

Donald A. Kaplan
D 202.661.6266
F 202.778.9100
don.kaplan@klgates.com

May 15, 2009

VIA ELECTRONIC FILINGHon. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426**Re: PPL Electric Utilities Corporation
Docket No. ER08-1457-000, et al.
Informational Filing of 2009 Formula Rate Annual Update**

Dear Secretary Bose:

Pursuant to the Formula Rate Implementation Protocols (“Protocols”) of PPL Electric Utilities Corporation (“PPL Electric”) contained in Attachment H-8H of the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT”), PPL Electric submits its 2009 Formula Rate Annual Update (“Annual Update”). This Annual Update sets forth PPL Electric’s annual transmission revenue requirement (“ATRR”) calculated in accordance with its Formula Rate for transmission service under the PJM OATT for the period commencing June 1, 2009 to and including May 31, 2010.¹ This Annual Update also includes a True-Up Adjustment for the partial prior Rate Year (November 1, 2008 to and including May 31, 2009) as set forth in the Protocols.²

In accordance with the Protocols, this submission is provided to the Federal Energy Regulatory Commission (“Commission”) for informational purposes only. As required by the Protocols, PPL Electric also is providing a copy of this filing to PJM for posting on the PJM website. Exhibit 1 to this informational filing is a copy of PPL Electric’s Formula Rate template that has been populated with (1) actual 2008 inputs from PPL Electric’s 2008 FERC Form No. 1, which was filed with the Commission on May 8, 2009, and other data based on

¹ PJM Interconnection, L.L.C., FERC Electric Tariff, Sixth Revised Volume No. 1, Attachment H-8H, §§ I.A, III.B.

² *Id.* § I.N.

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PPL Electric's books and records, and (2) forecasted 2009 capital additions.³ PJM will use the populated template to determine charges for transmission service to the PPL Group zone under Attachment H-8 and Schedule 12-Appendix of the PJM OATT.

As required by the Protocols, no later than May 20, 2009, PPL Electric will send a "workable" Excel file containing the data in the populated template in Exhibit 1 to the attention of the Chief Counsel of the Pennsylvania Public Utility Commission and the general counsel or executive secretary of the New Jersey Board of Public Utilities, the Maryland Public Service Commission, and the Delaware Public Service Commission. On or before May 19, 2009, PPL Electric also will provide notice of the time, date, and location of the Annual Meeting at which PPL Electric will provide interested parties an opportunity to seek further information and clarification regarding PPL Electric's Annual Update.⁴ As required by the Protocols, PPL Electric will use its best efforts to notify each of the parties in the above-referenced docket by electronic mail that the Annual Update has been posted and describe the time and location of the Annual Meeting.⁵ Because the Protocols provide for procedures that govern the Annual Update process, which include notice requirements, as well as an opportunity for interested parties to review and challenge the Annual Update, the Commission does not need to assign a docket number to this filing or notice it for public comment.

I. SUPPORTING DOCUMENTATION

In addition to the populated Formula Rate template, PPL Electric also submits Exhibits 2 through 4, which contain additional information provided pursuant to its Annual Update.

A. Data Not Otherwise Available In FERC Form No. 1

Section III.B(3)(a) of the Protocols requires PPL Electric to submit supporting documentation for data not otherwise available in its FERC Form No. 1. Exhibit 2 contains support for the relevant data not otherwise available in PPL Electric's 2008 FERC Form No. 1. Specifically, Exhibit 2 includes additional details regarding the following: (1) revenue credits (Revenue Credit Worksheet, Exhibit 2A), (2) amortized investment tax credits (Schedule of Deferred Investment Tax Credit, Exhibit 2B), (3) Post Employment Benefits Other Than Pensions ("PBOP") expenses (PBOP Expenses, Exhibit 2C), (4) prepayment

³ *Id.* § III.B(2).

⁴ *Id.* §§ III.C(1)-(2).

⁵ *Id.* § III.C(3).

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balances (Itemization of Prepayments, Exhibit 2D), and (5) depreciation expense (Itemization of Transmission and General Plant Depreciation Expense, Exhibit 2E).

B. Material Accounting Changes

Section III.B(3)(b) of the Protocols requires PPL Electric to provide notice of any Material Accounting Changes in its Annual Update. There have been no Material Accounting Changes.⁶

C. Changes To PPL Electric's ATRR

Section III(B)(3)(d) of the Protocols requires PPL Electric to provide sufficient information to explain any changes made since the last Annual Update. Exhibit 3 is a variance report that identifies the changes to PPL Electric's populated Formula Rate contained in Exhibit 1 when compared to the populated Formula Rate template submitted on May 1, 2009, as part of the Offer of Settlement in the above-referenced proceeding.⁷ PPL Electric notes that it has removed the South Akron-Berks transmission project from the projects included in Attachment 7 of the populated Formula Rate in Exhibit 1 of this informational filing, because the costs associated with the South Akron-Berks project are allocated entirely to the PPL Group zone. PPL Electric also submits, as Exhibit 4, a Formula Rate True-up worksheet that replaces projected 2008 inputs with actual data for 2008 based on PPL Electric's 2008 FERC Form No 1 and other data from PPL Electric's books and records, as noted therein.⁸

Further, Sections III(B)(3)(d)(i) and (ii) of the Protocols require PPL Electric to identify any changes in the formula references in FERC Form No. 1 and any adjustments made to the FERC Form No. 1 data in determining inputs. The Annual Update contains no such changes.

D. Construction Work In Progress

Section IV(B) of the Protocols requires PPL Electric to provide information regarding transmission projects for which it has received Commission approval to recover Construction Work In Progress ("CWIP"). The Commission has approved inclusion of CWIP in PPL

⁶ Material Accounting Changes are defined in Section I.H. of the Protocols.

⁷ *PPL Elec. Utils. Corp.*, Offer of Settlement, Docket Nos. ER08-1457-000, *et al.*, Attach. D (May 1, 2009).

⁸ The 2008 inputs included in Exhibit 4 reflect the populated Formula Rate template submitted as part of the Offer of Settlement in the above-referenced docket. *See id.*

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Electric's rate base for the Susquehanna-Roseland Project.⁹ The actual amount of CWIP recorded as of December 31, 2008 for the Susquehanna-Roseland Project is shown on Line 21 in Attachment 7 of Exhibit 1, and PPL Electric has not recorded any amounts in related Commission accounts or sub-accounts, such as Allowance for Funds Used During Construction, for that project. The current status and estimated in-service date for the Susquehanna-Roseland Project can be found on the PJM website at <http://www.pjm.com/planning/rtep-upgrades-status/construct-status.aspx>.

II. CONCLUSION

The enclosed Annual Update provides the information required by the Protocols to be submitted to the Commission and posted on PJM's website on or before May 15, 2009. The Protocols provide specific procedures governing notice, requests for information, review and challenge of this Annual Update. Therefore, no action is required by the Commission regarding this Annual Update at this time.

If you should have any questions regarding this Annual Update, please contact the undersigned.

Sincerely,

/s/ Donald A. Kaplan

Paul E. Russell, Esq.
PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101

Donald A. Kaplan, Esq.
Andrew B. Young, Esq.
William M. Keyser, Esq.
K&L Gates LLP
1601 K Street, N.W.
Washington, DC 20006

*Attorneys for PPL Electric Utilities
Corporation*

Enclosures

⁹ *PPL Elec. Utils. Corp., et al.*, 123 FERC ¶ 61,068 (2008).

EXHIBIT 1

ATTACHMENT H-8G

PPL Electric Utilities Corporation				2009
Formula Rate -- Appendix A		Notes	FERC Form 1 Page # or Instruction	
Shaded cells are input cells				
Allocators				
Wages & Salary Allocation Factor				
1	Transmission Wages Expense		p354.21.b	8,494,499
2	Total Wages Expense		p354.28.b	85,375,132
3	Less A&G Wages Expense		p354.27.b	1,245,209
4	Total Wages Less A&G Wages Expense		(Line 2 - Line 3)	84,129,923
5	Wages & Salary Allocator		(Line 1 / Line 4)	10.0969%
Plant Allocation Factors				
6	Electric Plant in Service		p207.104.g	5,177,571,776
7	Accumulated Depreciation (Total Electric Plant)	(Note J)	p219.29.c	2,001,055,053
8	Accumulated Amortization	(Note A)	p200.21.c	10,958,554
9	Total Accumulated Depreciation		(Line 7 + 8)	2,012,013,607
10	Net Plant		(Line 6 - Line 9)	3,165,558,169
11	Transmission Gross Plant (excluding Land Held for Future Use)		(Line 25 - Line 24)	1,212,087,036
12	Gross Plant Allocator		(Line 11 / Line 6)	23.4103%
13	Transmission Net Plant (excluding Land Held for Future Use)		(Line 33 - Line 24)	715,196,381
14	Net Plant Allocator		(Line 13 / Line 10)	22.5931%
Plant Calculations				
Plant In Service				
15	Transmission Plant In Service	(Note B)	p207.58.g	1,150,044,754
16	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only	Attachment 6	
17	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	(Note B)	Attachment 6	12,644,590
18	Total Transmission Plant		(Line 15 - Line 16 + Line 17)	1,162,689,344
19	General		p207.99.g	470,510,793
20	Intangible		p205.5.g	18,726,302
21	Total General and Intangible Plant		(Line 19 + Line 20)	489,237,095
22	Wage & Salary Allocator		(Line 5)	10.0969%
23	Total General and Intangible Functionalized to Transmission		(Line 21 * Line 22)	49,397,692
24	Land Held for Future Use	(Note C) (Note P)	Attachment 5	29,746,261
25	Total Plant In Rate Base		(Line 18 + Line 23 + Line 24)	1,241,833,297
Accumulated Depreciation				
26	Transmission Accumulated Depreciation	(Note J)	p219.25.c	479,905,629
27	Accumulated General Depreciation	(Note J)	p219.28.c	157,261,949
28	Accumulated Amortization		(Line 8)	10,958,554
29	Total Accumulated Depreciation		(Line 27 + 28)	168,220,503
30	Wage & Salary Allocator		(Line 5)	10.0969%
31	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		(Line 29 * Line 30)	16,985,026
32	Total Accumulated Depreciation		(Sum Lines 26 + 31)	496,890,655
33	Total Net Property, Plant & Equipment		(Line 25 - Line 32)	744,942,642

Adjustment To Rate Base			
34	Accumulated Deferred Income Taxes ADIT net of FASB 106 and 109	Attachment 1	-51,498,840
35	CWIP for Incentive Transmission Projects CWIP Balances for Current Rate Year	(Note H) Attachment 6	16,036,541
36	Prepayments Prepayments	(Note A) (Note O) Attachment 5	445,061
Materials and Supplies			
37	Undistributed Stores Expense	(Note A) p227.16.c	2,992,548
38	Wage & Salary Allocator	(Line 5)	10.0969%
39	Total Undistributed Stores Expense Allocated to Transmission	(Line 37 * Line 38)	302,154
40	Transmission Materials & Supplies	p227.8.c	12,832,384
41	Total Materials & Supplies Allocated to Transmission	(Line 39 + Line 40)	13,134,538
Cash Working Capital			
42	Operation & Maintenance Expense	(Line 70)	41,833,003
43	1/8th Rule	1/8	12.5%
44	Total Cash Working Capital Allocated to Transmission	(Line 42 * Line 43)	5,229,125
45	Total Adjustment to Rate Base	(Lines 34 + 35 + 36 + 41 + 44)	-16,653,575
46	Rate Base	(Line 33 + Line 45)	728,289,067
Operations & Maintenance Expense			
Transmission O&M			
47	Transmission O&M	Attachment 5	173,864,677
48	Less Account 565	Attachment 5	146,916,352
49	Plus Charges billed to Transmission Owner and booked to Account 565	(Note N) Attachment 5	0
50	Transmission O&M	(Lines 47 - 48 + 49)	26,948,325
Allocated Administrative & General Expenses			
51	Total A&G	323.197b	139,379,316
52	Less: Administrative & General Expenses on Securitization Bonds	(Note O) Attachment 8	222,427
53	Plus: Fixed PBOP expense	(Note J) Attachment 5	10,028,618
54	Less: Actual PBOP expense	Attachment 5	12,537,495
55	Less Property Insurance Account 924	p323.185.b	2,116,743
56	Less Regulatory Commission Exp Account 928	(Note E) p323.189.b	5,162,822
57	Less General Advertising Exp Account 930.1	p323.191.b	0
58	Less EPRI Dues	(Note D) p352 & 353	204,286
59	Administrative & General Expenses	Sum (Lines 51 + 53) - Line 52 - Sum (Lines 54 to 58)	129,164,161
60	Wage & Salary Allocator	(Line 5)	10.0969%
61	Administrative & General Expenses Allocated to Transmissior	(Line 59 * Line 60)	13,041,553
Directly Assigned A&G			
62	Regulatory Commission Exp Account 928	(Note G) Attachment 5	0
63	General Advertising Exp Account 930.1	(Note K) Attachment 5	0
64	Subtotal - Accounts 928 and 930.1 - Transmission Related	(Line 62 + Line 63)	0
65	Property Insurance Account 924	(Note G) Attachment 5	8,157,927
66	General Advertising Exp Account 930.1	(Note F) Attachment 5	0
67	Total Accounts 924 and 930.1 - General	(Line 65 + Line 66)	8,157,927
68	Net Plant Allocator	(Line 14)	22.5931%
69	A&G Directly Assigned to Transmissior	(Line 67 * Line 68)	1,843,125
70	Total Transmission O&M	(Lines 50 + 61 + 64 + 69)	41,833,003

