

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re:

SECURITIES CERTIFICATE OF	:	
PPL ELECTRIC UTILITIES	:	
CORPORATION IN RESPECT OF	:	SECURITIES CERTIFICATE
NOT IN EXCESS OF \$650 MILLION	:	
AGGREGATE PRINCIPAL AMOUNT	:	
OF DEBT SECURITIES	:	
	:	NO. S-2017-
	:	

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 Jennifer Lynn McDonough, Two North Ninth Street, Allentown, Pennsylvania 18101-1179.

3. PPL Electric is a corporation 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 100% of the outstanding voting stock of the Company.

5. This Securities Certificate requests Commission authorization for the Company to issue up to \$650 million aggregate principal amount of its secured debt securities, which may include first mortgage bonds (the "New Bonds") in one or more series from time to time, the proceeds of which primarily will be added to the Company's treasury and used for general corporate purposes, such as the retirement of short-term debt and for capital expenditures. At June 30, 2017, the Company had no short-term debt outstanding.

PPL Electric proposes to issue the New Bonds under its Indenture dated as of August 1, 2001 (the "2001 Indenture"). The Company previously has issued approximately \$5.1 billion of bonds under the 2001 Indenture (the "Existing Bonds," and collectively with the New Bonds, the "Bonds"), all of which Existing Bonds were authorized by the Commission under prior Securities Certificates filed by the Company. Like the Existing Bonds, the New Bonds will be secured by a lien in favor of the Trustee on the Company's distribution and certain of its transmission properties, subject to customary exceptions and exclusions.

On May 11, 2017, PPL Electric issued \$475 million of the \$500 million of its secured debt securities authorized by Securities Certificate S-2015-2516295. The Company does not intend to utilize the remaining \$25 million authorized under Securities Certificate S-2015-2516295.

Set forth below is a description of the general terms or range of terms the Company expects will be applicable to each series of the New Bonds.

EXACT TITLE OF SECURITY:

First Mortgage Bonds, % Series due ____.

AGGREGATE PRINCIPAL AMOUNT TO BE ISSUED:

Not in excess of \$650,000,000. The principal amount of the New Bonds will be determined by the Company at or about the time of the sale of that series based on the Company's capital requirements.

NOMINAL DATE OF ISSUE:

To be determined at the time of sale.

DATE OF MATURITY:

To be determined at the time of sale. It currently is expected that each series of the New Bonds will mature not later than 30 years from its original issue date.

INTEREST RATE AND PAYMENT DATES:

Interest Rate:

To be determined at the time of sale, depending on market conditions.

Payment Dates:

To be determined at the time of sale, depending on market conditions. It currently is expected that interest will be payable semiannually.

EXTENT TO WHICH TAXES ON SECURITIES ARE ASSUMED:

Based on tax laws currently in effect, the Company will not assume any taxes associated with the New Bonds.

CALLABILITY PROVISIONS:

To be determined at the time of sale, depending on market conditions.

CONVERSION PROVISIONS:

None.

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

Sinking or Improvement Fund:

To be determined at the time of sale, depending on market conditions. None currently expected.

Maintenance and Replacement Fund:

To be determined at the time of sale, depending on market conditions. None currently expected.

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

Name and Address of Trustee:

The Bank of New York Mellon, as Trustee
500 Ross Street – 12th Floor
Pittsburgh, PA 15262

Affiliation:

The Bank of New York Mellon is not an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

In addition, in order to limit the Company's exposure to interest rate fluctuations in conjunction with the New Bonds, the Company may enter into arrangements with PPL Corporation or directly with one or more financial institutions

(the “Counterparty”) that will provide interest rate protection in the form of interest rate liability management instruments with respect to a nominal amount of up to \$650 million of New Bonds. Such instruments may include interest-rate swaps and/or interest-rate caps. If PPL Corporation is involved, PPL Corporation would serve only as a “conduit” between the Company and the Counterparty to procure such protection on behalf of the Company or by entering into a transaction with a Counterparty on terms substantially similar to the terms of its arrangements with the Company. PPL Corporation would pass through direct costs of procuring such instruments but would not charge the Company any fee or additional administrative costs associated with negotiating the terms of the interest rate liability management instrument.

6. Subject to the approval of the Commission, as evidenced by the registration of this Securities Certificate, the Company proposes to issue and sell the New Bonds in one or more series from time to time directly to investors, through agents or to one or more underwriters for public offering, or in private placements, directly to one or more institutional investors or through agents, in each case on terms to be determined by market conditions at the time of sale. The Company will enter into one or more underwriting agreements, agency agreements or purchase agreements with underwriters, agents or other purchasers. The price to be paid to the Company by the underwriters, agents or other purchasers of the New Bonds and the compensation received by such parties will be determined at the time of sale.

