

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re:

SECURITIES CERTIFICATE OF	:	
PPL ELECTRIC UTILITIES	:	
CORPORATION FOR AUTHORIZATION	:	
OF AMENDMENT TO INCREASE	:	SECURITIES CERTIFICATE
EXTENSIONS OF CREDIT TO UP TO	:	
\$900 MILLION UNDER	:	NO. S-2019-
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, COMMISSION ORDER	:	
ISSUED SEPTEMBER 11, 2014 AT	:	
DOCKET NO. S-2014-2436477 AND	:	
COMMISSION ORDER ISSUED	:	
JANUARY 28, 2016 AT DOCKET NO.	:	
S-2015-2514331	:	

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 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 orders referenced above the Commission granted the Company authorization to make borrowings of up to \$700 million aggregate principal amount under its existing credit facility (the “Existing Credit Facility”), and 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. The Existing Credit Facility currently permits the Company to borrow up to \$650 million aggregate principal amount, with an option for the Company to increase such borrowing capacity by an additional \$250 million, subject to certain conditions, including appropriate Commission approval.

6. In the present Securities Certificate, the Company is requesting authorization to make borrowings of up to \$900 million aggregate principal amount under the Existing Credit Facility, and to be able to continue to amend such Existing

Credit Facility to extend the maturity, no more often than once in any year, to a date up to five years from each such amendment.

7. 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 approximately \$5 billion of capital expenditures related to 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 \$900 million. Except as otherwise provided above, the Existing Credit Facility would remain substantially unchanged as modified through the January 2016 Order (at Docket No. S-2015-2514331).

8. 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 \$900,000,000 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.

9. As of the date of this Securities Certificate, there is outstanding under the Existing Credit Facility \$1 million of letters of credit and no borrowings. The letters of credit have been issued to collateralize certain energy purchase obligations and for other workers' compensation and minor road construction obligations.

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

- (A) A balance sheet of the Company as of March 31, 2019.
- (B) A statement of income and statement of retained earnings of the Company for the twelve months ended March 31, 2019.
- (C) Statement of utility plant of the Company at original cost as of March 31, 2019.
- (D) Statement of securities of other corporations owned by the Company as of March 31, 2019.
- (E) Statement showing the status of the funded debt of the Company as of March 31, 2019.

- (F) Statement showing the status of outstanding capital stock of the Company as of March 31, 2019.
- (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.
- (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 March 31, 2019 and as adjusted to give effect, among other things, to the 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 March 31, 2019.

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
Vice President and Treasurer

Dated: May 17, 2019

COMMONWEALTH OF PENNSYLVANIA)
)
) SS
COUNTY OF LEHIGH)

TADD J. HENNINGER, being duly sworn according to law, deposes and says that he is Vice President and 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 17 th day of May, 2019. :



COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Jean C. Dobrenko, Notary Public
City of Allentown, Lehigh County
My Commission Expires Sept. 23, 2019
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

**PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS**

<u>ACCT.</u> <u>NO.</u>	<u>TITLE OF ACCOUNT</u>	<u>March 31, 2019</u>
ASSETS AND OTHER DEBITS		
UTILITY PLANT		
101	UTILITY PLANT IN SERVICE	\$ 10,487,879,214
105	UTILITY PLANT HELD FOR FUTURE USE	23,808,235
106	CC NOT CLASSIFIED	1,652,488,641
107	CONSTRUCTION WORK IN PROGRESS	624,009,120
	GROSS UTILITY PLANT	12,788,185,210
108/111	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT IN SERVICE	(2,813,810,079)
	NET UTILITY PLANT	9,974,375,131
OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	3,544,472
122	ACCUMULATED PROVISION FOR DEPRECIATION OF NONUTILITY PROPERTY	(745,414)
	NET NONUTILITY PROPERTY	2,799,058
123	INVESTMENT IN ASSOCIATED COMPANIES	33,716,812
123.1	INVESTMENT IN SUBSIDIARY COMPANIES	2,245,855
124	OTHER INVESTMENTS	0
128	OTHER SPECIAL FUNDS	0
	TOTAL OTHER PROPERTY AND INVESTMENTS	38,761,725
CURRENT AND ACCRUED ASSETS		
131	CASH	2,089,399
132	INTEREST SPECIAL DEPOSITS	0
134	OTHER SPECIAL DEPOSITS	0
135	WORKING FUNDS	0
136	TEMPORARY CASH INVESTMENTS	18,562,979
	NOTES AND ACCOUNTS RECEIVABLE	
141	NOTES RECEIVABLE	0
142	CUSTOMER ACCOUNTS RECEIVABLE	322,583,273
143	OTHER ACCOUNTS RECEIVABLE	45,967,122
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CREDIT	(31,091,941)
	TOTAL NOTES AND ACCOUNTS RECEIVABLE	337,458,454
	RECEIVABLES FROM ASSOCIATED COMPANIES	
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	0
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	3,801
	TOTAL RECEIVABLES FROM ASSOCIATED COMPANIES	3,801
	MATERIALS AND SUPPLIES	
154	PLANT MATERIALS AND OPERATING SUPPLIES	20,938,334
163	STORES EXPENSE UNDISTRIBUTED	2,818,021
	TOTAL MATERIALS AND SUPPLIES	23,756,355
165	PREPAYMENTS	86,883,195
	OTHER CURRENT AND ACCRUED ASSETS	
171	INTEREST AND DIVIDENDS RECEIVABLE	54,882
172	RENTS RECEIVABLE	10,532,603
173	ACCRUED UTILITY REVENUES	100,248,038
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	9,124,362
	TOTAL OTHER CURRENT AND ACCRUED ASSETS	119,959,885
	TOTAL CURRENT AND ACCRUED ASSETS	588,714,068
DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	27,113,560
182.3	OTHER REGULATORY ASSETS	599,304,695
183	PRELIMINARY SURVEY AND INVESTIGATION CHARGES	0
184	CLEARING ACCOUNTS	0
185	TEMPORARY FACILITIES	0
186	MISCELLANEOUS DEFERRED DEBITS	2,630,622
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	20,000,470
190	ACCUMULATED DEFERRED INCOME TAXES	588,361,986
	TOTAL DEFERRED DEBITS	1,237,411,333
	TOTAL ASSETS AND OTHER DEBITS	\$ 11,839,262,257

**PPL ELECTRIC UTILITIES CORPORATION
BALANCE SHEET ACCOUNTS**

<u>ACCT.</u> <u>NO.</u>	<u>TITLE OF ACCOUNT</u>	<u>March 31, 2019</u>
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	3,164,900,811
214	CAPITAL STOCK EXPENSE	(6,283,429)
216	EARNINGS REINVESTED	938,886,209
216.1	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	323,809
217	REACQUIRED CAPITAL STOCK	0
219	OTHER COMPREHENSIVE INCOME	0
	TOTAL PROPRIETARY CAPITAL	4,461,660,649
LONG-TERM DEBT		
221	BONDS	3,738,750,000
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	(17,483,872)
		3,721,266,128
	LESS AMOUNTS DUE WITHIN ONE YEAR	
221	BONDS	0
	TOTAL LONG-TERM DEBT	3,721,266,128
OTHER NONCURRENT LIABILITIES		
227	OBLIGATIONS UNDER CAPITAL LEASES-NONCURRENT	0
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	383,203,414
229	ACCUMULATED PROVISION FOR RATE REFUNDS	0
	TOTAL OTHER NONCURRENT LIABILITIES	383,203,414
CURRENT AND ACCRUED LIABILITIES		
LONG-TERM DEBT DUE WITHIN ONE YEAR		
221	BONDS	0
231	NOTES PAYABLE	59,984,003
232	ACCOUNTS PAYABLE	376,159,205
233	NOTES PAYABLE - AFFILIATED COMPANIES	0
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	37,113,713
235	CUSTOMER DEPOSITS	16,239,172
236	TAXES ACCRUED	10,165,339
237	INTEREST ACCRUED	42,421,886
238	DIVIDENDS DECLARED	0
240	MATURED INTEREST	0
241	TAX COLLECTIONS PAYABLE	1,004,174
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	41,638,472
243	OBLIGATIONS UNDER CAPITAL LEASES-CURRENT	0
	TOTAL CURRENT AND ACCRUED LIABILITIES	584,725,964
DEFERRED CREDITS		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	263,045
253	OTHER DEFERRED CREDITS	33,360,601
254	OTHER REGULATORY LIABILITIES	720,869,909
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	237,439
257	UNAMORTIZED GAIN ON REAQUIRED DEBT	0
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY	0
282	ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY	1,662,696,634
283	ACCUMULATED DEFERRED INCOME TAXES-OTHER	270,978,474
	TOTAL DEFERRED CREDITS	2,688,406,102
	TOTAL LIABILITIES AND OTHER CREDITS	\$ 11,839,262,257

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF CONTINGENT LIABILITIES
MARCH 31, 2019

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 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 self-reports or self-logs 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 to which PPL Electric is subject, certain other instances of potential non-compliance may be identified from time to time. PPL Electric cannot predict the outcome of these matters, and an estimate or range of possible losses cannot be determined.