Depreciation & Amortization Expense				
Depreciation Expense				
71	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	19,775,963
72	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	18,772,812
73	Intangible Amortization	(Note A)	p336.1.d&e	2,735,558
74	Total		(Line 72 + Line 73)	21,508,370
75	Wage & Salary Allocator		(Line 5)	10.0969%
76	General Depreciation & Intangible Amortization Allocated to Transmissior		(Line 74 * Line 75)	2,171,675
77	Total Transmission Depreciation & Amortization		(Lines 71 + 76)	21,947,638
Taxes Other than Income Taxes				
78	Taxes Other than Income Taxes		Attachment 2	2,335,550
79	Total Taxes Other than Income Taxes		(Line 78)	2,335,550
Return \ Capitalization Calculations				
Long Term Interest				
80	Long Term Interest		p117.62.c through 66.c	100,602,830
81	Less LTD Interest on Securitization Bonds	(Note O)	Attachment 8	13,186,553
82	Long Term Interest		(Line 80 - Line 81)	87,416,277
83	Preferred Dividends	enter positive	p118.29.c	18,069,981
Common Stock				
84	Proprietary Capital		p112.16.c	1,645,074,908
85	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	25,630
86	Less Preferred Stock		(Line 94)	300,518,900
87	Less Account 216.1		p112.12.c	6,000,130
88	Common Stock		(Line 84 - 85 - 86 - 87)	1,338,530,248
Capitalization				
89	Long Term Debt		p112.18.c, 19.c & 21.c	1,769,625,000
90	Less Loss on Reacquired Debt		p111.81.c	26,228,614
91	Plus Gain on Reacquired Debt		p113.61.c	0
92	Less LTD on Securitization Bonds	(Note O)	Attachment 8	0
93	Total Long Term Debt		(Line 89 - 90 + 91 - 92)	1,743,396,386
94	Preferred Stock		p112.3.c	300,518,900
95	Common Stock		(Line 88)	1,338,530,248
96	Total Capitalization		(Sum Lines 93 to 95)	3,382,445,534
97	Debt %	Total Long Term Debt	(Line 93 / Line 96)	51.5%
98	Preferred %	Preferred Stock	(Line 94 / Line 96)	8.9%
99	Common %	Common Stock	(Line 95 / Line 96)	39.6%
100	Debt Cost	Total Long Term Debt	(Line 82 / Line 93)	0.0501
101	Preferred Cost	Preferred Stock	(Line 83 / Line 94)	0.0601
102	Common Cost	Common Stock	(Note J) Fixed	0.1164
103	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 97 * Line 100)	0.0258
104	Weighted Cost of Preferred	Preferred Stock	(Line 98 * Line 101)	0.0053
105	Weighted Cost of Common	Common Stock	(Line 99 * Line 102)	0.0461
106	Rate of Return on Rate Base (ROR)		(Sum Lines 103 to 105)	0.0772
107	Investment Return = Rate Base * Rate of Return		(Line 46 * Line 106)	56,259,741

Composite Income Taxes			
Income Tax Rates			
108	FIT=Federal Income Tax Rate	(Note I)	35.00%
109	SIT=State Income Tax Rate or Composite		9.99%
110	p	(percent of federal income tax deductible for state purposes)	0.00%
111	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	41.49%
112	T / (1-T)		70.92%
ITC Adjustment			
113	Amortized Investment Tax Credit - Transmission Related	Attachment 5	-656,727
114	ITC Adjust. Allocated to Trans. - Grossed Up	ITC Adjustment x 1 / (1-T) Line 113 * (1 / (1 - Line 111))	-1,122,486
115	Income Tax Component =	(T/1-T) * Investment Return * (1-(WCLTD/ROR)) = [Line 112 * Line 107 * (1- (Line 103 / Line 106))]	26,551,302
116	Total Income Taxes	(Line 114 + Line 115)	25,428,817
Revenue Requirement			
Summary			
117	Net Property, Plant & Equipment	(Line 33)	744,942,642
118	Total Adjustment to Rate Base	(Line 45)	-16,653,575
119	Rate Base	(Line 46)	728,289,067
120	Total Transmission O&M	(Line 70)	41,833,003
121	Total Transmission Depreciation & Amortization	(Line 77)	21,947,638
122	Taxes Other than Income	(Line 79)	2,335,550
123	Investment Return	(Line 107)	56,259,741
124	Income Taxes	(Line 116)	25,428,817
125	Gross Revenue Requirement	(Sum Lines 120 to 124)	147,804,749
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
126	Transmission Plant In Service	(Line 15)	1,150,044,754
127	Excluded Transmission Facilities	(Note M) Attachment 5	0
128	Included Transmission Facilities	(Line 126 - Line 127)	1,150,044,754
129	Inclusion Ratio	(Line 128 / Line 126)	100.00%
130	Gross Revenue Requirement	(Line 125)	147,804,749
131	Adjusted Gross Revenue Requirement	(Line 129 * Line 130)	147,804,749
Revenue Credits			
132	Revenue Credits	Attachment 3	12,532,972
133	Net Revenue Requirement	(Line 131 - Line 132)	135,271,777
Net Plant Carrying Charge			
134	Gross Revenue Requirement	(Line 130)	147,804,749
135	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	698,820,256
136	Net Plant Carrying Charge	(Line 134 / Line 135)	21.1506%
137	Net Plant Carrying Charge without Depreciation	(Line 134 - Line 71) / Line 135	18.3207%
138	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 134 - Line 71 - Line 107 - Line 116) / Line 135	6.6312%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
139	Gross Revenue Requirement Less Return and Taxes	(Line 130 - Line 123 - Line 124)	66,116,191
140	Increased Return and Taxes	Attachment 4	86,614,588
141	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 139 + Line 140)	152,730,779
142	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	698,820,256
143	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 141 / Line 142)	21.8555%
144	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 141 - Line 71) / Line 142	19.0256%
145	Net Revenue Requirement	(Line 133)	135,271,777
146	True-up amount	Attachment 6	(11,751,003)
147	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
148	Net Zonal Revenue Requirement	(Line 145 + 146 + 147)	123,520,774
Network Zonal Service Rate			
149	1 CP Peak	(Note L) PJM Data	7,509.5
150	Rate (\$/MW-Year)	(Line 148 / 149)	\$ 16,449
151	Network Service Rate (\$/MW/Year)	(Line 150)	\$ 16,449

Notes

- A Electric portion only
- B Line 16, for the Reconciliation, includes New Transmission Plant that actually was placed in service weighted by the number of months it actually was in service
Line 17 includes New Transmission Plant to be placed in service in the current calendar year
- C Includes Transmission portion only.
- D Includes all EPRI Annual Membership Dues
- E Includes all Regulatory Commission Expenses
- F Includes Safety-related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at page 351.h.
Property Insurance excludes prior period adjustment in the first year of the formula's operation and reconciliation for the first year.
- H CWIP can be included only if authorized by the Commission.
- I The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes.
The calculation of the Reconciliation revenue requirement according to Step 7 of Attachment 6 ("Estimate and Reconciliation Worksheet") shall reflect the actual tax rates in effect for the Rate Year being reconciled ("Test Year"). When statutory marginal tax rates change during such Test Year, the effective tax rate used in the formula shall be weighted by the number of days each such rate was in effect. For example, a 35% rate in effect for 120 days superseded by a 40% rate in effect for the remainder of the year will be calculated as: $((.3500 \times 120) + (.4000 \times 245))/365 = .3836$.
- J ROE will be as follows: (i.) 11.60% for the period November 1, 2008 through May 31, 2009; (ii.) 11.64% for the period June 1, 2009 through May 31, 2010; (iii.) 11.68% on June 1, 2010 through May 31, 2011 and thereafter. No change in ROE will be made absent a filing at FERC.
PBOP expense is fixed until changed as the result of a filing at FERC.
Depreciation rates shown in Attachment 9 are fixed until changed as the result of a filing at FERC.
Upon request, PPL Electric Utilities Corporation will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to Form No. 1 amounts.
As set forth in Attachment 5, added to the depreciation expense will be actual removal costs (net of salvage) amortized over five years.
Within five years from the effective date of the Settlement filed in Docket No. ER08-1457, PPL Electric shall make a filing to update its depreciation rates and to continue treatment of the actual removal costs contained in the Formula Rate. In such filing, PPL Electric shall bear the burden of proof under Section 205 of the Federal Power Act to demonstrate that its depreciation rates and its treatment of the actual removal costs in the Formula Rate are just and reasonable.
Notwithstanding this requirement, PPL Electric may, at any time prior to the expiration of such five-year period from the effective date of the Settlement, make a Section 205 filing to update its depreciation rates, but shall not be required to demonstrate that its treatment of the actual removal costs in the Formula Rate is just and reasonable.
- K Education and outreach expenses related to transmission (e.g., siting or billing).
- L As provided for in Section 34.1 of the PJM OATT, the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Includes only charges incurred for system integration, such as those under the EHV Agreement, and transmission costs paid to others that benefit transmission customers.
- O Amounts associated with transition bonds issued to securitize the recovery of retail stranded costs are removed from account balances, pursuant to an Order entered by the Pennsylvania Public Utility Commission on May 21, 1999 at Docket No. R-00994637, in accordance with Pennsylvania's Electric Generation Customer Choice and Competition Act.
- P Any gain from the sale of land included in Land Held for Future Use in the Formula Rate received during the Rate Year shall be used to reduce the ATRR in the Rate Year. The Formula Rate shall not include any losses on sales of such land.

PPL Electric Utilities Corporation

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related			
		Net Plant Allocator	
1 Real Property (State, Municipal or Local)	712,329		
2 PURTA	4,100,000		
3			
4			
5			
6			
7			
8 Total Plant Related	4,812,329	22.5931%	1,087,252
Labor Related			
		Wages & Salary Allocator	
9 Federal FICA	6,606,443		
10 Federal Unemployment	67,766		
11 State Unemployment	238,982		
12			
13			
14 Total Labor Related	6,913,191	10.0969%	698,017
Other Included			
		Net Plant Allocator	
15 PA Capital Stock Tax	2,449,998		
16 PA Capital Stock Tax on Securitization Bonds (Source: Attachment 8)	(14,376)		
17			
18			
19 Total Other Included	2,435,622	22.5931%	550,281
20 Total Included (Lines 8 + 14 + 19)	14,161,142		2,335,550
Currently Excluded			
21 Gross Receipts	197,973,591		
22 Sales and Use	(2,140,126)		
23			
24			
25			
26			
27			
28 Subtotal, Excluded	195,833,465		
29 Total, Included and Excluded (Line 20 + Line 28)	209,994,607		
30 Total Other Taxes from p114.14.c less Tax on Securitization Bonds	209,994,607		
31 Difference (Line 29 - Line 30)		-	

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant, including transmission plant, will be allocated based on the Net Plant Allocator. If the taxes are 100% recovered at retail, they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail, they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes, except as provided for in A, B and C above, which are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service, will be allocated based on the Net Plant Allocator; provided, however, that overheads shall be treated, as described in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

PPL Electric Utilities Corporation

Attachment 3 - Revenue Credit Worksheet

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related	1,098,000
Account 456 - Other Electric Revenues (Note 1)		
2	Transmission for Others (Note 3)	-
3	Schedule 12 Revenues (Note 3)	1,236,538
4	Schedule 1A	2,712,128
5	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (Note 3)	-
6	Point-to-Point Service revenues for which the load is not included in the divisor received by Transmission Owner (e.g. Schedule 8)	3,463,414
7	Professional Services provided to others	77,052
8	Facilities Charges including Interconnection Agreements (Note 2)	3,945,840
9	Gross Revenue Credits (Sum Lines 1-10)	12,532,972
10	Amount offset from Note 3 below	-
11	<p>Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula, will be included as a revenue credit or included in the peak on line 150 of Appendix A.</p>	
12	<p>Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.</p>	
13	<p>Note 3: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support, e.g., revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited directly by PJM to zonal customers.</p>	

PPL Electric Utilities Corporation
Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE 100 Basis Point increase in ROE and Income Taxes	Line 29 + Line 39 from below	86,614,588
B	100 Basis Point increase in ROE		1.00%

Return Calculation			
		Appendix A Line or Source Reference	
1	Rate Base	(Attachment A Line 46)	728,289,067
	Long Term Interest		
2	Long Term Interest	(Attachment A Line 80)	100,602,830
3	Less LTD Interest on Securitization Bonds	Attachment 8	13,186,553
4	Long Term Interest	(Line 2 - Line 3)	87,416,277
5	Preferred Dividends	enter positive	18,069,981
	Common Stock		
6	Proprietary Capital	p112.16.c	1,645,074,908
7	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	25,630
8	Less Preferred Stock	(Attachment A Line 86)	300,518,900
9	Less Account 216.1	p112.12.c	6,000,130
10	Common Stock	(Line 6 - 7 - 8 - 9)	1,338,530,248
	Capitalization		
11	Long Term Debt	p112.18.c, 19.c & 21.c	1,769,625,000
12	Less Loss on Reacquired Debt	p111.81.c	26,228,614
13	Plus Gain on Reacquired Debt	p113.61.c	0
14	Less LTD on Securitization Bonds	Attachment 8	0
15	Total Long Term Debt	(Line 11 - 12 + 13 - 14)	1,743,396,386
16	Preferred Stock	p112.3.c	300,518,900
17	Common Stock	(Line 10)	1,338,530,248
18	Total Capitalization	(Sum Lines 15 to 17)	3,382,445,534
19	Debt %	Total Long Term Debt (Line 15 / Line 18)	51.5%
20	Preferred %	Preferred Stock (Line 16 / Line 18)	8.9%
21	Common %	Common Stock (Line 17 / Line 18)	39.6%
22	Debt Cost	Total Long Term Debt (Line 4 / Line 15)	0.0501
23	Preferred Cost	Preferred Stock (Line 5 / Line 16)	0.0601
24	Common Cost	Common Stock Fixed	0.1264
25	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 19 * Line 22)	0.0258
26	Weighted Cost of Preferred	Preferred Stock (Line 20 * Line 23)	0.0053
27	Weighted Cost of Common	Common Stock (Line 21 * Line 24)	0.0500
28	Rate of Return on Rate Base (ROR)	(Sum Lines 25 to 27)	0.0812
29	Investment Return = Rate Base * Rate of Return	(Line 1 * Line 28)	59,141,788

Composite Income Taxes			
	Income Tax Rates		
30	FIT=Federal Income Tax Rate		35.00%
31	SIT=State Income Tax Rate or Composite		9.99%
32	p = percent of federal income tax deductible for state purposes	Per State Tax Code	0.00%
33	T	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$	41.49%
34	CIT = T / (1-T)		70.92%
35	1 / (1-T)		170.92%
	ITC Adjustment		
36	Amortized Investment Tax Credit	Attachment 5	(656,727)
37	ITC Adjust. Allocated to Trans. - Grossed Up	(Line 36 * (1 / (1 - Line 33)))	-1,122,486
38	Income Tax Component =	$CIT=(T/(1-T)) * Investment Return * (1-(WCLTD/R)) =$	28,595,285
39	Total Income Taxes		27,472,799