* * *

None of the underwriters, agents or other purchasers described above will be an affiliated interest of the Company within the meaning of Section 2101 of the Pennsylvania Public Utility Code.

* * *

The estimate of expenses set forth below is based on a public offering of a series of New Bonds in the principal amount of \$650 million and would be expected to be the same whether that series of New Bonds is sold through competitive bidding or negotiated offering. These expenses would be paid from the general funds of the Company.

Filing Fee - Pennsylvania Public Utility Commission.....	\$ 350
Filing Fee – Securities and Exchange Commission.....	75,335
Printing and Engraving	50,000
Fees of Trustee, including counsel and authentication fees.....	35,000
Legal Fees, Expenses and Disbursements	250,000
Accounting Fees.....	150,000
Postage	4,000
Rating Agency Fees	500,000
Recording Fees.....	5,000
Blue Sky Fees and Expenses.....	10,000
Miscellaneous	<u>25,000</u>
Total	<u>\$1,104,685</u>

Any discounts relating to the sale of a series of the New Bonds will be charged to Unamortized Discount on Long-Term Debt. Any premiums relating to the sale of a series of the New Bonds will be credited to Unamortized Premium on Long-Term Debt. The issuance expenses related thereto will be charged to Unamortized Debt Expense. These amounts will be amortized over the life of the series being issued.

7. The net proceeds from the sale of the New Bonds will be added to the Company's treasury and used for general corporate purposes, such as the retirement of short-term debt and for capital expenditures. At June 30, 2017, the Company had no short-term debt outstanding.

* * *

The issuance and sale of the New Bonds (as described in this Securities Certificate) will provide a portion of the Company's currently estimated capital requirements and, therefore, is necessary for the capital needs of the Company. The registration of this Securities Certificate will place the Company in a position to take advantage of current favorable capital market interest rates.

8. If the Company decides to issue the New Bonds pursuant to one or more public offerings, it will issue such New Bonds under a Prospectus Supplement either to (a) Registration Statement 333-202290-01, or (b) a new Registration Statement to be filed with the Securities and Exchange Commission to replace the Registration Statement referred to in clause (a) above at or prior to its expiration on February 25, 2018, in either case which Prospectus Supplement will be filed with the Securities and Exchange Commission (the "SEC") with respect to the New Bonds.

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

- (A) A balance sheet of the Company as of June 30, 2017.
- (B) A statement of income and statement of retained earnings of the Company for the twelve months ended June 30, 2017.
- (C) Statement of utility plant of the Company at original cost as of June 30, 2017. 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 June 30, 2017.
- (E) Statement showing the status of the funded debt of the Company as of June 30, 2017.
- (F) Statement showing the status of outstanding capital stock of the Company as of June 30, 2017.
- (G) Registration Statement filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to the New Bonds. (Filed supplementally at Docket No. S-2015-2516295)
- (H) The Public Utility Holding Company Act has been repealed.

- (I) Copy of resolutions of the Board of Directors of the Company authorizing the issuance and sale of the New Bonds. (To be supplied following an issuance of New Bonds)
- (J) Proposed form of Supplemental Indenture to 2001 Indenture pursuant to which the New Bonds will be issued. (To be supplied following an issuance of New Bonds)

A copy of the 2001 Indenture is attached as Exhibit (J) to Securities Certificate No. S-00010853.

Copies of supplements to the 2001 Indenture pursuant to which Senior Secured Bonds are currently outstanding have been filed as exhibits to Securities Certificates of the Company as follows:

	<u>Securities Certificate Number</u>	<u>Exhibit</u>
Supplemental Indenture No. 1 dated as of August 1, 2001	S-00010853	(J)
Supplemental Indenture No. 2 dated as of February 1, 2003	S-00020932	(J)
Supplemental Indenture No. 3 dated as of May 1, 2003	S-00020933	(J)
Supplemental Indenture No. 4 dated as of February 1, 2005	S-00041035	(J)
Supplemental Indenture No. 5 dated as of May 1, 2005	S-00041035	(J)
Supplemental Indenture No. 6 dated as of December 1, 2005	S-00051056	(J)
Supplemental Indenture No. 7 dated as of August 1, 2007	S-2008-2035720	(J)
Supplemental Indenture No. 8 dated as of October 1, 2008	S-2008-2065794	(J)