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, 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.

Superfund and Other Remediation

PPL Electric is potentially responsible for investigating, responding to agency inquiries, implementing various preventative measures, and/or remediating contamination under programs other than those described in the sections above. 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. PPL Electric lacks sufficient information about such additional sites to estimate any potential liability it may have or a range of reasonably possible losses, if any, related to these matters.

PPL Electric is potentially responsible for a share of the costs at several sites listed by the Environmental Protection Agency (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.

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 to comply with applicable requirements, negotiates with property owners and other third parties alleging impacts from PPL Electric's operations and undertake 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.

PPL Electric had a recorded liability of \$11 million at March 31, 2019 and December 31, 2018 representing its best estimate of the probable loss incurred to remediate the sites noted in this section. 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.

Future cleanup or remediation work at sites not yet identified may result in significant additional costs for PPL Electric.

Other

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 March 31, 2019. "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 the guarantee is remote.

	Exposure at March 31, 2019	Expiration Date
Guarantee of inventory value (in millions)	\$ 12 (a)	2020

(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 PPL Electric believes 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 MARCH 31, 2019

ACCT. <u>NO.</u>			
	UTILITY OPERATING INCOME		
400	OPERATING REVENUES	\$	<u>2,476,206,377</u>
	OPERATING EXPENSES		
401	OPERATION EXPENSES		1,150,296,913
402	MAINTENANCE EXPENSES		135,475,122
403/406	DEPRECIATION EXPENSES AND AMORTIZATION OF ELECTRIC PLANT ACQUISITION ADJUSTMENTS		361,400,935
407.3	REGULATORY DEBITS		41,536,101
407.4	REGULATORY CREDITS		0
408.1	TAXES OTHER THAN INCOME TAXES		113,893,166
409.1	INCOME TAXES		
	FEDERAL		126,203
	STATE		7,613,286
410.1	PROVISION FOR DEFERRED INCOME TAXES		1,040,174,887
411.1	PROVISION FOR DEFERRED INCOME TAXES-CREDIT		(919,883,592)
411.4	INVESTMENT TAX CREDIT ADJUSTMENT		(28,242)
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		<u>1,930,604,779</u>
	NET UTILITY OPERATING INCOME		<u>545,601,598</u>
	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		(17,809)
418.1	EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES		8,411,178
419	INTEREST AND DIVIDEND INCOME		1,489,347
419.1	ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		19,852,567
421	MISCELLANEOUS NONOPERATING INCOME		32,029
421.1	GAIN ON DISPOSITION OF PROPERTY		181,549
	TOTAL OTHER INCOME		<u>29,948,861</u>
	OTHER INCOME DEDUCTIONS		
421.2	LOSS ON DISPOSITION OF PROPERTY		524
426.1-426.5	MISCELLANEOUS INCOME DEDUCTIONS		10,294,178
	TOTAL OTHER INCOME DEDUCTIONS	\$	<u>10,294,702</u>

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF INCOME
TWELVE MONTHS ENDED MARCH 31, 2019

ACCT. NO.		
	OTHER INCOME AND DEDUCTIONS (CONTINUED)	
	TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	
408.2	TAXES OTHER THAN INCOME TAXES	\$ 47,965
409.2	INCOME TAXES	
	FEDERAL	1,182,964
	STATE	(2,352,160)
410.2/411.2	PROVISION FOR DEFERRED INCOME TAXES-NET	(839,526)
411.5	INVESTMENT TAX CREDIT	0
	TOTAL TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS	<u>(1,960,757)</u>
	NET OTHER INCOME AND DEDUCTIONS	<u>21,614,916</u>
	INCOME BEFORE INTEREST CHARGES	<u>567,216,514</u>
	INTEREST CHARGES	
427	INTEREST ON LONG-TERM DEBT	154,423,889
428	AMORTIZATION OF DEBT DISCOUNT AND EXPENSE	2,172,351
428.1	AMORTIZATION OF LOSS ON REACQUIRED DEBT	6,838,886
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	290,797
431	OTHER INTEREST CHARGES	7,451,225
432	ALLOW. FOR BORROWED FUNDS USED DURING CONSTRUCTION-CREDIT	(7,396,740)
	NET INTEREST CHARGES	<u>163,780,408</u>
	NET INCOME	<u>\$ 403,436,106</u>

**PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF RETAINED EARNINGS
TWELVE MONTHS ENDED MARCH 31, 2019**

Retained earnings, March 31, 2018	\$	974,773,912
Activity during the twelve months ended March 31, 2019		
Net income		403,436,106
Dividends declared - common		(439,000,000)
Retained earnings, March 31, 2019	<u>\$</u>	<u>939,210,018</u>

PPL ELECTRIC UTILITIES CORPORATION
UTILITY PLANT ACCOUNTS

Acct. No.		MARCH 31, 2019
	Utility plant in service	
101	Electric plant in service	
	Intangible plant	\$ 140,112,758
	Transmission plant	4,275,640,839
	Distribution plant	5,322,007,435
	General plant	750,118,182
	Electric plant in service	10,487,879,214
101.1	Property under capital leases	0
	Total utility plant in service	10,487,879,214
105	Electric plant held for future use	23,808,235
106	CC not classified	1,652,488,641
107	Construction work in progress	624,009,120
	Total utility plant	12,788,185,210
108	Accumulated provision for depreciation of utility plant	(2,698,186,822)
111	Accumulated provision for amortization of utility plant	(115,623,257)
	Net utility plant	\$ 9,974,375,131

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT OF SECURITIES OF OTHER ENTITIES OWNED
AS OF MARCH 31, 2019

Name of Issuer	Title of Security	Number of Shares or Principal Amount	Date Acquired	Price Paid	Book Value	Approximate Value Indicated by Market Quotations March 31, 2019
Securities of Subsidiaries						
CEP Commerce, LLC	Member's Interests	\$ 10,072	7/1/2000	\$ 10,072	\$ 2,245,855	Not Available
				10,072	2,245,855	
Total Securities of Other Entities Owned					\$ 2,245,855	

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF THE FUNDED DEBT
AS OF MARCH 31, 2019

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
4.15% Series due 2048	4.15%	June 15 & Dec. 15	30	June 15, 2048	400,000,000	400,000,000	None	None	None
						3,425,000,000			
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
1.80% Series due 2027	1.80%	Feb. 15 & Aug. 15	11	Feb. 15, 2027	108,250,000	108,250,000	None	None	None
1.80% Series due 2029	1.80%	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						(17,483,872)			
Total Funded Debt						\$ 3,721,266,128			

PPL ELECTRIC UTILITIES CORPORATION
STATEMENT SHOWING THE STATUS OF OUTSTANDING CAPITAL STOCK
AS OF MARCH 31, 2019

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)	
Preference Stock				<u>0 shares</u>	None	None	None	\$ 0
Common Stock, no par	170,000,000		170,000,000 shares	<u>66,368,056 shares</u>	None	None	None	\$ 4,461,660,649 (2)
Treasury Stock				<u>0 shares</u>	None	None	None	\$ 0

(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 MARCH 31, 2019**

COMMON

Shares

PPL Corporation Two North Ninth Street Allentown, PA 18101	66,368,056
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Resolutions

RESOLVED, That without limiting previous authorization provided by this Board of Directors with respect to the entrance into credit agreements by the Company, the Company is hereby authorized to amend its Amended and Restated Revolving Credit Agreement, dated as of July 28, 2014, as heretofore amended, with the lenders party thereto and Wells Fargo Bank, National Association (the "Credit Agreement"), to extend the term of the Credit Agreement so that after such extension the Credit Agreement will be scheduled to expire up to five years following the date of such amendment, together with any changes or additional or amended terms as may be approved by the President, any Vice President, the Treasurer or any Assistant Treasurer of this Company (each an "Authorized Officer" and collectively, the "Authorized Officers"), such approval to be conclusively evidenced by such officer's execution of the amendment to the Credit Agreement; and further

RESOLVED, That the Company is hereby authorized to amend the Credit Agreement to increase the aggregate principal amount available thereunder from \$650 million up to an aggregate principal amount of \$900 million, together with such amendments or modifications to the terms thereof as the proper officers of the Company may approve; and further