PPL Electric Utilities Corporation

Attachment 5 - Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related	Non-transmission Related	Details
113	Amortized Investment Tax Credit		Company Records	-2,185,697	-656,727	-1,528,970	Enter Negative

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related Major Items	Transmission Related Minor Items	Non-transmission Related	Details
24	Land Held for Future Use	(Note C)	p.214.d - p214.f.d & Company Records	32,683,075	25,608,328	4,137,933	2,936,814	Removal of land held for future use (if any) that is included in CWIP balance Gains from the sale of Land Held for Future Use Balance for Appendix A
		(Note P)	Company Records		0	0		
					25,608,328	4,137,933		

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Prior Period Adjustment	Adjusted Total	Details
Allocated Administrative & General Expenses							
53	Fixed PBOP expense		FERC Authorized	10,028,618			Current year actual PBOP expense Annual Premium associated with storm insurance excluding recoveries related to prior periods. (See FM 1 note to page 320 line 185)
54	Actual PBOP expense		Company Records	12,537,495			
65	Property Insurance Account 924		Company Records p323.185.b	2,116,743	6,041,184	8,157,927	

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related	Non-transmission Related	Details
Directly Assigned A&G							
62	Regulatory Commission Exp Account 928	(Note G)	p350-151h	5,162,822	0	5,162,822	

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Safety Related	Non-safety Related	Details
Directly Assigned A&G							
66	General Advertising Exp Account 930.1	(Note F)	p323.191.b	-	-	-	

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
Income Tax Rates									
109	SIT=State Income Tax Rate or Composite	(Note I)		PA 9.99%					

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Education & Outreach	Other	Details
Directly Assigned A&G							
63	General Advertising Exp Account 930.1	(Note K)	p323.191.b	-	-	-	

PPL Electric Utilities Corporation

Attachment 5 - Cost Support

Excluded Plant Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
127	Excluded Transmission Facilities (Note M)			General Description of the Facilities
	Instructions:		Enter \$	
	1 Remove all investment below 69 kV or generator step-up transformers included in transmission plant in service that are not a result of the RTEP process		0	None
	2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher, as well as below 69 kV the following formula will be used:	Example	Or	
	A Total investment in substation	1,000,000	Enter \$	
	B Identifiable investment in Transmission (provide workpapers)	500,000		
	C Identifiable investment in Distribution (provide workpapers)	400,000		
	D Amount to be excluded (A x (C / (B + C)))	444,444		
Add more lines if necessary				

Prepayments and Prepaid Pension Asset

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			Form No. 1 Amount	Prepayments on Securitization Bonds Adjustment	POLR and Retail Related Adjustment	Prepayments	W&S Allocator	Functionalized to TX	Description of the Prepayments
36	Prepayments	(Note A) (Note O) Form 1 -- p111.57.c	18,627,466	0	14,219,565	4,407,901	10.0969%	445,061	Less amounts related to POLR, Retail Issues and Bond Securitization.

Adjustments to Transmission O&M

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			Total	Adjustments	Transmission Related	Details
47	Transmission O&M	p.321.112.b	178,070,434	4,205,757	173,864,677	Adjustment for Ancillary Services p321.88b and p321.92b.
48	Less Account 565	p.321.96.b	146,916,352	0	146,916,352	None

Facility Credits under Section 30.9 of the PJM OATT

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Amount	Description & PJM Documentation
Net Revenue Requirement				
147	Facility Credits under Section 30.9 of the PJM OATT		-	None

PJM Load Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			1 CP Peak	Description & PJM Documentation
Network Zonal Service Rate				
149	1 CP Peak	(Note L) PJM Data	7,509.5	

Depreciation Expense

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			Total	Actual Cost of Removal, Net of Salvage Costs					Total	5 - Year Amortization
				Year 1 2003	Year 2 2004	Year 3 2005	Year 4 2006	Year 5 2007		
71	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J) Company Records	18,402,670							
	Transmission Plant Cost of Removal, Net of Salvage	(Note J) Company Records	1,373,293	1,433,493	1,671,456	700,295	1,574,348	1,486,873	6,866,465	1,373,293
	Total Transmission Depreciation Expense Including Amortization of Limited Term Plt	(Note J) Company Records	19,775,963							
72	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J) Company Records	18,115,552							
	General Plant Cost of Removal, Net of Salvage	(Note J) Company Records	657,260	677,327	756,647	432,927	724,278	695,120	3,286,299	657,260
	Total General Depreciation Expense Including Amortization of Limited Term Plant	(Note J) Company Records	18,772,812							

PPL Electric Utilities Corporation
Attachment 8 - Company Exhibit - Securitization Worksheet

Line #			
	Prepayments		
36	Less Prepayments on Securitization Bonds	0	(See FM 1, note to page 110, line 57)
	Administrative and General Expenses		
52	Less Administrative and General Expenses on Securitization Bonds	222,427	(See FM 1, note to page 114, line 4)
	Taxes Other Than Income		
78	Less Taxes Other Than Income on Securitization Bonds	14,376	(See FM 1, note to page 114, line 14)
	Long Term Interest		
81	Less LTD Interest on Securitization Bonds	13,186,553	(See FM 1, note to page 114, lines 62 + 63)
	Capitalization		
92	Less LTD on Securitization Bonds	0	(See FM 1, note to page 112, line 18)

Calculation of the above Securitization Adjustments

The amounts above are associated with transition bonds issued to securitize the recovery of retail stranded costs, pursuant to an Order entered by the Pennsylvania Public Utility Commission on May 21, 1999 at Docket No. R-00994637, in accordance with Pennsylvania's Electric Generation Customer Choice and Competition Act.

PPL Electric Utilities Corporation

Attachment 9 - Depreciation Rates

Account Number	Plant Type	Applied Deprec. Rate (%)
Transmission		
350.4	Land Rights	2.30
352	Structures and Improvements	2.95
353	Station Equipment	3.02
354	Towers and Fixtures	2.41
354.2	Towers and Fixtures - Clearing Land and Rights of Way	2.21
355	Poles and Fixtures	2.84
355.2	Poles and Fixtures - Clearing Land and Rights of Way	2.17
356	Overhead Conductors and Devices	2.87
357	Underground Conduit	3.76
358	Underground Conductors and Devices	4.90
359	Roads and Trails	2.03
General		
389.4	Land Rights	3.12
390.2	Structures and Improvements - Buildings	1.92
390.4	Structures and Improvements - Air Conditioning	4.82
391.2	Office Furniture and Equipment - Furniture	5.00
391.4	Office Furniture and Equipment - Mechanical Equipment	6.67
391.6	Office Furniture and Equipment - Computer Equipment - General	20.00
391.8	Office Furniture and Equipment - Computer Equipment - Power Mgt System	14.28
392.1	Transportation Equipment - 5 Years	31.58
392.2	Transportation Equipment - 8 Years	25.75
392.3	Transportation Equipment - 10 Years	17.77
392.4	Transportation Equipment - Trailers	7.20
392.5	Transportation Equipment - 15 Years	9.67
392.6	Transportation Equipment - 20 Years	7.18
393	Store Equipment	4.00
394	Tools, Shop and Garage Equipment - Distribution Line Crews	5.00
394.2	Tools, Shop and Garage Equipment - Tools	5.00
394.4	Tools, Shop and Garage Equipment - Construction Department	5.00
394.6	Tools, Shop and Garage Equipment - Other	5.00
394.8	Tools, Shop and Garage Equipment - Garage Tools Support	5.00
395	Laboratory Equipment	5.00
396	Power Operated Equipment	6.67
397	Communication Equipment	6.67
398	Miscellaneous Equipment	5.00
Intangible		
303.2	Intangible Computer Software	20.00
303.4	Other Amortized Property	6.67

EXHIBIT 2

PPL Electric Utilities Corporation
Attachment 3 - Revenue Credit Worksheet

Account 454 - Rent from Electric Property	Source	2008 FERC Form No. 1
1 Rent from Electric Property - Transmission Related	<u>1,098,000</u>	Included in Account 454, Rent from Electric Property on p300.19.b.
Rent from Electric Property	294,000	
Rent from Facilities	804,000	
Account 456 - Other Electric Revenues (Note 1)		
2 Transmission for Others (Note 3)	-	Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b.
3 Schedule 12 Revenues (Note 3)	<u>1,236,538</u>	
4 Schedule 1A	<u>2,712,128</u>	Included in Account 456, Other Electric Revenues on p300.21.b.
5 Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (Note 3)	-	
6 Point-to-Point Service revenues for which the load is not included in the divisor received by Transmission Owner (e.g. Schedule 8)	3,463,414	Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b.
7 Professional Services provided to others	77,052	Included in Account 456, Other Electric Revenues on p300.21.b.
8 Facilities Charges including Interconnection Agreements (Note 2)	<u>3,945,840</u>	Included in Account 454, Rent from Electric Property on p300.19.b.
Met-Ed Alburis 230KV	11,640	Included in Account 454, Rent from Electric Property on p300.19.b.
Met-Ed Shawnee 230KV	13,104	Included in Account 454, Rent from Electric Property on p300.19.b.
Met-Ed Juniata 230KV	22,452	Included in Account 454, Rent from Electric Property on p300.19.b.
Met-Ed Brunner-Yorkana 230KV	29,052	Included in Account 454, Rent from Electric Property on p300.19.b.
Penelec Juniata & Lackawanna 230KV	78,000	Included in Account 454, Rent from Electric Property on p300.19.b.
BG&E 25 & 60 Cycle Transmission	319,118	Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b.
GPU Susquehanna-Eastern 500KV	300,212	Included in Account 456, Other Electric Revenues on p300.21.b.
GPU Northampton Wheeling	1,135,920	Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b.
PECO EHV & TEF	2,036,342	Included in Account 456, Other Electric Revenues on p300.21.b.
9 Gross Revenue Credits	(Sum Lines 1-10) <u>12,532,972</u>	
10 Amount offset from Note 3 below	-	
11 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula, will be included as a revenue credit or included in the peak on line 150 of Appendix A.		
12 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.		
13 Note 3: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support, e.g., revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited directly by PJM to zonal customers.		

PPL ELECTRIC UTILITIES CORPORATION
OTHER OPERATING REVENUES
COST OF SERVICE BASIC DATA REPORT
FOR COST ALLOCATION PURPOSES
12 MONTHS ENDED 12/30/2008
(\$000)

ACCOUNT	DESCRIPTION	Fac Rents			OTHER	TOTAL
		TRANSMISSION RELATED	DISTRIBUTION RELATED	T&D (W&S Alloc)		
1	450 LATE PAYMENT CHARGES	0	10,274		0	10,274
2	451 MISCELLANEOUS SERVICE REVENUES	0	354		0	354
3	454 RENT FROM ELECTRIC PROPERTY	294	25,056	7,965	0	
4	Reallocation Rents from Facilities	804	7,161	(7,965)		
5	Total Rents	1,098	32,217	0		33,315
6	456 OTHER ELECTRIC REVENUE *	159,488	4,419		5,671	
7	Reallocation - Other Revenues	1,023	4,648	0	(5,671)	
8	Total Other	160,511	9,067	0	0	169,578
9	TOTAL OTHER OPERATING REVENUES	161,609	51,912	0	0	213,521
10	LATE PAYMENT CHARGES PROPOSED LEVEL		10,210			10,210
	Reallocation - Other Revenues		(4,419)		(5,671)	(10,090)
	Reallocation - Balance Other	1,023	9,067			10,090
	Net Reallocation	1,023	4,648	-	(5,671)	-
	* Includes NITS Revenues Acct 45613	141,551				

COST OF SERVICE FINANCIAL FEED

<u>Line #</u>	<u>Account</u>	<u>Account Description</u>	<u>JE Roll-up</u>	<u>Transmission Amount</u>	<u>Distribution Amount</u>	<u>Other Amount</u>	<u>Book Amount</u>	<u># of Rows = 5</u>	<u>Revenue (v1.1) -</u>	<u>Other Electric Revenue (HTY)</u>
1	450	Late Payment Charge		0	0	-10,274,309	-10,274,309			Period Ending: 12/31/08
2	451	Misc Service Revenue		0	-353,652	0	-353,652			File Name: Other Electric Revenue.xls
3	454	Rent from Electric Property		-293,534	-25,056,020	-7,965,154	-33,314,708			Approver: LALENHART;JFBOORUM
4	456	Other Electric Revenue		-159,488,122	-4,419,042	-5,671,307	-169,578,471			Sheet Processed: 2/9/2009 12:48:35 PM
5	Grand Total			-159,781,656	-29,828,714	-23,910,770	-213,521,141			

PPL Electric Utilities 2008 Transmission Revenue Detail Report

Transmission Owner

December 31, 2008

	FERC ACCT	Actual <u>TOTAL 2008</u>
Supporting Data		
Days		366
Total System Load (MWH)		43,885,396
PPL Zone Transmission Peak (MW)		7,778.5

PPL Electric Utilities - Transmission Owner (TO) Related Revenues

	FERC ACCT	Actual
Revenues		
PJM Network Integration Transmission Service (NITS)		
PPL's (TO) Share of PPL Zone NITS Payments by LSEs	45613	144,041,524
Other Supporting Facilities (FERC 12kV Service - OATT Att. H-8a)	44712	318,877
Wheeling and Interconnection Agreement Credits		
Met-Ed Alburdis 230KV	45613	11,640
Met-Ed Shawnee 230KV	45613	13,104
Med-Ed Juniata 230KV	45613	22,452
Met-Ed Brunner-Yorkana 230KV	45613	29,052
Penelec Juniata & Lackawanna 230KV	45613	78,000
BG&E 25 & 60 Cycle Transmission	45613	319,118
GPU Susquehanna-Eastern 500KV	45600	300,212
GPU Northampton Wheeling	45613	1,135,920
PECO TEF	45600	2,036,342
		3,945,840
Other Transmission Revenues		
Transmission Owner Scheduling & Dispatch Service (OATT Sched. 1A)	45600	2,712,128
Scheduling Services for Other Companies	45600	77,052
Transmission Enhancement Credits (Sched. 12)	45614	1,239,493
SECA	45613	(43,000)
Firm Point-to-Point Transmission Service	45613	3,463,414
Total Revenues to PPL Electric Utilities (TO)		154,784,565

PPL ELECTRIC UTILITIES CORPORATION
Electric Operations
Schedule of Deferred Investment Tax Credit (ITC)
Year Ended December 31, 2008