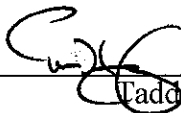
Supplemental Indenture No. 9 dated as of October 1, 2008	S-2008-2060876	(J)
Supplemental Indenture No. 10 dated as of May 1, 2009	S-2009-2094547	(J)
Supplemental Indenture No. 12 dated as of July 1, 2011	S-2011-2219042	(J)
Supplemental Indenture No. 13 dated as of August 1, 2011	S-2011-2246812	(J)
Supplemental Indenture No. 14 dated as of August 1, 2012	S-2012-2301050	(J)
Supplemental Indenture No. 15 dated as of July 1, 2013	S-2012-2334938	(J)
Supplemental Indenture No. 16 dated as of October 1, 2015	S-2013-2378884	(J)
Supplemental Indenture No. 17 dated as of October 1, 2015	S-2014-2425659	(J)
Supplemental Indenture No. 18 dated as of March 1, 2016	S-2015-2516208	(J)
Supplemental Indenture No. 19 dated as of May 1, 2017	S-2015-2516295	(J)

- (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 New Bonds.
- (L) Proposed form of underwriting, agency or other purchase agreement. (To be supplied following an issuance of New Bonds)
- (M) No Net Earnings Certificate is required for the issuance of the New Bonds.
- (N) Not applicable.

- (O) Capital Structure of the Company at June 30, 2017 and as adjusted to give effect, among other things, to the issuance and sale of the New Bonds.
- (P) Calculation of the book value per share of the Company's Common Stock as of June 30, 2017.

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. Henninger
Assistant Treasurer

Dated: September 28, 2017

**PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS**

ACCT. NO.	TITLE OF ACCOUNT	JUNE 30, 2017
ASSETS AND OTHER DEBITS		
UTILITY PLANT		
101	UTILITY PLANT IN SERVICE	\$ 8,477,055,312
105	UTILITY PLANT HELD FOR FUTURE USE	27,241,406
106	CC NOT CLASSIFIED	2,088,293,152
107	CONSTRUCTION WORK IN PROGRESS	599,246,442
	GROSS UTILITY PLANT	<u>11,191,836,312</u>
108/111	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE	<u>(2,766,725,908)</u>
	NET UTILITY PLANT	<u>8,425,110,404</u>
OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	3,543,774
122	ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY	<u>(1,013,880)</u>
	NET NONUTILITY PROPERTY	2,529,894
123.1	INVESTMENT IN SUBSIDIARY COMPANIES	271,234,354
124	OTHER INVESTMENTS	230,000
128	OTHER SPECIAL FUNDS	<u>0</u>
	TOTAL OTHER PROPERTY AND INVESTMENTS	<u>273,994,248</u>
CURRENT AND ACCRUED ASSETS		
131	CASH	1,311,467
132	INTEREST SPECIAL DEPOSITS	0
134	OTHER SPECIAL DEPOSITS	0
135	WORKING FUNDS	0
136	TEMPORARY CASH INVESTMENTS	57,066,125
NOTES AND ACCOUNTS RECEIVABLE		
141	NOTES RECEIVABLE	0
142	CUSTOMER ACCOUNTS RECEIVABLE	272,209,952
143	OTHER ACCOUNTS RECEIVABLE	37,448,867
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT	<u>(27,882,817)</u>
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	<u>281,776,002</u>
RECEIVABLES FROM ASSOCIATED COMPANIES		
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	0
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	3,146,738
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	<u>3,146,738</u>
MATERIALS AND SUPPLIES		
154	PLANT MATERIALS AND OPERATING SUPPLIES	26,848,518
163	STORES EXPENSE UNDISTRIBUTED	2,603,700
	TOTAL MATERIALS AND SUPPLIES	<u>29,452,218</u>
165	PREPAYMENTS	<u>61,852,249</u>
OTHER CURRENT AND ACCRUED ASSETS		
171	INTEREST AND DIVIDENDS RECEIVABLE	27,241
172	RENTS RECEIVABLE	10,694,440
173	ACCRUED UTILITY REVENUES	87,691,309
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	6,796,462
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	<u>105,209,452</u>
	TOTAL CURRENT AND ACCRUED ASSETS	<u>539,814,251</u>
DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	26,020,150
182.3	OTHER REGULATORY ASSETS	895,979,919
183	PRELIMINARY SURVEY AND INVESTIGATION CHARGES	3,650,450
184	CLEARING ACCOUNTS	0
185	TEMPORARY FACILITIES	285,443
186	MISCELLANEOUS DEFERRED DEBITS	1,908,411
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	32,234,403
190	ACCUMULATED DEFERRED INCOME TAXES	587,815,704
	TOTAL DEFERRED DEBITS	<u>1,547,894,480</u>
TOTAL ASSETS AND OTHER DEBITS		<u>\$ 10,786,813,383</u>

**PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS**

ACCT. NO.	TITLE OF ACCOUNT	JUNE 30, 2017
	LIABILITIES AND OTHER CREDITS	
	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	2,734,865,969
214	CAPITAL STOCK EXPENSE	(6,283,429)
216	EARNINGS REINVESTED	874,416,536
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	599,832
217	REACQUIRED CAPITAL STOCK	0
219	OTHER COMPREHENSIVE INCOME	0
	TOTAL PROPRIETARY CAPITAL	3,967,432,157
	LONG-TERM DEBT	
221	BONDS	3,338,750,000
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	(16,586,467)
	TOTAL LONG-TERM DEBT	3,322,163,533
	LESS AMOUNTS DUE WITHIN ONE YEAR	
221	BONDS	0
	TOTAL LONG-TERM DEBT	3,322,163,533
	OTHER NONCURRENT LIABILITIES	
227	OBLIGATIONS UNDER CAPITAL LEASES-NONCURRENT	0
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	335,845,174
229	ACCUMULATED PROVISION FOR RATE REFUNDS	0
	TOTAL OTHER NONCURRENT LIABILITIES	335,845,174
	CURRENT AND ACCRUED LIABILITIES	
	LONG-TERM DEBT DUE WITHIN ONE YEAR	
221	BONDS	0
231	NOTES PAYABLE	0
232	ACCOUNTS PAYABLE	361,132,944
233	NOTES PAYABLE - AFFILIATED COMPANIES	0
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	28,742,436
235	CUSTOMER DEPOSITS	16,157,870
236	TAXES ACCRUED	8,553,671
237	INTEREST ACCRUED	36,537,743
238	DIVIDENDS DECLARED	0
240	MATURED INTEREST	0
241	TAX COLLECTIONS PAYABLE	741,471
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	48,253,469
243	OBLIGATIONS UNDER CAPITAL LEASES-CURRENT	0
	TOTAL CURRENT AND ACCRUED LIABILITIES	500,119,604
	DEFERRED CREDITS	
252	CUSTOMER ADVANCES FOR CONSTRUCTION	361,036
253	OTHER DEFERRED CREDITS	25,502,979
254	OTHER REGULATORY LIABILITIES	57,583,725
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	300,970
257	UNAMORTIZED GAIN ON REQUIRED DEBT	0
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY	0
282	ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY	2,089,506,500
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER	487,997,705
	TOTAL DEFERRED CREDITS	2,661,252,915
	TOTAL LIABILITIES AND OTHER CREDITS	\$ 10,786,813,383

**PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF CONTINGENT LIABILITIES
JUNE 30, 2017**

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 electric system in North America. 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 electric system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties for certain violations.

PPL Electric monitors its compliance with the Reliability Standards and continues to self-report or self-log potential violations of applicable reliability requirements whenever identified, and submits accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Penalties incurred to date have not been significant. Any Regional Reliability Entity (including ReliabilityFirst Corporation 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.

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. Finally, the regulatory reviews specified in the President's March 2017 Executive Order (the March 2017 Executive Order) promoting energy independence and economic growth could result in future regulatory changes and additional uncertainty.

PPL Electric's costs of complying with the Clean Air Act, as amended, are subject to rate recovery before the Pennsylvania Public Utility Commission, 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.

Water/Waste

In June 2016, the "Frank Lautenberg Chemical Safety Act" took effect as an amendment to the Toxic Substance Control Act (TSCA). The Act made no changes to the pre-existing TSCA rules as it pertains to polychlorinated biphenyls (PCB). The Environmental Protection Agency (EPA) continues to reassess its PCB regulations as part of the 2010 Advanced Notice of Proposed Rulemaking (ANPRM). The EPA's ANPRM rulemaking is to occur in two phases. Only the second part of the rule, currently scheduled for November 2017, is applicable to PPL Electric operations. This part of the rule relates to the use of PCBs in electrical equipment and natural gas pipelines, as well as continued use of PCB-contaminated porous surfaces. Although the first rulemaking will not directly affect PPL Electric's operations, it may indicate certain approaches or principles to occur in the later rulemaking which may affect PPL Electric's facilities, including phase-out of some or all equipment containing PCBs. Should such a phase-out be required, the costs, which are subject to rate recovery, could be significant.

Superfund and Other Remediation

PPL Electric is potentially responsible for a share of the costs at several sites listed by the EPA under the federal Superfund program, including the Columbia Gas Plant 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, and are not expected to be, significant to PPL Electric.

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 predecessors or affiliates of PPL Electric. To date, the costs of these sites have not been significant.

There are additional sites, formerly owned or operated by PPL Electric predecessors or affiliates. PPL Electric lacks sufficient information on such additional sites and is therefore unable to estimate any potential liability it may have or a range of reasonably possible losses, if any, related to these matters.

At June 30, 2017, PPL Electric had a recorded liability of \$10 million representing its best estimate of the probable loss incurred to remediate the sites noted above. Depending on the outcome of investigations at sites where investigations have not begun or been completed, or developments at sites for which information is incomplete, additional costs of remediation could be incurred; however, such costs are not expected to be significant.

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 testing, monitoring or 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 under review, or at sites not yet identified, may result in significant additional costs for PPL Electric.