RESOLVED, That the Authorized Officers are each hereby authorized on behalf of this Company to negotiate and enter into the above-authorized amendments to the Credit Agreement and any further amendments thereto (including renewals or further extensions of the Credit Agreement as so amended in accordance with its terms, or re-establishment of such arrangement, upon the same basic or more favorable terms of the Credit Agreement) and to execute and deliver any revolving notes under such Credit Agreement and such amendments thereto; and further

RESOLVED, That the Authorized Officers are each hereby authorized on behalf of this Company to take all actions as may be necessary or, in their judgment, desirable to administer the Credit Agreement as so amended, including the selection or negotiation from time to time of (i) interest rates based upon market-based interest rates; (ii) interest rate periods; and (iii) revolving note terms, subject to any

renewal provisions that may be contained in the Credit Agreement; and further

RESOLVED, That the proper officers of this Company are each hereby authorized to prepare, execute, deliver and/or file one or more applications with the Pennsylvania Public Utility Commission or the Federal Energy Regulatory Commission as necessary in connection with any obligations under or in connection with any above-authorized amendment of the Credit Agreement; and further

RESOLVED, That the Authorized Officers are each hereby authorized on behalf of this Company to negotiate, prepare, distribute and execute such agreements, notes or other instruments, notices, certificates and other documents as may be necessary or, in their judgment, desirable, to carry out the purposes of the foregoing resolutions in such form as the officer executing the same approves, such judgment to be conclusively evidenced by such execution, and to take any and all such further actions, including payment of all fees and other amounts in connection with any such amendment of the Credit Agreement, as may be necessary, or in their judgment desirable, to carry out the purposes of the foregoing resolutions; and further

RESOLVED, That any and all actions heretofore taken by any officer or officers or director or directors of this Company within the terms of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

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

186	Miscellaneous Deferred Debits	\$	
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 March 31, 2019, and on a pro forma basis to give effect to the transactions footnoted below, is as follows:

	Actual Amount	Adjustments (b)	Pro Forma Amount	% of Capitalization
Common Equity				
Common Stock Issued.....	\$ 363,833,249		\$ 363,833,249	
Miscellaneous Paid-In Capital.....	3,164,900,811		3,164,900,811	
Capital Stock Expense.....	(6,283,429)		(6,283,429)	
Treasury Stock.....	-		-	
Other Comprehensive Income.....	-		-	
Earnings Reinvested.....	939,210,018		939,210,018	
Total Common Equity.....	<u>4,461,660,649</u>	<u>-</u>	<u>4,461,660,649</u>	51%
Preferred Securities				
Preferred Stock without Mandatory Redemption....	-		-	0%
Long-Term Debt (a)				
First Mortgage Bonds.....	3,425,000,000	\$ 650,000,000 (b)	4,075,000,000	
Senior Secured Bonds (Pollution Control Series)...	313,750,000		313,750,000	
Unamortized Premium/Discount- Net.....	(17,483,872)		(17,483,872)	
Total Long-Term Debt.....	<u>3,721,266,128</u>	<u>650,000,000</u>	<u>4,371,266,128</u>	49%
Total Capitalization.....	<u>\$ 8,182,926,777</u>	<u>\$ 650,000,000</u>	<u>\$ 8,832,926,777</u>	100%

(a) Long-term debt includes amounts due within one year. At March 31, 2019, there were no amounts due within one year.

(b) The authorized issuance of \$650 million of Debt Securities approved and not issued.

PPL ELECTRIC UTILITIES CORPORATION
BOOK VALUE OF COMMON STOCK
MARCH 31, 2019

<u>Acct. No.</u>			
	Common Equity		
201	Common stock issued	\$	363,833,249
207	Premium on capital stock		-
211	Additional paid in capital		3,164,900,811
214	Capital stock expense		(6,283,429)
216	Unappropriated retained earnings		938,886,209
216.1	Unappropriated undistributed subsidiary earnings		323,809
217	Reacquired capital stock		-
219	Other comprehensive income		-
	Total Common Equity	\$	<u>4,461,660,649</u>
	Shares of common stock issued at March 31, 2019		66,368,056
	Shares repurchased and held in treasury		<u>0</u>
	Shares of common stock outstanding at March 31, 2019		<u>66,368,056</u>
	Book Value of Common Stock		
	Total common equity ÷ shares of common stock outstanding at March 31, 2019	\$	<u>67.23</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 \$650 million credit facility syndicated with a group of banks that expires in January 2023. Under this facility, PPL Electric has the ability to make cash borrowings and to request the lenders to issue letters of credit. This facility was authorized by the PUC under Securities Certificates **No. S-2010-2183912, No. S-2011-2263370, No. S-2014-2436477 and No. S-2015-2514331.**

