland and NE Pocono in Rate Base) | 57            |                                   |                 | 57    |
| Other (1)  | 210           |                                   |                 | 210   |
| Working Capital Other (2)  |               | (182)                             |                 | (182) |
| Regulatory Assets  |               |                                   | 779             | 779   |
| Other Long Term (3)  |               |                                   | (482)           | (482) |
|  | 6,832         | (119)                             | (1,022)         | 5,691 |

(1) Primarily due to asset additions, retirements, and accumulated depreciation.

(2) Mostly timing differences.

(3) Primarily timing of deferred and current income taxes.

15) Three year history and three year projections for ratio of capital expenditures to depreciation expense. Show calculations.

| \$ (000's)           | 2012    | 2013    | 2014    | 2015      | 2016      | 2017      | 2018      |
|----------------------|---------|---------|---------|-----------|-----------|-----------|-----------|
| Capital Expenditures | 633,000 | 942,000 | 957,000 | 1,128,337 | 1,158,444 | 1,193,600 | 1,159,531 |
| Depreciation         | 160,000 | 178,000 | 185,000 | 209,216   | 239,283   | 265,276   | 296,681   |
| Capital/Depreciation | 3.96x   | 5.29x   | 5.17x   | 5.39x     | 4.84x     | 4.50x     | 3.91x     |