Other

Labor Union Agreements

In March 2017, members of the International Brotherhood of Electrical Workers ratified a new five-year labor agreement with PPL. The contract covers nearly 1,400 employees and was effective May 22, 2017. The terms of the new labor agreement are not expected to have a significant impact on the financial results of PPL Electric.

Guarantees and Other Assurances

In the normal course of business, PPL Electric enters 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 June 30, 2017. "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 June 30, 2017</u>	<u>Expiration Date</u>
Guarantee of inventory value	\$ 15 (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 JUNE 30, 2017

ACCT. NO.		\$	
	UTILITY OPERATING INCOME		
400	OPERATING REVENUES		2,256,173,830
	OPERATING EXPENSES		
401	OPERATION EXPENSES		1,062,207,930
402	MAINTENANCE EXPENSES		140,808,179
403/406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS		282,073,052
407.3	REGULATORY DEBITS		15,430,078
407.4	REGULATORY CREDITS		0
408.1	TAXES OTHER THAN INCOME TAXES		109,424,593
409.1	INCOME TAXES		
	FEDERAL		(21,148,021)
	STATE		21,490,561
410.1	PROVISION FOR DEFERRED INCOME TAXES		1,207,672,926
411.1	PROVISION FOR DEFERRED INCOME TAXES-CREDIT		(1,010,461,421)
411.4	INVESTMENT TAX CREDIT ADJUSTMENT		(81,881)
411.6	GAINS FROM DISPOSITION OF UTILITY PLANT		0
411.7	LOSSES FROM DISPOSITION OF UTILITY PLANT		0
411.8	GAINS FROM DISPOSITION OF EMISSION ALLOWANCES		0
	TOTAL UTILITY OPERATING EXPENSES		1,807,415,996
	NET UTILITY OPERATING INCOME		448,757,834
	OTHER INCOME AND DEDUCTIONS		
	OTHER INCOME		
415/416	MERCHANDISING, JOBBING AND CONTRACT WORK		0
417.1	EXPENSES OF NONUTILITY OPERATIONS		0
418	NONOPERATING RENTAL INCOME		(43,944)
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES		690,855
419	INTEREST AND DIVIDEND INCOME		717,444
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		14,659,363
421	MISCELLANEOUS NONOPERATING INCOME		1,124,845
421.1	GAIN ON DISPOSITION OF PROPERTY		568,554
	TOTAL OTHER INCOME		17,717,117
	OTHER INCOME DEDUCTIONS		
421.2	LOSS ON DISPOSITION OF PROPERTY		297,116
426.1-426.5	MISCELLANEOUS INCOME DEDUCTIONS		4,533,419
	TOTAL OTHER INCOME DEDUCTIONS		\$ 4,830,535

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF INCOME
TWELVE MONTHS ENDED JUNE 30, 2017

ACCT. <u>NO.</u>	OTHER INCOME AND DEDUCTIONS (CONTINUED)		
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		
408.2	TAXES OTHER THAN INCOME TAXES	\$	0
409.2	INCOME TAXES		
	FEDERAL		4,496,813
	STATE		(1,024,813)
410.2/411.2	PROVISION FOR DEFERRED INCOME TAXES-NET		1,710,424
411.5	INVESTMENT TAX CREDIT		0
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS		<u>5,182,424</u>
	NET OTHER INCOME AND DEDUCTIONS		<u>7,704,158</u>
	INCOME BEFORE INTEREST CHARGES		<u>456,461,992</u>
	INTEREST CHARGES		
427	INTEREST ON LONG-TERM DEBT		123,019,653
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE		3,351,196
428.1	AMORTIZATION OF LOSS ON REACQUIRED DEBT		8,596,539
429	AMORTIZATION OF PREMIUM ON DEBT-CREDIT		0
429.1	AMORTIZATION OF GAIN ON REACQUIRED DEBT-CREDIT		0
430	INTEREST ON DEBT TO ASSOCIATED COMPANIES		24,541
431	OTHER INTEREST CHARGES		4,532,312
432	ALLOW. FOR BORROWED FUNDS USED DURING CONSTRUCTION-CREDIT		(6,503,721)
	NET INTEREST CHARGES		<u>133,020,520</u>
	NET INCOME	\$	<u>323,441,472</u>

**PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF RETAINED EARNINGS
TWELVE MONTHS ENDED JUNE 30, 2017**

Retained earnings, June 30, 2016	\$ 877,574,896
Activity during the twelve months ended June 30, 2017	
Net income	323,441,472
Dividends declared - common	(326,000,000)
Retained earnings, June 30, 2017	<u>\$ 875,016,368</u>