PPL Electric was previously authorized to make borrowings of up to \$700 million of the aggregate principal amount under its existing credit facility. PPL Electric is requesting authorization to make borrowings of up to \$900 million, to allow for an increase in its credit facility capacity from \$650 million to up to \$900 million.

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.

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

Sources and Uses of Funds:

\$ (000's)	2018	2019	2020	2021
Requirements				
Capital Expenditures	1,192,000	1,122,086	1,106,041	802,331
Pension Funding	28,000	21,000	28,000	28,000
Maturities, Redemptions & Sinking Funds			100,000	400,000
Total Requirements	1,220,000	1,143,086	1,234,041	1,230,331
Sources				
Internal Financing	822,000	493,086	802,913	647,428
Long-term debt	398,000	650,000		550,000
Short-term debt change			431,128	32,903
External Financing	398,000	650,000	431,128	582,903
Total Sources	1,220,000	1,143,086	1,234,041	1,230,331

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

\$ (000's)	2018	2019	2020	2021
Capital Expenditures	1,192,000	1,122,086	1,106,041	802,331
Depreciation	352,000	379,052	382,103	376,016
Amortization	21,792	9,522	9,560	7,778
Total Depreciation & Amortization	373,792	388,574	391,663	383,794
Capital / Depreciation & Amortization Ratio	3.19x	2.89x	2.82x	2.09x

Capitalization Ratios:

\$ (000's)	2018	2019	2020	2021
Total Long-term Debt	3,693,582	4,091,853	3,994,764	4,141,445
Total Short-term Debt			431,128	464,032
Total Debt	3,693,582	4,091,853	4,425,892	4,605,477
Common Equity	4,460,990	4,929,037	4,855,899	5,035,857
Total Capitalization	8,154,572	9,020,890	9,281,791	9,641,334
Debt / Total Capitalization	45.3%	45.4%	47.7%	47.8%

Dividend payout ratio:

PPL Electric targets a dividend payout ratio of approximately 65%.

Due to its significant capital expenditures in 2018, PPL Electric's required capital contributions exceeded its targeted dividend. From time to time, these contributions resulted in excess equity required to maintain a balanced capitalization structure. The excess contributions were subsequently returned as dividends to its parent.

\$ (000's)	2018	2019	2020	2021
Earnings Available for Common	430,455	443,331	473,005	494,055
Total Dividend Paid to Parent	390,000	279,100	300,100	318,000
Excess Capital Contributions	(100,750)	-	-	-
Net Dividend Paid to Parent	289,250	279,100	300,100	318,000
Dividend Payout Ratio	67.2%	63.0%	63.4%	64.4%

Interest coverage ratios – both SEC and Indenture basis:

\$ (000's)	2018	2019	2020	2021
Income Before Taxes	566,324	586,128	631,452	666,734
Total Interest (as shown below)	161,694	175,790	187,028	204,748
Less Interest Component of AFUDC (est)	(7,336)	(10,466)	(9,188)	(5,520)
Total Earnings	720,682	751,452	809,292	865,962
Fixed Charges, as defined:				
Interest on Long-term Debt	150,274	165,123	175,247	189,198
Interest on Short-term Debt	1,859	1,588	2,664	8,215
Amortization of Debt Discount, Expense and Premium - net	9,561	9,079	9,117	7,335
Total Interest	161,694	175,790	187,028	204,748
Earnings/Interest	4.46x	4.27x	4.33x	4.23x

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

	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2018
Moody's			
Issuer Rating	A3	A3	A3
Senior Secured/First Mortgage Bonds	A1	A1	A1
Tax Exempt Bonds	A1/A3	A1/A3	A1/A3
Short-term/Commercial Paper	P-2	P-2	P-2
Outlook	Stable	Stable	Stable
Standard & Poor's			
Issuer Rating	A-	A-	A-
Senior Secured/First Mortgage Bonds	A	A	A
Tax Exempt Bonds	A	A	A
Short-term/Commercial Paper	A-2	A-2	A-2
Outlook	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 regulated, all others are unregulated.