<u>Vintage Year</u>	<u>Rate</u>	<u>Accumulated ITC @ 12/31/2007</u>	<u>Amortization for Year Ended 12/31/2008</u>	<u>Accumulated ITC @ 12/31/2008</u>
<u>Transmission Property:</u>				
1976	10%	89,736	89,736	0
1976	4%	19,364	19,364	0
1977	10%	65,234	32,617	32,617
1977	4%	-85	-43	-42
1978	10%	77,965	25,988	51,977
1978	4%	-109	-36	-73
1979	10%	131,050	32,763	98,287
1979	4%	-26	-7	-19
1980	10%	588,057	117,611	470,446
1980	4%	-32	-6	-26
1981	10%	1,267,951	211,325	1,056,626
1982	10%	429,017	61,288	367,729
1983	10%	14,428	1,804	12,624
1984	10%	212,453	23,605	188,848
1985	10%	171,732	17,174	154,558
1986	10%	137,664	12,515	125,149
1987	10%	112,313	9,359	102,954
1988	10%	21,711	1,670	20,041
sub total		<u>3,338,423</u>	<u>656,727</u>	<u>2,681,696</u>
<u>Distribution Property:</u>				
1976	10%	179,785	179,785	0
1976	4%	38,796	38,796	0
1977	10%	235,013	117,507	117,506
1977	4%	-306	-153	-153
1978	10%	341,759	113,920	227,839
1978	4%	-475	-158	-317
1979	10%	653,914	163,479	490,435
1979	4%	-126	-32	-94
1980	10%	797,947	159,589	638,358
1980	4%	-42	-8	-34
1981	10%	964,429	160,738	803,691
1982	10%	1,031,358	147,337	884,021
1983	10%	633,227	79,154	554,073
1984	10%	757,568	84,174	673,394
1985	10%	1,169,773	116,978	1,052,795
1986	10%	1,316,287	119,662	1,196,625
1987	10%	334,302	27,859	306,443
1988	10%	161,852	12,450	149,402
1989	10%	41,363	2,955	38,408
1990	10%	74,065	4,938	69,127
sub total		<u>8,730,489</u>	<u>1,528,970</u>	<u>7,201,519</u>
Total		<u>12,068,912</u>	<u>2,185,697</u>	<u>9,883,215</u>

PPL Electric Utilities Corporation
PBOP Expenses
FERC Account 92499
12 Months Ended December 31, 2008

Month	Activity	Distribution	Transmission	Total Electric
March	3,981,831			
June	3,981,831			
August	-422,074		422,074	
September	-7,541,588	11,312,381	211,037	
		3,770,794	211,037	
T&B offset - FAS106	0	15,083,175	844,148	15,927,323
Capital Charges		22.20%	4.90%	
Expense Charges		77.80%	95.10%	
T&B offset - FAS106	Expense	11,734,710	802,785	12,537,495

PPL Electric Utilities Corporation
Itemization of Prepayments
12 Months Ended December 31, 2008

<u>Title of Account</u>	<u>FERC Form No. 1 Page Number</u>	<u>Total Electric</u>
Prepayments (165)	p.111.57.c	18,627,466
Less:		
Prepayments on Securitization Bonds Adjustment	(See Note 1)	0
Prepayments related to PUC Annual Assessment	(See Note 1)	2,648,473
Prepayments related to POLR energy supply from affiliate	(See Note 1)	11,571,092
<hr/>		
Prepayment Account Balance to be allocated to Transmission based upon the Wages and Salary Allocators		4,407,901

Note 1: See FERC Form No. 1, Note to page 110, line 57.

PPL Electric Utilities Corporation
Itemization of Transmission Depreciation Expense
12 Months Ended December 31, 2008

Account <u>No.</u>	NBV <u>Dec 31, 2008</u>	Depreciation <u>Expense</u>	Applied <u>Rate</u>
350.4	41,171,869	948,827	2.30%
352	18,638,773	549,921	2.95%
353	255,284,626	7,698,264	3.02%
354	165,942,165	3,996,949	2.41%
354.2	6,761,526	149,637	2.21%
355	55,868,150	1,584,788	2.84%
355.2	3,785,716	82,004	2.17%
356	98,214,662	2,821,895	2.87%
357	2,468,246	92,707	3.76%
358	7,666,691	375,748	4.90%
359	5,019,832	101,931	2.03%
	660,822,256	18,402,670	
	Amortization of negative net salvage	<u>1,373,293</u>	
	Total per Form 1, Page 336	<u>19,775,963</u>	

PPL Electric Utilities Corporation
Itemization of General Plant Depreciation Expense
12 Months Ended December 31, 2008

Account <u>No.</u>	NBV <u>Dec 31, 2008</u>	Depreciation <u>Expense</u>	Applied <u>Rate</u>
389.4	3,311	103	3.12%
390.2	193,653,639	3,727,361	1.92%
390.4	17,545,496	846,035	4.82%
392.1	1,046,210	330,392	31.58%
392.2	8,580,285	2,209,168	25.75%
392.3	38,956,490	6,923,444	17.77%
392.4	3,599,077	259,099	7.20%
392.5	2,016,531	195,078	9.67%
392.6	718,301	51,543	7.18%
	266,119,340	14,542,225	
Amort Accts		<u>3,573,327</u>	
		18,115,552	
	Net Neg Salvage Amort	657,260	
	Total per Form 1, Page 336	<u>18,772,812</u>	

EXHIBIT 3

PPL Electric Utilities Corporation			Update as of 6/1/2009	Settlement Effective November 1, 2008	Difference
Variance Report			A	B	=A - B
Explanation of shaded cells provided below.					
	Notes	FERC Form 1 Page # or Instruction			
Allocators					
Wages & Salary Allocation Factor					
1		p354.21.b	8,494,499	9,806,861	(1,312,362)
2		p354.28.b	85,375,132	91,036,928	(5,661,796)
3		p354.27.b	1,245,209	1,791,343	(546,134)
4		(Line 2 - Line 3)	84,129,923	89,245,585	(5,115,662)
5		(Line 1 / Line 4)	10.0969%	10.9886%	(0)
Plant Allocation Factors					
6		p207.104.g	5,177,571,776	4,940,281,072	237,290,704
7	(Note J)	p219.29.c	2,001,055,053	1,931,612,246	69,442,807
8	(Note A)	p200.21.c	10,958,554	8,455,926	2,502,628
9		(Line 7 + 8)	2,012,013,607	1,940,068,172	71,945,435
10		(Line 6 - Line 9)	3,165,558,169	3,000,212,900	165,345,269
11		(Line 25 - Line 24)	1,212,087,036	1,167,639,693	44,447,343
12		(Line 11 / Line 6)	23.4103%	23.6351%	(0.2247%)
13		(Line 33 - Line 24)	715,196,381	682,352,406	32,843,975
14		(Line 13 / Line 10)	22.5931%	22.7435%	(0.1504%)
Plant Calculations					
Plant In Service					
15	(Note B)	p207.58.g	1,150,044,754	1,081,704,788	68,339,966
16	For Reconciliation Only	Attachment 6			
17	For Reconciliation Only	Attachment 6	12,644,590	37,136,710	(24,492,120)
18	(Note B)	(Line 15 - Line 16 + Line 17)	1,162,689,344	1,118,841,498	43,847,846
19		p207.99.g	470,510,793	432,546,207	37,964,586
20		p205.5.g	18,726,302	11,533,043	7,193,259
21		(Line 19 + Line 20)	489,237,095	444,079,250	45,157,845
22		(Line 5)	10.0969%	10.9886%	(0.8917%)
23		(Line 21 * Line 22)	49,397,692	48,798,195	599,497
24	(Note C) (Note P)	Attachment 5	29,746,261	27,107,710	2,638,551
25		(Line 18 + Line 23 + Line 24)	1,241,833,297	1,194,747,403	47,085,894
Accumulated Depreciation					
26	(Note J)	p219.25.c	479,905,629	468,600,364	11,305,265
27	(Note J)	p219.28.c	157,261,949	143,400,427	13,861,522
28		(Line 8)	10,958,554	8,455,926	2,502,628
29		(Line 27 + 28)	168,220,503	151,856,353	16,364,150
30		(Line 5)	10.0969%	10.9886%	(0.8917%)
31		(Line 29 * Line 30)	16,985,026	16,686,922	298,103
32		(Sum Lines 26 + 31)	496,890,655	485,287,286	11,603,368
33		(Line 25 - Line 32)	744,942,642	709,460,116	35,482,526

Adjustment To Rate Base					
Accumulated Deferred Income Taxes					
34	ADIT net of FASB 106 and 109	Attachment 1	(51,498,840)	(35,214,066)	(16,284,774)
CWIP for Incentive Transmission Projects					
35	CWIP Balances for Current Rate Year	(Note H) Attachment 6	16,036,541	1,414,276	14,622,265
Prepayments					
36	Prepayments	(Note A) (Note O) Attachment 5	445,061	1,514,980	(1,069,919)
Materials and Supplies					
37	Undistributed Stores Expense	(Note A) p227.16.c	2,992,548	2,949,303	43,245
38	Wage & Salary Allocator	(Line 5)	10.0969%	10.9886%	(0.8917%)
39	Total Undistributed Stores Expense Allocated to Transmission	(Line 37 * Line 38)	302,154	324,088	(21,934)
40	Transmission Materials & Supplies	p227.8.c	12,832,384	12,575,789	256,595
41	Total Materials & Supplies Allocated to Transmission	(Line 39 + Line 40)	13,134,538	12,899,877	234,661
Cash Working Capital					
42	Operation & Maintenance Expense	(Line 70)	41,833,003	46,708,848	(4,875,845)
43	1/8th Rule	1/8	12.5%	12.5%	
44	Total Cash Working Capital Allocated to Transmission	(Line 42 * Line 43)	5,229,125	5,838,606	(609,481)
45	Total Adjustment to Rate Base	(Lines 34 + 35 + 36 + 41 + 44)	(16,653,575)	(13,546,327)	(3,107,247)
46	Rate Base	(Line 33 + Line 45)	728,289,067	695,913,789	32,375,278
Operations & Maintenance Expense					
Transmission O&M					
47	Transmission O&M	Attachment 5	173,864,677	171,890,714	1,973,963
48	Less Account 565	Attachment 5	146,916,352	141,587,167	5,329,185
49	Plus Charges billed to Transmission Owner and booked to Account 565	(Note N) Attachment 5	0	0	0
50	Transmission O&M	(Lines 47 - 48 + 49)	26,948,325	30,303,547	(3,355,222)
Allocated Administrative & General Expenses					
51	Total A&G	323.197b	139,379,316	135,744,282	3,635,034
52	Less: Administrative & General Expenses on Securitization Bonds	(Note O) Attachment 8	222,427	220,151	2,276
53	Plus: Fixed PBOP expense	(Note J) Attachment 5	10,028,618	10,028,618	0
54	Less: Actual PBOP expense	Attachment 5	12,537,495	10,028,618	2,508,877
55	Less Property Insurance Account 924	p323.185.b	2,116,743	(3,238,954)	5,355,697
56	Less Regulatory Commission Exp Account 928	(Note E) p323.189.b	5,162,822	4,874,982	287,840
57	Less General Advertising Exp Account 930.1	p323.191.b	0	0	0
58	Less EPRI Dues	(Note D) p352 & 353	204,286	140,422	63,864
59	Administrative & General Expenses	Sum (Lines 51 + 53) - Line 52 - Sum (Lines 54 to 58)	129,164,161	133,747,681	(4,583,520)
60	Wage & Salary Allocator	(Line 5)	10.0969%	10.9886%	(0.8917%)
61	Administrative & General Expenses Allocated to Transmission	(Line 59 * Line 60)	13,041,553	14,697,029	(1,655,476)
Directly Assigned A&G					
62	Regulatory Commission Exp Account 928	(Note G) Attachment 5	0	0	0
63	General Advertising Exp Account 930.1	(Note K) Attachment 5	0	0	0
64	Subtotal - Accounts 928 and 930.1 - Transmission Related	(Line 62 + Line 63)	0	0	0
65	Property Insurance Account 924	(Note G) Attachment 5	8,157,927	7,511,046	646,881
66	General Advertising Exp Account 930.1	(Note F) Attachment 5	0	0	0
67	Total Accounts 924 and 930.1 - General	(Line 65 + Line 66)	8,157,927	7,511,046	646,881
68	Net Plant Allocator	(Line 14)	22.5931%	22.7435%	(0.1504%)
69	A&G Directly Assigned to Transmission	(Line 67 * Line 68)	1,843,125	1,708,272	134,853
70	Total Transmission O&M	(Lines 50 + 61 + 64 + 69)	41,833,003	46,708,848	(4,875,845)