PPL ELECTRIC UTILITIES CORPORATION
UTILITY PLANT ACCOUNTS

Acct. No.		JUNE 30, 2017
	Utility plant in service	
101	Electric plant in service	
	Intangible plant	\$ 150,628,692
	Transmission plant	2,431,354,029
	Distribution plant	5,199,318,528
	General plant	695,754,063
	Electric plant in service	8,477,055,312
101.1	Property under capital leases	0
	Total utility plant in service	8,477,055,312
105	Electric plant held for future use	27,241,406
106	CC not classified	2,088,293,152
107	Construction work in progress	599,246,442
	Total utility plant	11,191,836,312
108	Accumulated provision for depreciation of utility plant	(2,667,955,881)
111	Accumulated provision for amortization of utility plant	(98,770,027)
	Net utility plant	\$ 8,425,110,404

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF SECURITIES OF OTHER ENTITIES OWNED
AS OF JUNE 30, 2017

Name of Issuer	Title of Security	Number of Shares or Principal Amount	Date Acquired	Price Paid	Book Value	Approximate Value Indicated by Market Quotations June 30, 2017
Securities of Subsidiaries						
CEP Commerce, LLC	Member's Interests	\$ 10,072	7/1/2000	\$ 10,072	\$ 271,234,354	Not Available
				<u>10,072</u>	<u>271,234,354</u>	
Other Corporate Securities						
Mortgages						
Pocono Mtn Business Park (Senda)	Mortgage	290,000	3/15/2002	290,000	230,000	Not Available
Total Mortgages				<u>\$ 290,000</u>	<u>230,000</u>	
Total Securities of Other Entities Owned					<u>\$ 271,464,354</u>	

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF THE FUNDED DEBT
AS OF JUNE 30, 2017

Name and Description of Obligation (a)	Interest		Term at Date Of Issue (Years) (d)	Date of Maturity (e)	Total Principal Amount Authorized (f)	Total Principal Amount Outstanding (Not Held by the Public Utility) (g)	Total Principal Amount Held by the Public Utility		
	Rate (b)	Dates Payable (c)					Reacquired and Held in Treasury (h)	Pledged (i)	In Sinking or Other Funds (j)
First Mortgage Bonds:									
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
4.15% Series due 2045	4.15%	Apr. 1 & Oct. 1	30	Oct. 1, 2045	350,000,000	350,000,000	None	None	None
3.95% Series due 2047	3.95%	June 1 & Dec. 1	30	June 1, 2047	475,000,000	475,000,000	None	None	None
						3,025,000,000			
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
0.90% Series due 2027	0.90%	Feb. 15 & Aug. 15	11	Feb. 15, 2027	108,250,000	108,250,000	None	None	None
0.90% Series due 2029	0.90%	Mar. 1 & Sept. 1	13	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						(16,586,467)			
Total Funded Debt						\$ 3,322,163,533			

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF OUTSTANDING CAPITAL STOCK
AS OF JUNE 30, 2017

Total Par Value or Number of Shares if Without Par Value				Amount Outstanding (Not Held by the Public Utility) (1)	Held by the Public Utility			Stated Book Value of Outstanding Stock Having No Par Value As of Date of Balance Sheet (i)
Designation of Kind and Class (a)	Number of Shares Authorized (b)	Par Value Per Share (c)	Amount Authorized (d)		Reacquired and Held in Treasury (f)	Pledged (g)	In Sinking or Other Funds (h)	
Preference Stock				<u>0 shares</u>	None	None	None	\$ 0.00
Common Stock, no par	170,000,000		170,000,000 shares	<u>66,368,056 shares</u>	None	None	None	\$ 3,967,432,157 (2)
Treasury Stock				<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 JUNE 30, 2017

COMMON

	<u>Shares</u>
PPL Corporation Two North Ninth Street 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 TO GIVE EFFECT TO
THE PROPOSED ISSUANCE NOT IN EXCESS OF
\$650,000,000 AGGREGATE PRINCIPAL AMOUNT OF DEBT SECURITIES

Journal Entry 1

143	Other Accounts Receivable	\$	
221	Long-Term Debt - Bonds		\$

To give effect to the sale of a particular series of Debt Securities

Journal Entry 2

131	Cash	\$	
143	Other Accounts Receivable		\$

To record receipt of proceeds from the sale of a particular series of Debt Securities.

Journal Entry 3

181	Unamortized Debt Expense	\$	
131	Cash		\$

To record the payment of expenses in connection with the issuance and sale of a particular series of Debt Securities. Expenses will be amortized over the life of the debt.