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
Growing Energy Labs, Inc.
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.
Louisville Development Bancorp, Inc.
Louisville Gas and Electric Company
Met-South, Inc.
Meter Operator Services Limited
Meter Reading Services Limited
Metro Bank, Inc.
Midwest Electric Power, Inc.
MRA Service Company Limited
Norther Limited
Ohio Valley Electric Corporation
PMDC International Holdings, Inc.
PP&L Residual Corporation
PPL (Barbados) SRL
PPL Atlantic Holdings, LLC
PPL Capital Funding, Inc.
PPL Distributed Energy Resources, LLC
PPL Electric Utilities Corporation
PPL Energy Holdings, LLC
PPL Energy Funding Corporation
PPL EU Services Corporation
PPL Foundation
PPL Global, LLC
PPL Island Limited
PPL Midlands Limited
PPL Power Insurance Ltd.
PPL Safari Holdings, LLC
PPL Services Corporation
PPL Strategic Development, LLC
PPL Subsidiary Holdings, LLC
PPL Technology Ventures, LLC
PPL Translon, Inc.
PPL UK Holdings, LLC
PPL UK Investments Limited
PPL UK Resources Limited
PPL UK Distribution Holdings Limited
PPL WEM Limited
PPL WPD Investments Limited
PPL WPD Limited
Safari Baboon, LLC
Safari Chimpanzee, LLC
Safari Donkey, LLC
Safari Elephant, LLC
Safari Energy, LLC
Safari Energy Construction, LLC
Safari Kangaroo, LLC
Safari Loris, LLC
Safari Orangutan, LLC
Safari Viper, LLC
Safari Zebra, LLC
Smart Energy Code Company Limited
South Wales Electricity Share Scheme Trustees Limited
South Western Helicopters Limited
The Ombudsman Service Limited
Victory Park Management Company Limited
Wesleyan Solar Array, LLC
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
WPD Foundation
WPD Investment Holdings Limited
WPD Investments Limited
WPD Limited
WPD Limited (Guernsey)
WPD Midlands Networks Contracting Limited
WPD Midlands Properties Limited
WPD Distribution Network Holdings Limited
WPD Property Investments Limited
WPD Share Scheme Trustees Limited
WPD Smart Metering Limited
WW Share Schemes Trustees Limited
WPD Telecoms 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:

PPL Electric's dividend payout ratio is not expected to exceed 75%.

\$ (000's)	2016	2017	2018	2019	2020	2021
Earnings Available for Common	339,950	347,478	430,455	443,331	473,005	494,055
Total Dividend Paid to Parent	288,000	336,000	390,000	279,100	300,100	318,000
Excess Capital Contributions	(77,400)	(122,800)	(100,750)	-	-	-
Net Dividend Paid to Parent	210,600	213,200	289,250	279,100	300,100	318,000
Dividend Payout Ratio	62.0%	61.4%	67.2%	63.0%	63.4%	64.4%

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 \$1 billion per year in capital expenditures over the next three years for both new and existing assets, which includes \$76 million of AFUDC.

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 affected 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.

9/30/2018 (4) \$ (000's)	Utility Plant	Working Capital & Other Additions	Other Long Term	Total
Distribution Rate Base	4,610,000	41,000	(1,280,000)	3,371,000
Transmission Rate Base	4,255,000	15,000	(795,000)	3,475,000
Rate Base	<u>8,865,000</u>	<u>56,000</u>	<u>(2,075,000)</u>	<u>6,846,000</u>
Other (1)	706,000			706,000
Working Capital Other (2)		(56,000)		(56,000)
Regulatory Assets Net Liabilities			(211,377)	(211,377)
Other Long Term (3)			921,377	921,377
Total Capitalization	<u>9,571,000</u>	-	<u>(1,365,000)</u>	<u>8,206,000</u>

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

(2) Mostly timing differences.

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

(4) Regulatory filing for year-end 2018 not yet complete.

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

\$ (000's)	2016	2017	2018	2019	2020	2021
Capital Expenditures	1,097,000	1,188,051	1,192,000	1,122,086	1,106,041	802,331
Depreciation	214,000	330,885	352,000	379,052	382,103	376,016
Capital/Depreciation	5.13x	3.59x	3.39x	2.96x	2.89x	2.13x