Depreciation & Amortization Expense						
Depreciation Expense						
71	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	19,775,963	20,230,665	(454,702)
72	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	18,772,812	19,184,502	(411,690)
73	Intangible Amortization	(Note A)	p336.1.d&e	2,735,558	4,281,294	(1,545,736)
74	Total		(Line 72 + Line 73)	21,508,370	23,465,796	(1,957,426)
75	Wage & Salary Allocator		(Line 5)	10.0969%	10.9886%	(0.8917%)
76	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 74 * Line 75)	2,171,675	2,578,568	(406,893)
77	Total Transmission Depreciation & Amortization		(Lines 71 + 76)	21,947,638	22,809,233	(861,595)
Taxes Other than Income Taxes						
78	Taxes Other than Income Taxes		Attachment 2	2,335,550	2,644,099	(308,548)
79	Total Taxes Other than Income Taxes		(Line 78)	2,335,550	2,644,099	(308,548)
Return \ Capitalization Calculations						
Long Term Interest						
80	Long Term Interest		p117.62.c through 66.c	100,602,830	116,337,100	(15,734,270)
81	Less LTD Interest on Securitization Bonds	(Note O)	Attachment 8	13,186,553	35,071,491	(21,884,938)
82	Long Term Interest		(Line 80 - Line 81)	87,416,277	81,265,609	6,150,668
83	Preferred Dividends	enter positive	p118.29.c	18,069,981	18,069,981	0
Common Stock						
84	Proprietary Capital		p112.16.c	1,645,074,908	1,585,161,999	59,912,909
85	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	25,630	48,871	(23,241)
86	Less Preferred Stock		(Line 94)	300,518,900	300,518,900	0
87	Less Account 216.1		p112.12.c	6,000,130	7,956,694	(1,956,564)
88	Common Stock		(Line 84 - 85 - 86 - 87)	1,338,530,248	1,276,637,534	61,892,714
Capitalization						
89	Long Term Debt		p112.18.c, 19.c & 21.c	1,769,625,000	1,674,594,223	95,030,777
90	Less Loss on Reacquired Debt		p111.81.c	26,228,614	29,486,268	(3,257,654)
91	Plus Gain on Reacquired Debt		p113.61.c	0	0	0
92	Less LTD on Securitization Bonds	(Note O)	Attachment 8	0	304,969,223	(304,969,223)
93	Total Long Term Debt		(Line 89 - 90 + 91 - 92)	1,743,396,386	1,340,138,732	403,257,654
94	Preferred Stock		p112.3.c	300,518,900	300,518,900	0
95	Common Stock		(Line 88)	1,338,530,248	1,276,637,534	61,892,714
96	Total Capitalization		(Sum Lines 93 to 95)	3,382,445,534	2,917,295,166	465,150,368
97	Debt %	Total Long Term Debt	(Line 93 / Line 96)	51.5%	45.9%	5.6%
98	Preferred %	Preferred Stock	(Line 94 / Line 96)	8.9%	10.3%	(1.4%)
99	Common %	Common Stock	(Line 95 / Line 96)	39.6%	43.8%	(4.2%)
100	Debt Cost	Total Long Term Debt	(Line 82 / Line 93)	0.0501	0.0606	(0.0105)
101	Preferred Cost	Preferred Stock	(Line 83 / Line 94)	0.0601	0.0601	0.0000
102	Common Cost	Common Stock	(Note J) Fixed	0.1164	0.1160	0.0004
103	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 97 * Line 100)	0.0258	0.0279	(0.0020)
104	Weighted Cost of Preferred	Preferred Stock	(Line 98 * Line 101)	0.0053	0.0062	(0.0009)
105	Weighted Cost of Common	Common Stock	(Line 99 * Line 102)	0.0461	0.0508	(0.0047)
106	Rate of Return on Rate Base (ROR)		(Sum Lines 103 to 105)	0.0772	0.0848	(0.0076)
107	Investment Return = Rate Base * Rate of Return		(Line 46 * Line 106)	56,259,741	59,022,772	(2,763,031)

Composite Income Taxes					
Income Tax Rates					
108	FIT=Federal Income Tax Rate	(Note I)	35.00%	35.00%	0.00%
109	SIT=State Income Tax Rate or Composite		9.99%	9.99%	0.00%
110	p	(percent of federal income tax deductible for state purposes)	0.00%	0.00%	0.00%
111	T	$T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p) =$	41.49%	41.49%	0.00%
112	T / (1-T)		70.92%	70.92%	0.00%
ITC Adjustment					
113	Amortized Investment Tax Credit - Transmission Related	Attachment 5	(656,727)	(718,000)	61,273
114	ITC Adjust. Allocated to Trans. - Grossed Up	ITC Adjustment x 1 / (1-T)	(1,122,486)	(1,227,214)	104,729
115	Income Tax Component =	$(T/1-T) * Investment\ Return * (1-(WCLTD/ROR)) =$	26,551,302	28,111,067	(1,559,765)
116	Total Income Taxes	(Line 114 + Line 115)	25,428,817	26,883,853	(1,455,036)
Revenue Requirement					
Summary					
117	Net Property, Plant & Equipment	(Line 33)	744,942,642	709,460,116	35,482,526
118	Total Adjustment to Rate Base	(Line 45)	(16,653,575)	(13,546,327)	(3,107,247)
119	Rate Base	(Line 46)	728,289,067	695,913,789	32,375,278
120	Total Transmission O&M	(Line 70)	41,833,003	46,708,848	(4,875,845)
121	Total Transmission Depreciation & Amortization	(Line 77)	21,947,638	22,809,233	(861,595)
122	Taxes Other than Income	(Line 79)	2,335,550	2,644,099	(308,548)
123	Investment Return	(Line 107)	56,259,741	59,022,772	(2,763,031)
124	Income Taxes	(Line 116)	25,428,817	26,883,853	(1,455,036)
125	Gross Revenue Requirement	(Sum Lines 120 to 124)	147,804,749	158,068,805	(10,264,056)
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
126	Transmission Plant In Service	(Line 15)	1,150,044,754	1,081,704,788	68,339,966
127	Excluded Transmission Facilities	(Note M) Attachment 5	0	0	0
128	Included Transmission Facilities	(Line 126 - Line 127)	1,150,044,754	1,081,704,788	68,339,966
129	Inclusion Ratio	(Line 128 / Line 126)	100.00%	100.00%	
130	Gross Revenue Requirement	(Line 125)	147,804,749	158,068,805	(10,264,056)
131	Adjusted Gross Revenue Requirement	(Line 129 * Line 130)	147,804,749	158,068,805	(10,264,056)
Revenue Credits					
132	Revenue Credits	Attachment 3	12,532,972	10,841,617	1,691,355
133	Net Revenue Requirement	(Line 131 - Line 132)	135,271,777	147,227,188	(11,955,411)
Net Plant Carrying Charge					
134	Gross Revenue Requirement	(Line 130)	147,804,749	158,068,805	(10,264,056)
135	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	698,820,256	651,655,409	47,164,846
136	Net Plant Carrying Charge	(Line 134 / Line 135)	21.1506%	24.2565%	(3.1059%)
137	Net Plant Carrying Charge without Depreciation	(Line 134 - Line 71) / Line 135	18.3207%	21.1520%	(2.8313%)
138	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 134 - Line 71 - Line 107 - Line 116) / Line 135	6.6312%	7.9692%	(1.3380%)
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE					
139	Gross Revenue Requirement Less Return and Taxes	(Line 130 - Line 123 - Line 124)	66,116,191	72,162,180	(6,045,989)
140	Increased Return and Taxes	Attachment 4	86,614,588	91,111,839	(4,497,251)
141	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 139 + Line 140)	152,730,779	163,274,019	(10,543,240)
142	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	698,820,256	651,655,409	47,164,846
143	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 141 / Line 142)	21.8555%	25.0553%	(3.1998%)
144	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 141 - Line 71) / Line 142	19.0256%	21.9508%	(2.9252%)
145	Net Revenue Requirement	(Line 133)	135,271,777	147,227,188	(11,955,411)
146	True-up amount	Attachment 6	(11,751,003)	0	(11,751,003)
147	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	0	0	0
148	Net Zonal Revenue Requirement	(Line 145 + 146 + 147)	123,520,774	147,227,188	(23,706,414)
Network Zonal Service Rate					
149	1 CP Peak	(Note L) PJM Data	7,509.5	7,778.5	(269.0)
150	Rate (\$/MW-Year)	(Line 148 / 149)	\$ 16,449	\$ 18,927	\$ (2,479)
151	Network Service Rate (\$/MW/Year)	(Line 150)	\$ 16,449	\$ 18,927	\$ (2,479)

Notes

- A Electric portion only
- B Line 16, for the Reconciliation, includes New Transmission Plant that actually was placed in service weighted by the number of months it actually was in service
Line 17 includes New Transmission Plant to be placed in service in the current calendar year
- C Includes Transmission portion only.
- D Includes all EPRI Annual Membership Dues
- E Includes all Regulatory Commission Expenses
- F Includes Safety-related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at page 351.h.
Property Insurance excludes prior period adjustment in the first year of the formula's operation and reconciliation for the first year.
- H CWIP can be included only if authorized by the Commission.
- I The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$ the percentage of federal income tax deductible for state income taxes.
The calculation of the Reconciliation revenue requirement according to Step 7 of Attachment 6 ("Estimate and Reconciliation Worksheet") shall reflect the actual tax rates in effect for the Rate Year being reconciled ("Test Year"). When statutory marginal tax rates change during such Test Year, the effective tax rate used in the formula shall be weighted by the number of days each such rate was in effect. For example, a 35% rate in effect for 120 days superseded by a 40% rate in effect for the remainder of the year will be calculated as: $((.3500 \times 120) + (.4000 \times 245))/365 = .3836$.
- J ROE will be as follows: (i.) 11.60% for the period November 1, 2008 through May 31, 2009; (ii.) 11.64% for the period June 1, 2009 through May 31, 2010; (iii.) 11.68% on June 1, 2010 through May 31, 2011 and thereafter. No change in ROE will be made absent a filing at FERC.
PBOP expense is fixed until changed as the result of a filing at FERC.
Depreciation rates shown in Attachment 9 are fixed until changed as the result of a filing at FERC.
Upon request, PPL Electric Utilities Corporation will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to Form No. 1 amounts.
As set forth in Attachment 5, added to the depreciation expense will be actual removal costs (net of salvage) amortized over five years.
Within five years from the effective date of the Settlement filed in Docket No. ER08-1457, PPL Electric shall make a filing to update its depreciation rates and to continue treatment of the actual removal costs contained in the Formula Rate. In such filing, PPL Electric shall bear the burden of proof under Section 205 of the Federal Power Act to demonstrate that its depreciation rates and its treatment of the actual removal costs in the Formula Rate are just and reasonable.
Notwithstanding this requirement, PPL Electric may, at any time prior to the expiration of such five-year period from the effective date of the Settlement, make a Section 205 filing to update its depreciation rates, but shall not be required to demonstrate that its treatment of the actual removal costs in the Formula Rate is just and reasonable.
- K Education and outreach expenses related to transmission (e.g., siting or billing).
- L As provided for in Section 34.1 of the PJM OATT, the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Includes only charges incurred for system integration, such as those under the EHV Agreement, and transmission costs paid to others that benefit transmission customers.
- O Amounts associated with transition bonds issued to securitize the recovery of retail stranded costs are removed from account balances, pursuant to an Order entered by the Pennsylvania Public Utility Commission on May 21, 1999 at Docket No. R-00994637, in accordance with Pennsylvania's Electric Generation Customer Choice and Competition Act.
- P Any gain from the sale of land included in Land Held for Future Use in the Formula Rate received during the Rate Year shall be used to reduce the ATRR in the Rate Year. The Formula Rate shall not include any losses on sales of such land.

Explanation of Significant Variances

Line	
15	Variance primarily is due to transmission plant additions, retirements, adjustments and transfers, as shown on pages 206-207 of PPL Electric's 2008 FERC Form No. 1.
17	Variance reflects the difference in 2009 capital additions versus 2008.
19	Variance primarily is due to additions of \$44.9 million and retirements of \$6.9 million, as shown on pages 206-207 of PPL Electric's 2008 FERC Form No. 1, related to renovations and improvements to service centers, crew quarters and office buildings and the purchase of office furniture and transportation equipment.
20	Variance primarily is due to additions of \$7.2 million as shown on pages 204-205 of PPL Electric's 2008 FERC Form No. 1, related to several computer software projects including Meter Data Management and Mobile Workforce Management.
24	Variance is due to land acquisition for Breiningsville Substation.
26	Variance is due to additions made in Line 15 above.
27	Variance is due to additions made in Line 19 above.
28	Variance is due to additions made in Line 20 above.
34	Variance primarily is due to the reversal of \$14.2 million of the deferred tax asset associated with Contributions In Aid of Construction (CIAC).
35	CWIP calculation difference due to monthly additions in 2009 totaling 23.1 million versus only 2.8 million for 2008.
36	Variance primarily is due to a reduction of \$8.2 million prepaid federal tax.
55	Variance is due to a reduction in probable insurance recoveries related to storm costs.
93	Variance is due to a \$400,000,000 debt issuance. This also affected the capitalization rates and the rate of return on rate base calculations (Lines 97-106).
132	Variance primarily is due to additional revenues of \$0.9 million for point-to-point sales and \$1.2 million associated with Schedule 12 revenues.

EXHIBIT 4

ATTACHMENT H-8G

PPL Electric Utilities Corporation			2008 True-Up
Formula Rate -- Appendix A		Notes	FERC Form 1 Page # or Instruction
Shaded cells are input cells			
Allocators			
Wages & Salary Allocation Factor			
1	Transmission Wages Expense		8,494,499
		p354.21.b	
2	Total Wages Expense		85,375,132
		p354.28.b	
3	Less A&G Wages Expense		1,245,209
		p354.27.b	
4	Total Wages Less A&G Wages Expense		84,129,923
		(Line 2 - Line 3)	
5	Wages & Salary Allocator		10.0969%
		(Line 1 / Line 4)	
Plant Allocation Factors			
6	Electric Plant in Service		5,177,571,776
		p207.104.g	
7	Accumulated Depreciation (Total Electric Plant)	(Note J)	2,001,055,053
		p219.29.c	
8	Accumulated Amortization	(Note A)	10,958,554
		p200.21.c	
9	Total Accumulated Depreciation		2,012,013,607
		(Line 7 + 8)	
10	Net Plant		3,165,558,169
		(Line 6 - Line 9)	
11	Transmission Gross Plant (excluding Land Held for Future Use)		1,164,342,503
		(Line 25 - Line 24)	
12	Gross Plant Allocator		22.4882%
		(Line 11 / Line 6)	
13	Transmission Net Plant (excluding Land Held for Future Use)		667,451,849
		(Line 33 - Line 24)	
14	Net Plant Allocator		21.0848%
		(Line 13 / Line 10)	
Plant Calculations			
Plant In Service			
15	Transmission Plant In Service	(Note B)	1,150,044,754
		p207.58.g	
16	For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year	For Reconciliation Only	71,323,245
		Attachment 6	
17	New Transmission Plant Additions for Current Calendar Year (weighted by months in service)	(Note B)	36,223,302
		Attachment 6	
18	Total Transmission Plant		1,114,944,811
		(Line 15 - Line 16 + Line 17)	
19	General		470,510,793
		p207.99.g	
20	Intangible		18,726,302
		p205.5.g	
21	Total General and Intangible Plant		489,237,095
		(Line 19 + Line 20)	
22	Wage & Salary Allocator		10.0969%
		(Line 5)	
23	Total General and Intangible Functionalized to Transmission		49,397,692
		(Line 21 * Line 22)	
24	Land Held for Future Use	(Note C) (Note P)	29,746,261
		Attachment 5	
25	Total Plant In Rate Base		1,194,088,764
		(Line 18 + Line 23 + Line 24)	
Accumulated Depreciation			
26	Transmission Accumulated Depreciation	(Note J)	479,905,629
		p219.25.c	
27	Accumulated General Depreciation	(Note J)	157,261,949
		p219.28.c	
28	Accumulated Amortization		10,958,554
		(Line 8)	
29	Total Accumulated Depreciation		168,220,503
		(Line 27 + 28)	
30	Wage & Salary Allocator		10.0969%
		(Line 5)	
31	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission		16,985,026
		(Line 29 * Line 30)	
32	Total Accumulated Depreciation		496,890,655
		(Sum Lines 26 + 31)	
33	Total Net Property, Plant & Equipment		697,198,110
		(Line 25 - Line 32)	