**PPL ELECTRIC UTILITIES CORPORATION
CAPITAL STRUCTURE**

The capital structure of the Company at June 30, 2017, and on a pro forma basis to give effect to the transactions footnoted below, is as follows:

	Actual Amount	Adjustments (a)	Pro Forma Amount	% of Capitalization
Common Equity				
Common Stock Issued.....	\$ 363,833,249		\$ 363,833,249	
Miscellaneous Paid-In Capital.....	2,734,865,969		2,734,865,969	
Capital Stock Expense.....	(6,283,429)		(6,283,429)	
Treasury Stock.....	-		-	
Other Comprehensive Income.....	-		-	
Earnings Reinvested.....	875,016,368		875,016,368	
Total Common Equity.....	<u>3,967,432,157</u>	<u>-</u>	<u>3,967,432,157</u>	50%
Preferred Securities				
Preferred Stock without Mandatory Redemption.....	-		-	0%
Long-Term Debt (b)				
First Mortgage Bonds.....	3,025,000,000	\$ 650,000,000 (a)	3,675,000,000	
Senior Secured Bonds (Pollution Control Series)....	313,750,000		313,750,000	
Unamortized Premium/Discount- Net.....	(16,586,467)		(16,586,467)	
Total Long-Term Debt.....	<u>3,322,163,533</u>	<u>650,000,000</u>	<u>3,972,163,533</u>	50%
Total Capitalization.....	<u>\$ 7,289,595,690</u>	<u>\$ 650,000,000</u>	<u>\$ 7,939,595,690</u>	100%

(a) The planned issuance of \$650 million of Debt Securities. The net proceeds from the issuance will be used for general corporate purposes, such as the retirement of short-term debt and for capital expenditures.

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

PPL ELECTRIC UTILITIES CORPORATION
BOOK VALUE OF COMMON STOCK
JUNE 30, 2017

<u>Acct. No.</u>			
	Common Equity		
201	Common stock issued	\$	363,833,249
207	Premium on capital stock		-
211	Additional paid in capital		2,734,865,969
214	Capital stock expense		(6,283,429)
216	Unappropriated retained earnings		874,416,536
216.1	Unappropriated undistributed subsidiary earnings		599,832
217	Reacquired capital stock		-
219	Other comprehensive income		-
	Total Common Equity	\$	<u><u>3,967,432,157</u></u>
	Shares of common stock issued at June 30, 2017		66,368,056
	Shares repurchased and held in treasury		<u>0</u>
	Shares of common stock outstanding at June 30, 2017		<u><u>66,368,056</u></u>
	Book Value of Common Stock		
	Total common equity + shares of common stock outstanding at June 30, 2017	\$	<u><u>59.78</u></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:

Authorization of \$25 million remains under Securities Certificate S-2015-2516295.

In May 2017, PPL Electric issued \$475 million of the \$500 million for secured debt securities authorized. At this time, PPL Electric does not intend to utilize the remaining \$25 million authorized under Securities Certificate S-2015-2516295.

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

Answer:

\$ (000's)	<u>6/30/2017</u>	<u>As Adjusted</u>
Total Long-term Debt (1)	3,298,116	3,298,116
Requested Issuance		650,000
Total Debt	<u>3,298,116</u>	<u>3,948,116</u>
Common Equity	<u>3,967,425</u>	<u>3,967,425</u>
Total Capital	<u><u>7,265,541</u></u>	<u><u>7,915,541</u></u>
Debt/Total Capitalization	45.4%	49.9%

(1) Includes \$224 Million of Long-term Debt due within one year

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

Sources and Uses of Funds:

\$ (000's)	2017	2018	2019	2020
Requirements				
Capital Expenditures	1,188,051	1,111,887	1,052,119	1,038,560
Pension Funding	35,000	35,000	35,000	35,000
Maturities, Redemptions & Sinking Funds				100,000
Total Requirements	1,223,051	1,146,887	1,087,119	1,173,560
Sources				
Internal Financing	1,016,075	898,732	678,889	959,358
Long-term debt	475,000	650,000	-	500,000
Short-term debt change	(268,024)	(401,845)	408,230	(285,798)
External Financing	206,976	248,155	408,230	214,202
Total Sources	1,223,051	1,146,887	1,087,119	1,173,560

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

\$ (000's)	2017	2018	2019	2020
Capital Expenditures	1,188,051	1,111,887	1,052,119	1,038,560
Depreciation	306,924	335,015	360,391	379,957
Amortization	15,798	9,520	9,503	9,867
Total Depreciation & Amortization	322,722	344,535	369,894	389,824
Capital / Depreciation & Amortization Ratio	3.68x	3.23x	2.84x	2.66x

Capitalization Ratios:

\$ (000's)	2017	2018	2019	2020
Total Long-term Debt	3,231,878	3,582,548	3,583,227	3,983,916
Total Short-term Debt	101,845	-	408,230	122,431
Total Debt	3,333,723	3,582,548	3,991,457	4,106,347
Common Equity	3,888,151	4,302,634	4,360,147	4,774,889
Total Capitalization	7,221,874	7,885,182	8,351,604	8,881,236
Debt / Total Capitalization	46.2%	45.4%	47.8%	46.2%