Adjustment To Rate Base			
34	Accumulated Deferred Income Taxes ADIT net of FASB 106 and 109	Attachment 1	-51,334,694
35	CWIP for Incentive Transmission Projects CWIP Balances for Current Rate Year	(Note H) Attachment 6	1,809,610
36	Prepayments Prepayments	(Note A) (Note O) Attachment 5	445,061
37	Materials and Supplies Undistributed Stores Expense	(Note A) p227.16.c	2,992,548
38	Wage & Salary Allocator	(Line 5)	10.0969%
39	Total Undistributed Stores Expense Allocated to Transmission	(Line 37 * Line 38)	302,154
40	Transmission Materials & Supplies	p227.8.c	12,832,384
41	Total Materials & Supplies Allocated to Transmission	(Line 39 + Line 40)	13,134,538
42	Cash Working Capital Operation & Maintenance Expense	(Line 70)	41,709,961
43	1/8th Rule	1/8	12.5%
44	Total Cash Working Capital Allocated to Transmission	(Line 42 * Line 43)	5,213,745
45	Total Adjustment to Rate Base	(Lines 34 + 35 + 36 + 41 + 44)	-30,731,741
46	Rate Base	(Line 33 + Line 45)	666,466,369
Operations & Maintenance Expense			
47	Transmission O&M Transmission O&M	Attachment 5	173,864,677
48	Less Account 565	Attachment 5	146,916,352
49	Plus Charges billed to Transmission Owner and booked to Account 565	(Note N) Attachment 5	0
50	Transmission O&M	(Lines 47 - 48 + 49)	26,948,325
51	Allocated Administrative & General Expenses Total A&G	323.197b	139,379,316
52	Less: Administrative & General Expenses on Securitization Bonds	(Note O) Attachment 8	222,427
53	Plus: Fixed PBOP expense	(Note J) Attachment 5	10,028,618
54	Less: Actual PBOP expense	Attachment 5	12,537,495
55	Less Property Insurance Account 924	p323.185.b	2,116,743
56	Less Regulatory Commission Exp Account 928	(Note E) p323.189.b	5,162,822
57	Less General Advertising Exp Account 930.1	p323.191.b	0
58	Less EPRI Dues	(Note D) p352 & 353	204,286
59	Administrative & General Expenses	Sum (Lines 51 + 53) - Line 52 - Sum (Lines 54 to 58)	129,164,161
60	Wage & Salary Allocator	(Line 5)	10.0969%
61	Administrative & General Expenses Allocated to Transmission	(Line 59 * Line 60)	13,041,553
62	Directly Assigned A&G Regulatory Commission Exp Account 928	(Note G) Attachment 5	0
63	General Advertising Exp Account 930.1	(Note K) Attachment 5	0
64	Subtotal - Accounts 928 and 930.1 - Transmission Related	(Line 62 + Line 63)	0
65	Property Insurance Account 924	(Note G) Attachment 5	8,157,927
66	General Advertising Exp Account 930.1	(Note F) Attachment 5	0
67	Total Accounts 924 and 930.1 - General	(Line 65 + Line 66)	8,157,927
68	Net Plant Allocator	(Line 14)	21.0848%
69	A&G Directly Assigned to Transmission	(Line 67 * Line 68)	1,720,063
70	Total Transmission O&M	(Lines 50 + 61 + 64 + 69)	41,709,961

Depreciation & Amortization Expense				
Depreciation Expense				
71	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	19,775,963
72	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J)	Attachment 5	18,772,812
73	Intangible Amortization	(Note A)	p336.1.d8e	2,735,568
74	Total		(Line 72 + Line 73)	21,508,370
75	Wage & Salary Allocator		(Line 5)	10.0969%
76	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 74 * Line 75)	2,171,675
77	Total Transmission Depreciation & Amortization		(Lines 71 + 76)	21,947,638
Taxes Other than Income Taxes				
78	Taxes Other than Income Taxes		Attachment 2	2,226,233
79	Total Taxes Other than Income Taxes		(Line 78)	2,226,233
Return \ Capitalization Calculations				
Long Term Interest				
80	Long Term Interest		p117.62.c through 66.c	100,602,830
81	Less LTD Interest on Securitization Bonds	(Note O)	Attachment 8	13,186,553
82	Long Term Interest		(Line 80 - Line 81)	87,416,277
83	Preferred Dividends	enter positive	p118.29.c	18,069,981
Common Stock				
84	Proprietary Capital		p112.16.c	1,645,074,908
85	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	25,630
86	Less Preferred Stock		(Line 94)	300,518,900
87	Less Account 216.1		p112.12.c	6,000,130
88	Common Stock		(Line 84 - 85 - 86 - 87)	1,338,530,248
Capitalization				
89	Long Term Debt		p112.18.c, 19.c & 21.c	1,769,625,000
90	Less Loss on Reacquired Debt		p111.81.c	26,228,614
91	Plus Gain on Reacquired Debt		p113.61.c	0
92	Less LTD on Securitization Bonds	(Note O)	Attachment 8	0
93	Total Long Term Debt		(Line 89 - 90 + 91 - 92)	1,743,396,386
94	Preferred Stock		p112.3.c	300,518,900
95	Common Stock		(Line 88)	1,338,530,248
96	Total Capitalization		(Sum Lines 93 to 95)	3,382,445,534
97	Debt %	Total Long Term Debt	(Line 93 / Line 96)	51.5%
98	Preferred %	Preferred Stock	(Line 94 / Line 96)	8.9%
99	Common %	Common Stock	(Line 95 / Line 96)	39.6%
100	Debt Cost	Total Long Term Debt	(Line 82 / Line 93)	0.0501
101	Preferred Cost	Preferred Stock	(Line 83 / Line 94)	0.0601
102	Common Cost	Common Stock	(Note J) Fixed	0.1160
103	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 97 * Line 100)	0.0258
104	Weighted Cost of Preferred	Preferred Stock	(Line 98 * Line 101)	0.0053
105	Weighted Cost of Common	Common Stock	(Line 99 * Line 102)	0.0459
106	Rate of Return on Rate Base (ROR)		(Sum Lines 103 to 105)	0.0771
107	Investment Return = Rate Base * Rate of Return		(Line 46 * Line 106)	51,378,491

Composite Income Taxes			
Income Tax Rates			
108	FIT=Federal Income Tax Rate	(Note I)	35.00%
109	SIT=State Income Tax Rate or Composite		9.99%
110	p	(percent of federal income tax deductible for state purposes)	0.00%
111	T	$T = 1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p) =$	41.49%
112	T / (1-T)		70.92%
ITC Adjustment			
113	Amortized Investment Tax Credit - Transmission Related	Attachment 5	-656,727
114	ITC Adjust. Allocated to Trans. - Grossed Up	ITC Adjustment x 1 / (1-T) Line 113 * (1 / (1 - Line 111))	-1,122,486
115	Income Tax Component =	(T/1-T) * Investment Return * (1-(WCLTD/ROR)) = [Line 112 * Line 107 * (1- (Line 103 / Line 106))]	24,222,607
116	Total Income Taxes	(Line 114 + Line 115)	23,100,122
Revenue Requirement			
Summary			
117	Net Property, Plant & Equipment	(Line 33)	697,198,110
118	Total Adjustment to Rate Base	(Line 45)	-30,731,741
119	Rate Base	(Line 46)	666,466,369
120	Total Transmission O&M	(Line 70)	41,709,961
121	Total Transmission Depreciation & Amortization	(Line 77)	21,947,638
122	Taxes Other than Income	(Line 79)	2,226,233
123	Investment Return	(Line 107)	51,378,491
124	Income Taxes	(Line 116)	23,100,122
125	Gross Revenue Requirement	(Sum Lines 120 to 124)	140,362,445
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
126	Transmission Plant In Service	(Line 15)	1,150,044,754
127	Excluded Transmission Facilities	(Note M) Attachment 5	0
128	Included Transmission Facilities	(Line 126 - Line 127)	1,150,044,754
129	Inclusion Ratio	(Line 128 / Line 126)	100.00%
130	Gross Revenue Requirement	(Line 125)	140,362,445
131	Adjusted Gross Revenue Requirement	(Line 129 * Line 130)	140,362,445
Revenue Credits			
132	Revenue Credits	Attachment 3	12,532,972
133	Net Revenue Requirement	(Line 131 - Line 132)	127,829,473
Net Plant Carrying Charge			
134	Gross Revenue Requirement	(Line 130)	140,362,445
135	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	636,848,792
136	Net Plant Carrying Charge	(Line 134 / Line 135)	22.0402%
137	Net Plant Carrying Charge without Depreciation	(Line 134 - Line 71) / Line 135	18.9349%
138	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	(Line 134 - Line 71 - Line 107 - Line 116) / Line 135	7.2400%
Net Plant Carrying Charge Calculation per 100 Basis Point increase in ROE			
139	Gross Revenue Requirement Less Return and Taxes	(Line 130 - Line 123 - Line 124)	65,883,832
140	Increased Return and Taxes	Attachment 4	78,986,485
141	Net Revenue Requirement per 100 Basis Point increase in ROE	(Line 139 + Line 140)	144,870,317
142	Net Transmission Plant	(Line 18 - Line 26 + Line 35)	636,848,792
143	Net Plant Carrying Charge per 100 Basis Point increase in ROE	(Line 141 / Line 142)	22.7480%
144	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	(Line 141 - Line 71) / Line 142	19.6427%
145	Net Revenue Requirement	(Line 133)	127,829,473
146	True-up amount	Attachment 6	-
147	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	-
148	Net Zonal Revenue Requirement	(Line 145 + 146 + 147)	127,829,473
Network Zonal Service Rate			
149	1 CP Peak	(Note L) PJM Data	7,509.5
150	Rate (\$/MW-Year)	(Line 148 / 149)	\$ 17,022
151	Network Service Rate (\$/MW/Year)	(Line 150)	\$ 17,022

Notes

- A Electric portion only
- B Line 16, for the Reconciliation, includes New Transmission Plant that actually was placed in service weighted by the number of months it actually was in service
Line 17 includes New Transmission Plant to be placed in service in the current calendar year
- C Includes Transmission portion only.
- D Includes all EPRI Annual Membership Dues
- E Includes all Regulatory Commission Expenses
- F Includes Safety-related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at page 351.h.
Property Insurance excludes prior period adjustment in the first year of the formula's operation and reconciliation for the first year.
- H CWIP can be included only if authorized by the Commission.
- I The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the State income tax rate, and $p =$ the percentage of federal income tax deductible for state income taxes.
The calculation of the Reconciliation revenue requirement according to Step 7 of Attachment 6 ("Estimate and Reconciliation Worksheet") shall reflect the actual tax rates in effect for the Rate Year being reconciled ("Test Year"). When statutory marginal tax rates change during such Test Year, the effective tax rate used in the formula shall be weighted by the number of days each such rate was in effect. For example, a 35% rate in effect for 120 days superseded by a 40% rate in effect for the remainder of the year will be calculated as: $((.3500 \times 120) + (.4000 \times 245))/365 = .3836$.
- J ROE will be as follows: (i.) 11.60% for the period November 1, 2008 through May 31, 2009; (ii.) 11.64% for the period June 1, 2009 through May 31, 2010; (iii.) 11.68% on June 1, 2010 through May 31, 2011 and thereafter. No change in ROE will be made absent a filing at FERC.
PBOP expense is fixed until changed as the result of a filing at FERC.
Depreciation rates shown in Attachment 9 are fixed until changed as the result of a filing at FERC.
Upon request, PPL Electric Utilities Corporation will provide workpapers at the annual update to reconcile formula depreciation expense and depreciation accruals to Form No. 1 amounts.
As set forth in Attachment 5, added to the depreciation expense will be actual removal costs (net of salvage) amortized over five years.
Within five years from the effective date of the Settlement filed in Docket No. ER08-1457, PPL Electric shall make a filing to update its depreciation rates and to continue treatment of the actual removal costs contained in the Formula Rate. In such filing, PPL Electric shall bear the burden of proof under Section 205 of the Federal Power Act to demonstrate that its depreciation rates and its treatment of the actual removal costs in the Formula Rate are just and reasonable.
Notwithstanding this requirement, PPL Electric may, at any time prior to the expiration of such five-year period from the effective date of the Settlement, make a Section 205 filing to update its depreciation rates, but shall not be required to demonstrate that its treatment of the actual removal costs in the Formula Rate is just and reasonable.
- K Education and outreach expenses related to transmission (e.g., siting or billing).
- L As provided for in Section 34.1 of the PJM OATT, the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- M Amount of transmission plant excluded from rates per Attachment 5.
- N Includes only charges incurred for system integration, such as those under the EHV Agreement, and transmission costs paid to others that benefit transmission customers.
- O Amounts associated with transition bonds issued to securitize the recovery of retail stranded costs are removed from account balances, pursuant to an Order entered by the Pennsylvania Public Utility Commission on May 21, 1999 at Docket No. R-00994637, in accordance with Pennsylvania's Electric Generation Customer Choice and Competition Act.
- P Any gain from the sale of land included in Land Held for Future Use in the Formula Rate received during the Rate Year shall be used to reduce the ATRR in the Rate Year. The Formula Rate shall not include any losses on sales of such land.

PPL Electric Utilities Corporation

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	Page 263 Col (i)	Allocator	Allocated Amount
Plant Related			
		Net Plant Allocator	
1 Real Property (State, Municipal or Local)	712,329		
2 PURTA	4,100,000		
3			
4			
5			
6			
7			
8 Total Plant Related	4,812,329	21.0848%	1,014,670
Labor Related			
		Wages & Salary Allocator	
9 Federal FICA	6,606,443		
10 Federal Unemployment	67,766		
11 State Unemployment	238,982		
12			
13			
14 Total Labor Related	6,913,191	10.0969%	698,017
Other Included			
		Net Plant Allocator	
15 PA Capital Stock Tax	2,449,998		
16 PA Capital Stock Tax on Securitization Bonds (Source: Attachment 8)	(14,376)		
17			
18			
19 Total Other Included	2,435,622	21.0848%	513,546
20 Total Included (Lines 8 + 14 + 19)	14,161,142		2,226,233
Currently Excluded			
21 Gross Receipts	197,973,591		
22 Sales and Use	(2,140,126)		
23			
24			
25			
26			
27			
28 Subtotal, Excluded	195,833,465		
29 Total, Included and Excluded (Line 20 + Line 28)	209,994,607		
30 Total Other Taxes from p114.14.c less Tax on Securitization Bonds	209,994,607		
31 Difference (Line 29 - Line 30)	-		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant, including transmission plant, will be allocated based on the Net Plant Allocator. If the taxes are 100% recovered at retail, they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail, they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes, except as provided for in A, B and C above, which are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service, will be allocated based on the Net Plant Allocator; provided, however, that overheads shall be treated, as described in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

PPL Electric Utilities Corporation

Attachment 3 - Revenue Credit Worksheet

Account 454 - Rent from Electric Property		
1	Rent from Electric Property - Transmission Related	1,098,000
Account 456 - Other Electric Revenues (Note 1)		
2	Transmission for Others (Note 3)	-
3	Schedule 12 Revenues (Note 3)	1,236,538
4	Schedule 1A	2,712,128
5	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (Note 3)	-
6	Point-to-Point Service revenues for which the load is not included in the divisor received by Transmission Owner (e.g. Schedule 8)	3,463,414
7	Professional Services provided to others	77,052
8	Facilities Charges including Interconnection Agreements (Note 2)	3,945,840
9	Gross Revenue Credits (Sum Lines 1-10)	12,532,972
10	Amount offset from Note 3 below	-
11	<p>Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula, will be included as a revenue credit or included in the peak on line 150 of Appendix A.</p>	
12	<p>Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.</p>	
13	<p>Note 3: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support, e.g., revenues associated with distribution facilities. In addition, Revenues from Schedule 12 are not included in the total above to the extent they are credited directly by PJM to zonal customers.</p>	

PPL Electric Utilities Corporation

Attachment 4 - Calculation of 100 Basis Point Increase in ROE

A	Return and Taxes with 100 Basis Point increase in ROE 100 Basis Point increase in ROE and Income Taxes	Line 29 + Line 39 from below	78,986,485
B	100 Basis Point increase in ROE		1.00%

Return Calculation

		Appendix A Line or Source Reference	
1	Rate Base	(Attachment A Line 46)	666,466,369
	Long Term Interest		
2	Long Term Interest	(Attachment A Line 80)	100,602,830
3	Less LTD Interest on Securitization Bonds	Attachment 8	13,186,553
4	Long Term Interest	(Line 2 - Line 3)	87,416,277
5	Preferred Dividends	enter positive	
		p118.29.c	18,069,981
	Common Stock		
6	Proprietary Capital	p112.16.c	1,645,074,908
7	Less Accumulated Other Comprehensive Income Account 219	p112.15.c	25,630
8	Less Preferred Stock	(Attachment A Line 86)	300,518,900
9	Less Account 216.1	p112.12.c	6,000,130
10	Common Stock	(Line 6 - 7 - 8 - 9)	1,338,530,248
	Capitalization		
11	Long Term Debt	p112.18.c, 19.c & 21.c	1,769,625,000
12	Less Loss on Reacquired Debt	p111.81.c	26,228,614
13	Plus Gain on Reacquired Debt	p113.61.c	0
14	Less LTD on Securitization Bonds	Attachment 8	0
15	Total Long Term Debt	(Line 11 - 12 + 13 - 14)	1,743,396,386
16	Preferred Stock	p112.3.c	300,518,900
17	Common Stock	(Line 10)	1,338,530,248
18	Total Capitalization	(Sum Lines 15 to 17)	3,382,445,534
19	Debt %	Total Long Term Debt (Line 15 / Line 18)	51.5%
20	Preferred %	Preferred Stock (Line 16 / Line 18)	8.9%
21	Common %	Common Stock (Line 17 / Line 18)	39.6%
22	Debt Cost	Total Long Term Debt (Line 4 / Line 15)	0.0501
23	Preferred Cost	Preferred Stock (Line 5 / Line 16)	0.0601
24	Common Cost	Common Stock Fixed	0.1260
25	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 19 * Line 22)	0.0258
26	Weighted Cost of Preferred	Preferred Stock (Line 20 * Line 23)	0.0053
27	Weighted Cost of Common	Common Stock (Line 21 * Line 24)	0.0499
28	Rate of Return on Rate Base (ROR)	(Sum Lines 25 to 27)	0.0810
29	Investment Return = Rate Base * Rate of Return	(Line 1 * Line 28)	54,015,889

Composite Income Taxes

	Income Tax Rates		
30	FIT=Federal Income Tax Rate		35.00%
31	SIT=State Income Tax Rate or Composite		9.99%
32	p = percent of federal income tax deductible for state purposes	Per State Tax Code	0.00%
33	T	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	41.49%
34	CIT = T / (1-T)		70.92%
35	1 / (1-T)		170.92%
	ITC Adjustment		
36	Amortized Investment Tax Credit	Attachment 5	(656,727)
37	ITC Adjust. Allocated to Trans. - Grossed Up	(Line 36 * (1 / (1 - Line 33)))	-1,122,486
38	Income Tax Component =	$CIT=(T/(1-T)) * Investment\ Return * (1-(WCLTD/R)) =$	26,093,081
39	Total Income Taxes		24,970,595

PPL Electric Utilities Corporation

Attachment 5 - Cost Support

ITC Adjustment

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related	Non-transmission Related	Details
113	Amortized Investment Tax Credit		Company Records	-2,185,697	-656,727	-1,528,970	Enter Negative

Transmission / Non-transmission Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related Major Items	Transmission Related Minor Items	Non-transmission Related	Details
24	Land Held for Future Use	(Note C)	p214.d - p214.6.d & Company Records	32,683,075	25,608,328	4,137,933	2,936,814	Removal of land held for future use (if any) that is included in CWIP balance Gains from the sale of Land Held for Future Use Balance for Appendix A
		(Note P)	Company Records		0	0		
					25,608,328	4,137,933		

Adjustments to A & G Expense

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Total	Prior Period Adjustment	Adjusted Total	Details
Allocated Administrative & General Expenses							
53	Fixed PBOP expense		FERC Authorized	10,028,618			Current year actual PBOP expense Annual Premium associated with storm insurance excluding recoveries related to prior periods. (See FM 1 note to page 320 line 185)
54	Actual PBOP expense		Company Records	12,537,495			
65	Property Insurance Account 924		p323.185.b	2,116,743	6,041,184	8,157,927	

Regulatory Expense Related to Transmission Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Transmission Related	Non-transmission Related	Details
Directly Assigned A&G							
62	Regulatory Commission Exp Account 928	(Note G)	p350-151h	5,162,822	0	5,162,822	

Safety Related Advertising Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Safety Related	Non-safety Related	Details
Directly Assigned A&G							
66	General Advertising Exp Account 930.1	(Note F)	p323.191.b	-	-	-	

MultiState Workpaper

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
Income Tax Rates									
109	SIT=State Income Tax Rate or Composite	(Note I)		PA 9.99%					

Education and Out Reach Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions				Form No. 1 Amount	Education & Outreach	Other	Details
Directly Assigned A&G							
63	General Advertising Exp Account 930.1	(Note K)	p323.191.b	-	-	-	

PPL Electric Utilities Corporation

Attachment 5 - Cost Support

Excluded Plant Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			Excluded Transmission Facilities	Description of the Facilities
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities				
127	Excluded Transmission Facilities	(Note M)		General Description of the Facilities
Instructions:			Enter \$	
1 Remove all investment below 69 kV or generator step-up transformers included in transmission plant in service that are not a result of the RTEP process			0	None
2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher, as well as below 69 kV, the following formula will be used:			Or	
Example			Enter \$	
A	Total investment in substation	1,000,000		
B	Identifiable investment in Transmission (provide workpaper)	500,000		
C	Identifiable investment in Distribution (provide workpapers)	400,000		
D	Amount to be excluded (A x (C / (B + C)))	444,444		
Add more lines if necessary				

Prepayments and Prepaid Pension Asset

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			Form No. 1 Amount	Prepayments on Securitization Bonds Adjustment	POLR and Retail Related Adjustment	Prepayments	W&S Allocator	Functionalized to TX	Description of the Prepayments
36	Prepayments	(Note A) (Note O) Form 1 -- p111.57.c	18,627,466	0	14,219,565	4,407,901	10.0969%	445,061	Less amounts related to POLR, Retail Issues and Bond Securitization.

Adjustments to Transmission O&M

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			Total	Adjustments	Transmission Related	Details
47	Transmission O&M	p.321.112.b	178,070,434	4,205,757	173,864,677	Adjustment for Ancillary Services p321.88b and p321.92b.
48	Less Account 565	p.321.96.b	146,916,352	0	146,916,352	None

Facility Credits under Section 30.9 of the PJM OATT

Appendix A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Amount	Description & PJM Documentation
Net Revenue Requirement				
147	Facility Credits under Section 30.9 of the PJM OATT		-	None

PJM Load Cost Support

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			1 CP Peak	Description & PJM Documentation
Network Zonal Service Rate				
149	1 CP Peak	(Note L) PJM Data	7,509.5	

Depreciation Expense

Appendix A Line #s, Descriptions, Notes, Form No. 1 Page #s and Instructions			Total	Actual Cost of Removal, Net of Salvage Costs					Total	5 - Year Amortization
				Year 1 2003	Year 2 2004	Year 3 2005	Year 4 2006	Year 5 2007		
71	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note J) Company Records	18,402,670							
	Transmission Plant Cost of Removal, Net of Salvage	(Note J) Company Records	1,373,293	1,433,493	1,671,456	700,295	1,574,348	1,486,873	6,866,465	1,373,293
	Total Transmission Depreciation Expense Including Amortization of Limited Term I	(Note J) Company Records	19,775,963							
72	General Depreciation Expense Including Amortization of Limited Term Plant	(Note J) Company Records	18,115,552							
	General Plant Cost of Removal, Net of Salvage	(Note J) Company Records	657,260	677,327	756,647	432,927	724,278	695,120	3,286,299	657,260
	Total General Depreciation Expense Including Amortization of Limited Term Plant	(Note J) Company Records	18,772,812							

PPL Electric Utilities Corporation
Attachment 6 - Estimate and Reconciliation Worksheet

Step Month Year Action

Exec Summary

- 1 April Year 2 TO populates the formula with Year 1 data from FERC Form No. 1 data for Year 1 (e.g., 2007)
- 2 April Year 2 TO estimates all transmission Cap Adds and CWP for Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2008)
- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
- 4 May Year 2 Post results of Step 3 on PJM web site
- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g., June 1, 2008 - May 31, 2009)
- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form No. 1 for Year 2 (e.g., 2008)
- 7 April Year 3 Reconciliation - TO calculates Reconciliation by removing from Year 2 data - the total Cap Adds placed in service in Year 2 and adding weighted average in Year 2 actual Cap Adds and CWP in Reconciliation (adjusted to include any Reconciliation amount from prior year)
- 8 April Year 3 TO estimates Cap Adds and CWP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2009)
- 9 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)
- 10 May Year 3 Post results of Step 9 on PJM web site
- 11 June Year 3 Results of Step 9 go into effect for the Rate Year 2 (e.g., June 1, 2009 - May 31, 2010)

- 1 April Year 2 TO populates the formula with Year 1 data from FERC Form No. 1 data for Year 1 (e.g., 2007)
5 142,227,847 Rev Req based on Year 1 data Must run Appendix A to get this number (with inputs in lines 16, 17 or 35 of Appendix A)
- 2 April Year 2 TO estimates all transmission Cap Adds and CWP for Year 2 weighted based on Months expected to be in service in Year 2 (e.g., 2008)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	Total
	Monthly Additions Other Plant in Service	Monthly Additions Housack Wavetrp (b0172.1)	Monthly Additions Alburts Wavetrp (b0172.1)	Monthly Additions S. Alcon Berks Rebuild (b0074)	Monthly Additions Suq Rose CWP (b0487)	Monthly Additions Suq Rose PIS (b0487)	Weighting	Other Plant in Service Amount (A x G)	Housack Wavetrp Amount (B x G)	Alburts Wavetrp Amount (C x G) (b0172.1)	S. Alcon Berks Rebuild Amount (D x G) (b0074)	Suq Rose CWP Amount (E x G) (b0487)	Suq Rose PIS Amount (F x G) (b0487)	Other Plant in Service (H / I)	Housack Wavetrp (J / I)	Alburts Wavetrp (K / I)	S. Alcon Berks Rebuild (L / I)	Suq Rose CWP (M / I)	Suq Rose PIS (N / I)	
CWP Balance Dec (prior yr)					250,168		12					3,002,016							250,168	
Jan	3,014,337			8,938	48,962		11.5	34,664,876	-	-	102,787	563,063	-	2,888,740	-	-	-	8,566	48,922	-
Feb	849,762			5,021	90,256		10.5	8,922,250	-	-	52,721	968,738	-	743,542	-	-	-	4,993	79,262	-
Mar	(141,968)			17,302,111	255,682		9.5	(1,538,679)	-	-	165,100,055	2,429,078	-	(128,223)	-	-	-	13,360,888	202,423	-
Apr	1,709,242			(78,486)	16,710		8.5	14,528,557	-	-	(667,131)	1,424,685	-	1,270,713	-	-	-	(55,549)	118,724	-
May	2,608,643	85,555	53,657	17,333,182	240,528		7.5	19,564,823	641,663	402,428	129,998,865	1,803,960	-	1,630,402	53,472	33,536	-	10,833,239	150,130	-
Jun	3,112,150	670	588	278,668	242,017		6.5	20,228,975	4,365	3,692	1,813,342	1,572,111	-	1,685,748	363	308	-	150,945	131,993	-
Jul	6,464,842	1	1,344	98,786	296,029		5.5	35,566,521	6	3,392	542,323	1,629,275	-	2,963,878	0	636	-	45,277	156,465	-
Aug	380,000			287,876			4.5	1,710,000	-	-	1,295,442	-	-	142,500	-	-	-	-	107,954	-
Sep	2,910,317			287,876			3.5	10,186,110	-	-	-	1,007,566	-	848,842	-	-	-	-	83,964	-
Oct	1,182,130			287,876			2.5	2,755,265	-	-	739,690	-	-	229,616	-	-	-	-	59,914	-
Nov	266,000			287,876			1.5	429,000	-	-	-	-	-	35,750	-	-	-	-	35,985	-
Dec	1,182,000			287,876			0.5	591,000	-	-	143,938	-	-	49,250	-	-	-	-	11,995	-
Total	23,499,257	86,226	55,549	35,028,220	3,030,752			147,609,020	646,023	415,512	296,971,961	16,971,311	-	12,300,752	53,835	34,459	-	24,747,663	1,414,276	-
New Transmission Plant Additions and CWP (weighted by months in service)														12,300,752	53,835	34,459	-	24,747,663	1,414,276	-
														Input to Line 17 of Appendix A						37,136,710
														Input to Line 35 of Appendix A						1,414,276
														Month in Service or Month for CWP	5.71	4.51	4.56	3.52	6.40	1,414,276