Dividend payout ratio:

\$ (000's)	2017	2018	2019	2020
Earnings Available for Common	347,478	390,003	415,375	434,203
Total Dividend Paid to Parent	332,500	378,300	410,500	427,100
% Earnings Available for Common	95.7%	97.0%	98.8%	98.4%

Interest coverage ratios – both SEC and Indenture basis:

\$ (000's)	2017	2018	2019	2020
Income Before Taxes	574,931	649,303	697,871	731,722
Total Interest (as shown below)	149,818	170,313	180,829	205,962
Less Interest Component of AFUDC (est)	(9,531)	(11,539)	(7,870)	(5,503)
Total Earnings	715,218	808,077	870,830	932,181
Fixed Charges, as defined:				
Interest on Long-term Debt	134,721	158,053	165,931	192,455
Interest on Short-term Debt	4,995	3,112	5,767	4,312
Amortization of Debt Discount, Expense and Premium - net	10,102	9,148	9,131	9,195
Total Interest	149,818	170,313	180,829	205,962
Earnings/Interest	4.77x	4.74x	4.82x	4.53x

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

	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016	June 30, 2017
Moody's				
Issuer Rating	Baa1	A3	A3	A3
Senior Secured/First Mortgage Bonds	A2	A1	A1	A1
Tax Exempt Bonds	A2/Baa1	A1/A3	A1/A3	A1/A3
Short-term/Commercial Paper	P-2	P-2	P-2	P-2
Outlook	Stable	Stable	Stable	Stable
Standard & Poor's				
Issuer Rating	BBB	A-	A-	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	Positive	Stable	Stable	Stable

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

Answer:

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
EATL Group Covenantors Limited
Downtown Commercial Loan Fund, LLC
Ebusiness South West Limited
Electralink Limited
Electric Energy, Inc.
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
Joint Radio Company Limited
Joppa & Eastern Railroad Company
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 (Barbados) SRL
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 Limited
PPL Midlands Limited
PPL Power Insurance Ltd.
PPL Services Corporation
PPL Strategic Development, LLC
PPL TransLink, Inc.
PPL UK Holdings, LLC
PPL UK Investments Limited
PPL UK Management Partners
PPL UK Resources Limited
PPL UK Distribution Holdings Limited
PPL WEM Limited
PPL WPD Limited
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 Foundation
WPD Investments Limited
WPD Limited
WPD Limited (Guernsey)
WPD Midlands Networks Contracting Limited
WPD Midlands Properties Limited
WPD Distribution Networks Holdings Limited
WPD Property Investments Limited
WPD Share Scheme Trustees Limited
WPD Smart Metering Limited
WW Share Schemes Trustees Limited

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

Answer:

None

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

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 utilizing short term 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.

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

Answer:

\$ (000's)	2014	2015	2016	2017	2018	2019	2020
Earnings Available for Common	263,000	252,000	339,950	347,478	390,003	415,375	434,203
Total Dividend Paid to Parent	158,000	181,000	288,000	332,500	378,300	410,500	427,100
% Earnings Available for Common	60.1%	71.8%	84.7%	95.7%	97.0%	98.8%	98.4%
Capital Contributions (1)	263,000	275,000	220,000	480,000	400,000	50,000	405,000

(1) The dividend exceedances of 75% are accompanied by significant capital contributions, thus attributed primarily due to timing of cash flows.

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%.

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:

PPL Electric Utilities expects to spend approximately \$4 billion in capital expenditures through 2020, for both new and existing assets. This will include approximately \$34 million of AFUDC through 2020.

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.

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

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

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

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.

	6/30/2017 \$ (000's)	Working Capital & Other		Other Long Term	Total
		Utility Plant	Additions		
Distribution Rate Base		4,269,887	42,416	(1,009,303)	3,303,000
Transmission Rate Base		3,603,577	18,423	(733,000)	2,889,000
Rate Base		<u>7,873,464</u>	<u>60,839</u>	<u>(1,742,303)</u>	<u>6,192,000</u>
Other (1)		551,536			551,536
Working Capital Other (2)			(21,839)		(21,839)
Regulatory Assets Net Liabilities				838,396	838,396
Other Long Term (3)				(271,093)	(271,093)
Total Capitalization		<u>8,425,000</u>	<u>39,000</u>	<u>(1,175,000)</u>	<u>7,289,000</u>

(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)	2014	2015	2016	2017	2018	2019	2020
Capital Expenditures	931,000	1,097,000	1,125,000	1,188,051	1,111,887	1,052,119	1,038,560
Depreciation	185,000	214,000	253,000	306,924	335,015	360,391	379,957
Capital/Depreciation	5.03x	5.13x	4.45x	3.87x	3.32x	2.92x	2.73x