- 3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
5 147,227,188 Must run Appendix A to get this number (with inputs on lines 17 and 35 of Attachment A)
- 4 May Year 2 Post results of Step 3 on PJM web site
5 147,227,188 Must run Appendix A to get this number (with inputs on lines 17 and 35 of Attachment A)
- 5 June Year 2 Results of Step 3 go into effect for the Rate Year 1 (e.g., June 1, 2008 - May 31, 2009)
5 147,227,188

- 6 April Year 3 TO populates the formula with Year 2 data from FERC Form No. 1 for Year 2 (e.g., 2008)
5 131,764,202 Rev Req based on Prior Year data Must run Appendix A to get this number (with inputs in lines 16, 17 or 35 of Appendix A)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	Total
	Monthly Additions Other Plant in Service	Monthly Additions Housack Wavetrp (b0172.1)	Monthly Additions Alburts Wavetrp (b0172.1)	Monthly Additions S. Alcon Berks Rebuild (b0074)	Monthly Additions Suq Rose CWP (b0487)	Monthly Additions Suq Rose PIS (b0487)	Weighting	Other Plant in Service Amount (A x G)	Housack Wavetrp Amount (B x G)	Alburts Wavetrp Amount (C x G) (b0172.1)	S. Alcon Berks Rebuild Amount (D x G) (b0074)	Suq Rose CWP Amount (E x G) (b0487)	Suq Rose PIS Amount (F x G) (b0487)	Other Plant in Service (H / I)	Housack Wavetrp (J / I)	Alburts Wavetrp (K / I)	S. Alcon Berks Rebuild (L / I)	Suq Rose CWP (M / I)	Suq Rose PIS (N / I)	
CWP Balance Dec (prior yr)					250,168		12					3,002,016							250,168	
Jan	3,003,602			8,938	48,548		11.5	34,541,424	-	-	102,787	558,302	-	2,878,452	-	-	-	8,566	46,525	-
Feb	849,762			5,021	90,093		10.5	8,922,250	-	-	52,721	965,977	-	743,542	-	-	-	4,993	78,031	-
Mar	(141,968)			17,302,111	255,108		9.5	(1,538,681)	-	-	165,100,055	2,425,528	-	(128,223)	-	-	-	13,360,888	201,941	-
Apr	1,709,242			(78,486)	16,624		8.5	14,528,553	-	-	(667,131)	1,472,734	-	1,270,713	-	-	-	(55,549)	117,728	-
May	2,641,805	85,555	53,657	17,131,847	239,348		7.5	19,813,541	641,663	402,428	128,488,853	1,795,110	-	1,651,128	53,472	33,536	-	10,707,404	149,593	-
Jun	3,112,150	670	588	278,668	235,221		6.5	20,228,975	4,365	3,692	1,813,342	1,651,587	-	1,685,748	363	308	-	150,945	138,299	-
Jul	6,464,842	1	1,344	98,786	289,101		5.5	35,566,521	6	3,392	542,323	1,700,066	-	2,963,878	0	636	-	45,277	143,671	-
Aug	380,000			287,876			4.5	1,710,000	-	-	2,894	1,649,237	-	780,994	-	-	-	241	137,436	-
Sep	2,910,317			287,876			3.5	10,186,110	-	-	20,986	3,107,475	-	2,965,108	-	1,749	-	258,956	248,759	-
Oct	1,182,130			287,876			2.5	2,755,265	-	-	74,355	1,663,713	-	174,275	-	-	-	6,196	135,559	-
Nov	266,000			287,876			1.5	429,000	-	-	40,148	1,397,558	-	1,003,431	-	-	-	3,346	116,463	-
Dec	1,182,000			287,876			0.5	530,789	200	(71)	1,198,790	-	-	460,899	-	-	-	(62)	46,616	-
Total	35,304,058	86,626	62,067	35,870,494	5,534,456			134,421,181	646,223	437,321	299,174,900	21,715,316	-	11,201,765	53,852	36,443	-	24,931,242	1,809,610	-
New Transmission Plant Additions and CWP (weighted by months in service)														11,201,765	53,852	36,443	-	24,931,242	1,809,610	-
														Input to Line 17 of Appendix A						36,223,302
														Input to Line 35 of Appendix A						1,809,610
														Month in Service or Month for CWP	8.19	4.54	4.95	3.66	8.08	1,809,610

- 5 127,829,473 Result of Formula for Reconciliation Must run Appendix A to get this number (with inputs in lines 16, 17 and 35 of Appendix A)
(Year 2 data with total of Year 2 Cap Adds removed and monthly weighted average of Year 2 actual Cap Adds added #)

- 8 April Year 3 Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Line 5 with interest to the result of Step 7 (this difference is also added to Step 8 in the subsequent year)

The Reconciliation in Step 8		The forecast in Prior Year	
Month	Yr	1/12 of Step 8 (See Note #1)	Interest rate for March of the Current Yr
Jun	Year 1	0.3800%	11.5
Jul	Year 1	0.3800%	10.5
Aug	Year 1	0.3800%	9.5
Sep	Year 1	0.3800%	8.5
Oct	Year 1	0.3800%	7.5
Nov	Year 1	0.3800%	6.5

Note #1: For the initial rate year, enter zero for the first five months.
June Year 1 through October Year 1. Enter 1/12 of Step 8 for the months Year 1 through May Year 2.

Attachment 7 - Transmission Enhancement Charge Worksheet

1	New Plant Carrying Charge			
2	Fixed Charge Rate (FCR) if not a CIAC			
3	Formula Line			
4	A	137	Net Plant Carrying Charge without Depreciation	18.9349%
5	B	144	Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation	19.6427%
6	C		Line B less Line A	0.7078%
7	FCR if a CIAC			
8	D	138	Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes	7.2400%

The FCR resulting from Formula in a given year is used for that year only.
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

Totals		Susquehanna - Roseland CWP (0487)				Susquehanna - Roseland PS (0487)				Housack Wavetrap (0171.2)				Alburis Wavetrap (0172.1)				S. Akron - Berks Rebuild (0074)											
10	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)		Yes		Yes		Yes		Yes		Yes		Yes		Yes		Yes											
11	Useful life of the project	42.00		42.00		42.00		42.00		42.00		42.00		42.00		42.00		42.00											
12	"Yes" if the customer has paid a lumpsum payment in the amount of the investment on line 29, Otherwise "No"	No		No		No		No		No		No		No		No		No											
13	Input the allowed increase in ROE	125		125		125		125		125		125		125		125		125											
14	From line 3 above if "No" on line 13 and from line 7 above if "Yes" on line 13	18.9349%		18.9349%		18.9349%		18.9349%		18.9349%		18.9349%		18.9349%		18.9349%		18.9349%											
15	Line 14 plus (line 5 times line 15)/10C	19.6427%		19.6427%		19.6427%		19.6427%		19.6427%		19.6427%		19.6427%		19.6427%		19.6427%											
16	Project subaccount of Plant in Service Account 101 or 10 if not yet classified	5,534,456						86,626		62,067		62,067		35,870,494		35,870,494													
17	Line 17 divided by line 12	131.773						7.663		1.478		1.478		854.959		854.959													
18	Month in which project is placed in service (e.g. Jan=1)	8.08						4.54		4.95		4.95		3.66		3.66													
19		Invest Yr	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Beginning	Depreciation	Ending	Revenue	Total	Incentive Charged	Revenue Credit								
20	W 11.6 % ROE	2008	5,534,456	-	5,534,456	429,976	-	-	-	-	86,626	1,454	85,172	12,824	62,067	991	61,076	8,745	35,870,494	664,773	35,205,721	5,853,497	\$	6,305,041	\$	6,325,133	\$	6,305,041	
21	W Increased ROE	2008	5,534,456	-	5,534,456	450,068	-	-	-	-	86,626	1,454	85,172	12,824	62,067	991	61,076	8,745	35,870,494	664,773	35,205,721	5,853,497	\$	6,325,133	\$	6,325,133	\$	6,325,133	
22	W 11.6 % ROE	2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
23	W Increased ROE	2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
24	W 11.6 % ROE	2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
25	W Increased ROE	2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
26	W 11.6 % ROE	2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
27	W Increased ROE	2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
28	W 11.6 % ROE	2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
29	W Increased ROE	2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
30	W 11.6 % ROE	2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
31	W Increased ROE	2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
32	W 11.6 % ROE	2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
33	W Increased ROE	2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
34	W 11.6 % ROE	2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
35	W Increased ROE	2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
36	W 11.6 % ROE	2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
37	W Increased ROE	2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
38	W 11.6 % ROE	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
39	W Increased ROE	2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
40	W 11.6 % ROE	2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
41	W Increased ROE	2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
42	W 11.6 % ROE	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
43	W Increased ROE	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
44	W 11.6 % ROE	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
45	W Increased ROE	2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
46	W 11.6 % ROE	2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
47	W Increased ROE	2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
48	W 11.6 % ROE	2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
49	W Increased ROE	2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
50	W 11.6 % ROE	2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
51	W Increased ROE	2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
52	W 11.6 % ROE	2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
53	W Increased ROE	2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
54	W 11.6 % ROE	2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
55	W Increased ROE	2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
56	W 11.6 % ROE	2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
57	W Increased ROE	2026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
58	W 11.6 % ROE	2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
59	W Increased ROE	2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
60	W 11.6 % ROE	2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
61	W Increased ROE	2027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-
62			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$	-	\$	-	\$	-

On the formulas used in the Columns for lines 22+ are as follows

For Plant in service: (first year means first year the project is placed in service)

"Beginning" is the investment on line 17 for the first year and is the "Ending" for the prior year after the first year

"Depreciation" is the annual depreciation in line 18 divided by twelve times the difference of thirteen minus line 19 in the first year and line 18 thereafter if "no" on line 13. "Depreciation" is "0" (zero) if "Yes" on line 13

"Ending" is "Beginning" less "Depreciation"

Revenue is "Ending" times line 16 for the current year times the quotient line 19 divided by 13 plus "Depreciation" for the first year and "Ending" times line 16 plus "Depreciation" thereafter

For CWIP:

Beginning is the line 17 for that year

Depreciation is not used

Ending is the same as Beginning

Revenue is Ending times line 16 for the current year

PPL Electric Utilities Corporation

Attachment 8 - Company Exhibit - Securitization Worksheet

Line #			
	Prepayments		
36	Less Prepayments on Securitization Bonds	0	(See FM 1, note to page 110, line 57)
	Administrative and General Expenses		
52	Less Administrative and General Expenses on Securitization Bonds	222,427	(See FM 1, note to page 114, line 4)
	Taxes Other Than Income		
78	Less Taxes Other Than Income on Securitization Bonds	14,376	(See FM 1, note to page 114, line 14)
	Long Term Interest		
81	Less LTD Interest on Securitization Bonds	13,186,553	(See FM 1, note to page 114, lines 62 + 63)
	Capitalization		
92	Less LTD on Securitization Bonds	0	(See FM 1, note to page 112, line 18)

Calculation of the above Securitization Adjustments

The amounts above are associated with transition bonds issued to securitize the recovery of retail stranded costs, pursuant to an Order entered by the Pennsylvania Public Utility Commission on May 21, 1999 at Docket No. R-00994637, in accordance with Pennsylvania's Electric Generation Customer Choice and Competition Act.

PPL Electric Utilities Corporation

Attachment 9 - Depreciation Rates

Account Number	Plant Type	Applied Deprec. Rate (%)
Transmission		
350.4	Land Rights	2.30
352	Structures and Improvements	2.95
353	Station Equipment	3.02
354	Towers and Fixtures	2.41
354.2	Towers and Fixtures - Clearing Land and Rights of Way	2.21
355	Poles and Fixtures	2.84
355.2	Poles and Fixtures - Clearing Land and Rights of Way	2.17
356	Overhead Conductors and Devices	2.87
357	Underground Conduit	3.76
358	Underground Conductors and Devices	4.90
359	Roads and Trails	2.03
General		
389.4	Land Rights	3.12
390.2	Structures and Improvements - Buildings	1.92
390.4	Structures and Improvements - Air Conditioning	4.82
391.2	Office Furniture and Equipment - Furniture	5.00
391.4	Office Furniture and Equipment - Mechanical Equipment	6.67
391.6	Office Furniture and Equipment - Computer Equipment - General	20.00
391.8	Office Furniture and Equipment - Computer Equipment - Power Mgt System	14.28
392.1	Transportation Equipment - 5 Years	31.58
392.2	Transportation Equipment - 8 Years	25.75
392.3	Transportation Equipment - 10 Years	17.77
392.4	Transportation Equipment - Trailers	7.20
392.5	Transportation Equipment - 15 Years	9.67
392.6	Transportation Equipment - 20 Years	7.18
393	Store Equipment	4.00
394	Tools, Shop and Garage Equipment - Distribution Line Crews	5.00
394.2	Tools, Shop and Garage Equipment - Tools	5.00
394.4	Tools, Shop and Garage Equipment - Construction Department	5.00
394.6	Tools, Shop and Garage Equipment - Other	5.00
394.8	Tools, Shop and Garage Equipment - Garage Tools Support	5.00
395	Laboratory Equipment	5.00
396	Power Operated Equipment	6.67
397	Communication Equipment	6.67
398	Miscellaneous Equipment	5.00
Intangible		
303.2	Intangible Computer Software	20.00
303.4	Other Amortized Property	6.67